

FORTY-NINTH DAY

St. Paul, Minnesota, Monday, May 9, 1983

The Senate met at 9:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. M.E. Sandness.

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

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

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos: 372, 1198, 568, 948, 689, 900, 927 and 824.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 5, 1983

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the con-

currence of the Senate is respectfully requested:

S.F. No. 398: A bill for an act relating to vulnerable adults; refining the Vulnerable Adults Reporting Act; specifying reporting requirements; specifying access to reports; preventing record destruction; amending Minnesota Statutes 1982, section 626.557, subdivisions 2, 3, 4, 10, 12, 14, and by adding a subdivision; repealing Minnesota Statutes 1982, section 626.557, subdivision 12a.

Senate File No. 398 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 5, 1983

Mr. Moe, R.D. moved that S.F. No. 398 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 639: A bill for an act relating to energy; changing a cross-reference for nonpublic data reporting; amending the definition of "earth sheltered"; changing the due date of biennial energy reports; amending Minnesota Statutes 1982, sections 13.68, subdivision 1; 116J.06, subdivision 2; and 116J.18, subdivision 1.

Senate File No. 639 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 5, 1983

Mr. Frank moved that the Senate do not concur in the amendments by the House to S.F. No. 639, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President

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

S.F. No. 755: A bill for an act relating to agriculture; making changes in the artificial dairy products act; amending Minnesota Statutes 1982, sections 32.53; 32.531; 32.5311; 32.532; 32.533; and proposing new law coded in Minnesota Statutes, chapter 32.

Senate File No. 755 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 5, 1983

Mr. Bertram moved that S.F. No. 755 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 843: A bill for an act relating to veterans; authorizing the commissioner of veterans affairs to accept gifts; revising the procedure for purchasing veterans grave markers; authorizing an imprest cash fund at veterans homes; providing for the disposal of abandoned property of veterans at veterans homes; amending Minnesota Statutes 1982, section 197.23; proposing new law coded in Minnesota Statutes, chapter 198; and repealing Minnesota Statutes 1982, section 198.055.

Senate File No. 843 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 5, 1983

CONCURRENCE AND REPASSAGE

Mr. DeCramer moved that the Senate concur in the amendments by the House to S.F. No. 843 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 843: A bill for an act relating to veterans; authorizing the commissioner of veterans affairs to accept gifts; revising the procedure for purchasing veterans grave markers; authorizing an imprest cash fund at veterans homes; providing for the disposal of abandoned property of veterans at veterans homes; amending Minnesota Statutes 1982, section 197.23; proposing new law coded in Minnesota Statutes, chapters 196 and 198; and repealing Minnesota Statutes 1982, section 198.055.

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

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

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

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Moe, D. M.	Ramstad
Anderson	Davis	Jude	Moe, R. D.	Reichgott
Belanger	DeCramer	Kamrath	Novak	Schmitz
Benson	Dieterich	Knaak	Olson	Storm
Berg	Frank	Kroening	Pehler	Stumpf
Berglin	Frederick	Kronebusch	Peterson, D.C.	Taylor
Bernhagen	Frederickson	Lessard	Peterson, D.L.	Ulland
Bertram	Freeman	Luther	Petty	Vega
Brataas	Hughes	McQuaid	Pogemiller	Waldorf
Chmielewski	Isackson	Mehrkens	Purfeerst	Wegscheid

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following

Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 892: A bill for an act relating to insurance; authorizing the establishment of joint self-insurance employee health plans; providing administrative, trust, bonding, investment, and reporting requirements; establishing a quarterly revenue fee; proposing new law coded as Minnesota Statutes, chapter 62H.

Senate File No. 892 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 5, 1983

Mr. Petty moved that the Senate do not concur in the amendments by the House to S.F. No. 892, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 50: A bill for an act relating to crimes; providing for new crimes relating to abuse of children; establishing willful and unlawful restraint as a crime; establishing malicious punishment as a crime; establishing neglect as a crime; providing penalties; amending Minnesota Statutes 1982, sections 260.315; 609.255; and 626.556, subdivision 12; proposing new law coded in Minnesota Statutes, chapter 609.

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

Clark, J.; Nelson, K. and Forsythe.

Senate File No. 50 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 5, 1983

Mr. President:

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

S.F. No. 92: A bill for an act relating to towns, cities, and counties; requiring other government units to give notice to towns, cities, and counties of actions that affect land use or taxation; proposing new law coded in Minnesota Statutes, chapter 471.

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

Wenzel, Levi and Sparby.

Senate File No. 92 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 5, 1983

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 149.

H.F. No. 149: A bill for an act relating to natural resources; clarifying the hunting of certain animals with dogs; amending Minnesota Statutes 1982, section 98.46, subdivision 2.

And the House respectfully requests that a Conference Committee of three members be appointed thereon:

Sviggum, Kahn and Beard have been appointed as such committee on the part of the House.

House File No. 149 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 5, 1983

Mr. Mehrkens moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 149, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 582.

H.F. No. 582: A bill for an act relating to corrections; clarifying the powers of the commissioner of corrections; limiting certain inmate functions; authorizing the use of necessary force to prevent escape; providing for the costs of transporting juvenile delinquents committed to the commissioner of corrections; providing for supervision of gross misdemeanor probations; removing archaic language; amending Minnesota Statutes 1982, sections 241.01, subdivision 3a; 241.23; 242.31, subdivisions 1 and 3; 243.17, subdivision 1; 243.52; 243.58; 243.62; 609.135, subdivision 1; and 624.714, subdivision 13.

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

Kelly; Clark, J. and Bishop have been appointed as such committee on the part of the House.

House File No. 582 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 5, 1983

Mr. Pogemiller moved that the Senate accede to the request of the House

for a Conference Committee on H.F. No. 582, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 610.

H.F. No. 610: A bill for an act relating to financial institutions; industrial loan and thrift companies; regulated loans; enlarging the group of institutions which may utilize electronic fund transfer facilities; modifying the capital and reserve limitation on loans by industrial loan and thrift companies; permitting loan and thrifts and regulated lenders to take discount points in certain circumstances; authorizing loan and thrifts to receive savings accounts and savings deposits subject to certain prescribed conditions; regulating loan splitting; eliminating the receipt requirement for money orders; standardizing certain penalties; excepting loan and thrifts and regulated lenders from the licensing requirements for real estate brokers and salespersons; amending Minnesota Statutes 1982, sections 47.61, subdivision 4; 47.64, subdivision 1; 48.196; 53.03, subdivision 5; 53.04, subdivisions 3a and 5; 53.05; 53.07, subdivision 2; 53.10; 56.131, subdivision 3, and by adding a subdivision; 56.14; 56.19, subdivision 1; 80A.15, subdivision 1; and 82.18; repealing Minnesota Statutes 1982, section 56.19, subdivision 2.

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

Berkelman, Rice and Metzen have been appointed as such committee on the part of the House.

House File No. 610 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 5, 1983

Mr. Wegscheid moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 610, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 653.

H.F. No. 653: A bill for an act relating to elections; making numerous procedural changes in the election law; removing or clarifying obsolete and inappropriate language; rearranging certain provisions; amending Minnesota Statutes 1982, sections 201.061, subdivision 3; 203B.11; 203B.12, subdivision 2; 204B.31; 204B.33; 204B.36, subdivision 2; 204C.08, subdivision 1; 204C.10, subdivision 1; 204C.12, subdivisions 3 and 4; 204C.24, subdivision 1; 204C.25; 204C.35; 204D.11, subdivision 5;

204D.13, subdivision 3; 205.17, subdivisions 3 and 4; 206.11; 206.19, subdivision 1; 210A.39; proposing new law coded in Minnesota Statutes, chapter 204C; repealing Minnesota Statutes 1982, section 204B.06, subdivision 3.

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

Osthoff, Minne and Omann have been appointed as such committee on the part of the House.

House File No. 653 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 5, 1983

Mr. Hughes moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 653, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 360, 636, 916, 973 and 1067.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 5, 1983

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 1283.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 6, 1983

FIRST READING OF HOUSE BILLS

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

H.F. No. 360: A bill for an act relating to education; transferring authority for appointing the commissioner of education from the state board of education to the governor; amending Minnesota Statutes 1982, section 121.16.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 289, now on Special Orders.

H.F. No. 636: A bill for an act relating to local government; authorizing sewer and water commissions to obtain accountant services; permitting the sale of certain county property; amending Minnesota Statutes 1982, section 116A.24, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 472, now on Special Orders.

H.F. No. 916: A bill for an act relating to economic development; creating a preference for Minnesota residents in the awarding of public contracts; creating a preference for Minnesota labor and materials; proposing new law coded in Minnesota Statutes, chapter 16.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 906, now on Special Orders.

H.F. No. 973: A bill for an act relating to commerce; securities and real estate; modifying the definition of "investment adviser"; clarifying the definitions of "trust account" and investment metal contract; defining and regulating investment adviser representatives; expanding the regulation of investment advisers; exempting certain persons from the definition of real estate broker; modifying real estate education requirements; providing for the suspension of a broker's or salesperson's license pending a hearing; clarifying the intent of certain language relating to the real estate education, research, and recovery fund; modifying an exemption from the registration and annual report requirements for social and charitable organizations; amending Minnesota Statutes 1982, sections 80A.02; 80A.04, subdivisions 2 and 3; 80A.07, subdivisions 1 and 3, and by adding a subdivision; 80A.09, subdivision 1; 80A.14, subdivisions 8, 9, 12, and by adding a subdivision; 82.17, subdivisions 4 and 6; 82.18; 82.22, subdivision 6; 82.27, subdivision 3; 82.34, subdivision 7; 309.515, subdivision 1; 309.53, subdivision 2, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 722, now on Special Orders.

H.F. No. 1067: A bill for an act relating to state government; authorizing the commissioner of the department of economic security to accept gifts; designating the commissioner as administrator of weatherization programs; providing for weatherization grants; regulating summer youth programs; providing financial assistance allocations for community action agencies; amending Minnesota Statutes 1982, sections 268.011, subdivision 2; 268.34; 268.37, subdivisions 2, 4, and 5; and 268.52, subdivision 2.

Referred to the Committee on Finance.

H.F. No. 1283: A bill for an act relating to the organization and operation of state government; appropriating money for education and related purposes to the department of education, higher education coordinating board, state university board, state community college board, University of Minnesota, and the Mayo medical foundation, with certain conditions; establishing a state board of vocational technical education; providing it and certain independent and intermediate school districts operating vocational technical schools with certain powers and duties; changing the authority and duties of the above named agencies, or one or more of them, or certain of their advisory councils with respect to governance, duration of existence, disposition of property, employment and compensation of personnel, tuition, institutional closings, gifts, appropriations, parking fees, scholarships, grants-in-aid, planning, hospital charges, and related educational matters; amending Minnesota Statutes 1982, sections 43A.18, subdivision 4; 120.17, subdivision 7a; 121.212, subdivision 2; 121.931, subdivision 7; 121.934, subdivision 2; 123.742, by adding a subdivision; 123.743; 124.48; 125.05, by adding a subdivision; 136.03; 136.034; 136.11, sub-

division 1; 136.144; 136.62, by adding a subdivision; 136.63, subdivision 1a; 136.67, by adding a subdivision; 136A.121; 136A.14; 136A.141; 136A.143; 136A.15; 136A.16; 136A.17; 136A.26; 136A.29, subdivisions 2 and 9; 136A.42; and 158.05; proposing new law coded in Minnesota Statutes, chapters 136 and 136A; proposing new law coded as Minnesota Statutes, chapter 135A; and 136C; repealing Minnesota Statutes 1982, sections 121.11, subdivision 1; 121.217; 121.902, subdivision 1a; 121.936, subdivision 6; 124.53; 136A.144; 136A.145; 136A.146; 136A.161; 136A.18; 136A.19; 136A.20; 136A.21; and 136A.22.

Mr. Waldorf moved that H.F. No. 1283 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

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

Mr. Willet from the Committee on Finance, to which was re-referred

H.F. No. 102: A bill for an act relating to agricultural and residential real estate; requiring 60 days notice of default on a real estate mortgage, notice of termination of a real estate contract for deed, and eight weeks notice of commencement of a sale and foreclosure proceeding; providing that a court may order a delay in a foreclosure sale or contract termination under certain circumstances; limiting the right to maintain actions for deficiency judgments; amending Minnesota Statutes 1982, sections 47.20, by adding a subdivision; 559.21, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 550; proposing new law coded as Minnesota Statutes, chapter 583.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 47.20, subdivision 8, is amended to read:

Subd. 8. [REQUIREMENTS.] A lender making a conventional loan shall comply with the following:

(1) The promissory note and mortgage evidencing a conventional loan shall be printed in not less than the equivalent of 8 point type, .075 inch computer type, or elite-size typewritten numerals, or shall be legibly handwritten.

(2) The mortgage evidencing a conventional loan shall contain a provision whereby the lender agrees to furnish the borrower with a conformed copy of the promissory note and mortgage at the time they are executed or within a reasonable time after recordation of the mortgage.

(3) The mortgage evidencing a conventional loan shall contain a provision whereby the lender, if it intends to foreclose, agrees to give the borrower written notice of any default under the terms or conditions of the promissory note or mortgage, by sending the notice by certified mail to the address of

the mortgaged property or ~~such other~~ *another* address as the borrower ~~may have designated~~ *designates* in writing to the lender. The lender need not give the borrower the notice required by this paragraph if the default consists of the borrower selling the mortgaged property without the required consent of the lender. The mortgage shall further provide that the notice shall contain the following provisions:

(a) the nature of the default by the borrower,

(b) the action required to cure the default,

(c) a date, not less than ~~30~~ *60* days from the date the notice is mailed by which the default must be cured,

(d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by the mortgage and sale of the mortgaged premises, ~~and~~

(e) that the borrower has the right to reinstate the mortgage after acceleration, and

(f) that the borrower has the right to bring a court action to assert the nonexistence of a default or any other defense of the borrower to acceleration and sale.

Sec. 2. Minnesota Statutes 1982, section 550.18, is amended to read:

550.18 [NOTICE OF SALE.]

Before the sale of property on execution notice shall be given as follows:

(1) If the sale be of personal property, by giving ten days posted notice of the time and place thereof;

(2) If the sale ~~be is not~~ *is not* of farm real property, on execution or on judgment, by six weeks posted and published notice of the time and place thereof, describing the property with sufficient certainty to enable a person of common understanding to identify it;

(3) If the sale is of farm real property, on execution or on judgment, by 60 days posted and published notice of the time and place, describing the property with sufficient certainty to enable a person of common understanding to identify it.

An officer who sells without ~~such~~ *the* notice shall forfeit \$100 to the party aggrieved, in addition to his actual damages; ~~and~~ . A person who before the sale or the satisfaction of the execution, and without the consent of the parties, takes down or defaces the notice posted, shall forfeit \$50; ~~but~~ . The validity of the sale shall not be affected by either act, either as to third persons or parties to the action.

Sec. 3. Minnesota Statutes 1982, section 559.21, subdivision 1, is amended to read:

Subdivision 1. [DEFAULT; TERMINATION.] When default is made in the conditions of any contract for the conveyance of real estate or any interest in it executed after August 1, 1976, and prior to May 1, 1980, whereby the vendor has a right to terminate it, he may do so by serving upon the purchaser, his personal representatives or assigns, either within or without

the state, a notice specifying the conditions in which default has been made, and stating that the contract will terminate (1) 30 days after the service of the notice if the purchaser has paid less than 30 percent of the purchase price, exclusive of interest on it, and any mortgages or prior contracts for deed which are assumed by the purchaser, *or in cases of farm real estate property to terminate 60 days after service of notice*, (2) 45 days after service of the notice if the purchaser has paid 30 percent, or more, but less than 50 percent of the purchase price, exclusive of interest on it, and any mortgages or prior contracts for deed which are assumed by the purchaser, *or in cases of farm real estate property to terminate 60 days after service of notice*, (3) 60 days after service of the notice if the purchaser has paid 50 percent, or more, of the purchase price, exclusive of interest on it, and any mortgages or prior contracts for deed which are assumed by the purchaser, unless prior thereto the purchaser complies with the conditions and pays the costs of service, the mortgage registration tax, if actually paid by the vendor, together with an amount to apply on attorneys' fees actually expended or incurred, of \$75 when the amount in default is less than \$750, and of \$200 when the amount in default is \$750 or more; ~~provided, however, that~~ . No amount is required to be paid for attorneys' fees as ~~provided hereunder~~, unless some part of the conditions of default has existed at least 45 days prior to the date of service of the notice.

Sec. 4. Minnesota Statutes 1982, section 559.21, subdivision 1a, is amended to read:

Subd. 1a. [DEFAULT; TERMINATION.] When default is made in the conditions of any contract for the conveyance of real estate or any interest in it, executed on or prior to August 1, 1976, whereby the vendor has a right to terminate it, he may do so by serving upon the purchaser, his personal representatives or assigns, either within or without the state, a notice specifying the conditions in which default has been made, and stating that the contract will terminate 30 days after the service of the notice, *or in the case of farm real estate property that the contract will terminate 60 days after service of the notice*, unless prior thereto the purchaser complies with the conditions and pays the costs of service, together with an amount to apply on attorneys' fees actually expended or incurred, of \$50 when the amount in default is less than \$500, and of \$100 when the amount in default is \$500 or more; ~~provided, however, that~~ . No amount shall be required to be paid for attorneys' fees as ~~provided hereunder~~, unless some part of the conditions of default ~~shall have~~ *has* existed at least 45 days prior to the date of service of the notice. The notice must be given notwithstanding any provisions in the contract to the contrary, and shall be served ~~within~~ the state in the same manner as a summons in the district court, without the state, in the same manner, and without securing any sheriff's return of not found, making any preliminary affidavit, mailing a copy of the notice or doing any other preliminary act or thing whatsoever. Service of the notice without the state may be proved by the affidavit of the person making it, made before an authorized officer having a seal, and within the state by an affidavit or by the return of the sheriff of any county.

Sec. 5. Minnesota Statutes 1982, section 559.21, subdivision 2, is amended to read:

Subd. 2. [NOTICE; TIME OF TERMINATION.] When default is made in

the conditions of any contract for the conveyance of real estate or any interest ~~therein in it~~ executed on or after May 1, 1980, whereby the vendor has a right to terminate ~~the same it~~, he may do so by serving upon the purchaser, his personal representatives or assigns, either within or without the state, a notice specifying the conditions in which default has been made, and stating that the contract will terminate (1) 30 days after the service of the notice if the purchaser has paid less than ten percent of the purchase price, exclusive of interest ~~thereon on it~~, and any mortgages or prior contracts for deed which are assumed by the purchaser, *or in the case of farm real estate property that the contract will terminate 60 days after service of the notice*, (2) 60 days after service of the notice if the purchaser has paid ten percent, or more, but less than 25 percent of the purchase price, exclusive of interest ~~thereon on it~~, and any mortgages or prior contracts for deed which are assumed by the purchaser, (3) 90 days after service of the notice if the purchaser has paid 25 percent, or more, of the purchase price, exclusive of interest ~~thereon on it~~, and any mortgages or prior contracts for deed which are assumed by the purchaser, unless prior thereto the purchaser complies with the conditions and makes all payments due and owing to the vendor under the contract through the date payment is made and pays the costs of service, the mortgage registration tax, if actually paid by the vendor, together with an amount to apply on attorneys' fees actually expended or incurred, of \$125 when the amount in default is less than \$750, and of \$250 when the amount in default is \$750 or more; ~~provided, however, that~~ . No amount is required to be paid for attorneys' fees ~~as provided hereunder~~, unless some part of the conditions of default has existed at least 45 days prior to the date of service of the notice.

Sec. 6. Minnesota Statutes 1982, section 580.09, is amended to read:

580.09 [FORECLOSURE FOR ~~INSTALMENTS~~ *INSTALLMENTS*; SALES; DISPOSITION OF PROCEEDS; REDEMPTION.]

Where a mortgage is given to secure the payment of money by ~~instalments~~ *installments*, each ~~instalment~~ *installment*, either for principal or interest, or both, as is due at any time, may be taken and deemed to be a separate and independent mortgage; ~~and such~~ . The mortgage for each ~~such instalment~~ *installment* may be foreclosed by advertisement or by action; ~~in the same manner and with like effect~~ as if a separate mortgage were given for each of ~~such instalments~~ *the installments*, and ~~such~~ *the* foreclosure may be made and sale had subject to the ~~instalments~~ *installments* yet to become due upon the mortgage; ~~and~~ . A redemption from any such sale shall have the like effect as if the sale for ~~such instalment~~ *the installment* had been made upon an independent subsequent mortgage; ~~provided~~ . In such cases the attorney's fee on the foreclosure ~~so made~~ shall not exceed the amount permitted by law in case of a mortgage securing the amount of the debt then due on ~~such~~ *the* foreclosure. The proceeds of the sale shall be applied first in payment of the costs of the foreclosure sale, and of the ~~instalment~~ *installment* due, with interest ~~thereon on it~~, taxes and insurance premiums paid, if any, and then towards the payment of the residue of the sum secured by ~~such~~ *the* mortgage, and not due and payable at the time of ~~such~~ *the* sale; ~~and~~ . If ~~such~~ *the* residue does not bear interest, such application shall be made with rebate of the legal interest for the time during which the residue shall not be due and payable; ~~and~~ . The surplus, if any, shall be paid to the subsequent lienors, if any, in the order of their priority, and then to the owner of the equity of redemption, his legal representatives or assigns. In case of redemption from any sale herein authorized, at the option of the redemptioner, the whole amount re-

maining unpaid on the mortgage, with interest and other items, if any, which have become part of the amount secured by the lien of the mortgage, may be included in the amount paid on redemption and, in such event, the redemption so made shall have like effect as if the foreclosure sale had been made for the entire amount secured by the mortgage, including such additional items.

In the case of a mortgage given to secure the payment of money by installments on homestead property as defined in section 11, the mortgage is reinstated following any foreclosure proceeding and during the redemption period by payment by the redeptioner of the installments in default, the installments falling due during the redemption period, and the costs and fees, including insurance and delinquent taxes, specified in section 580.30, subdivision 1.

Before any sale herein authorized, the holder of the mortgage shall file with the sheriff a verified itemized statement in writing showing the entire amount remaining unpaid on the mortgage, including taxes and insurance premiums paid and other items which have become part of the amount secured, and the rate of interest to accrue on ~~same, which~~ *it*. The statement shall be subject to public inspection and shall be read by the sheriff at the sale, immediately after reading the notice of sale. The certificate of sale shall set forth correctly, in addition to the amount of sale, the remaining amount still unpaid on and secured by the mortgage, subject to which the sale is made, and the rate of interest to accrue on ~~same~~ *it*. If, during the time to redeem from the sale, any additional or other item, other than interest at the rate so stated in the certificate, ~~shall attach~~ *attaches* to ~~such~~ *the* amount subject to which the sale was made, or any change ~~shall occur~~ *occurs* in such amount or the rate of interest ~~thereon~~ *on it*, the facts with respect thereto shall be set forth by affidavit, made and filed for record, and a copy furnished the sheriff, in accordance with the provisions of section 582.03, and the provisions of that section shall apply thereto.

Sec. 7. Minnesota Statutes 1982, section 580.23, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURE.] When lands have been sold in conformity with the preceding sections of this chapter the mortgagor, his personal representatives or assigns, within six months after ~~such~~ *the* sale, except as otherwise provided in subdivision 2, may redeem ~~such~~ *the* lands, as hereinafter provided, (1) by paying the sum of money for which the same were sold, with interest from the time of sale at the rate provided to be paid on the mortgage debt and, if no rate be provided in the mortgage note, at the rate of six percent per annum, together with any further sums which may be payable pursuant to section 582.03, or (2) *in the case of a mortgage on homestead property as defined in section 11 given to secure payment of money by installments, by paying the installments in default, the installments falling due during the redemption period, and the costs and fees, including insurance and delinquent taxes, specified in section 580.30, subdivision 1.* Where the redemption period is as provided in this subdivision the mortgagee, or his successors, assigns, or personal representative, or any other purchaser so purchasing at the sheriff's sale shall by purchasing the property at the sheriff's sale thereby waive his right to a deficiency judgment against the mortgagor.

Sec. 8. Minnesota Statutes 1982, section 580.30, is amended to read:

580.30 [MORTGAGES, WHEN REINSTATED.]

Subdivision 1. [BEFORE SALE.] In any proceedings for the foreclosure of a real estate mortgage, whether by action or by advertisement, if at any time before the sale of the premises under ~~such~~ the foreclosure the mortgagor, the owner, or any holder of any subsequent encumbrance or lien, or any one for them, shall pay or cause to be paid to the holder of the mortgage ~~so~~ being foreclosed, or to the attorney foreclosing ~~the same~~ it, or to the sheriff of the county, the amount actually due ~~thereon~~ on it and constituting the default actually existing in the conditions of the mortgage at the time of the commencement of the foreclosure proceedings, including insurance, delinquent taxes, if any, upon the premises, interest to date of payment, cost of publication and services of process or notices, attorney's fees not exceeding \$150 or one-half of the attorney's fees authorized by section 582.01, whichever is greater, together with other lawful disbursements necessarily incurred in connection with the proceedings by the party foreclosing, then, and in that event, the mortgage shall be fully reinstated and further proceedings in ~~such~~ the foreclosure shall be ~~thereupon~~ abandoned.

Subd. 2. [FARM REAL PROPERTY AFTER FORECLOSURE.] A mortgage to homestead property as defined in section 11 given to secure payment of money by installments, is reinstated following foreclosure but during the redemption period by payment by the redemptioner of the installments in default, the installments falling due during the redemption period, and the costs and fees, including insurance and delinquent taxes, specified in section 580.30, subdivision 1.

Sec. 9. Minnesota Statutes 1982, section 581.10, is amended to read:

581.10 [REDEMPTION BY MORTGAGOR, CREDITOR.]

The mortgagor, or those claiming under him, within the time specified in section 580.23 after the date of the order of confirmation, may redeem the premises sold, or any separate portion ~~thereof of them~~, (1) by paying the amount bid therefor, with interest ~~thereon~~ on it from the time of sale at the rate provided to be paid on the mortgage debt, not to exceed eight percent per annum, and, if no rate ~~to be~~ is provided in the mortgage, at the rate of six percent, together with any further sum which may be payable pursuant to section 582.03, or (2) in the case of a mortgage on homestead property as defined in section 11 given to secure payment of money by installments, by paying the installments in default, the installments falling due during the redemption period, and the costs and fees, including insurance and delinquent taxes, specified in section 580.30, subdivision 1. Creditors having a lien may redeem in the order and manner specified in section 580.24, but no creditor shall be entitled to redeem unless within ~~such~~ the specified redemption period he files with the clerk notice of his intention to redeem.

Sec. 10. [583.01] [LEGISLATIVE FINDINGS.]

The legislature finds that the number of unemployed persons in this state has reached the highest level since the Depression of the 1930's; that farm commodity prices are at the lowest levels in over 40 years; that the number of mortgage loans currently in default due to the unemployment of the principal wage earner has reached critical levels; and that by reason of these condi-

tions and the high rates of interest on mortgage loans, many of the citizens of this state will be unable for extended periods of time, to meet payments of taxes, interest, and principal of mortgages on their properties and are, therefore, threatened with loss of their real property through mortgage foreclosure, contract termination, and judicial sales. The legislature further finds that these conditions have resulted in an emergency of a nature that justifies and validates legislation for the extension of the time of redemption from mortgage foreclosure and execution sales and other relief of a similar character.

Sec. 11. [583.02] [DEFINITIONS.]

Subdivision 1. [TERMS.] As used in sections 10 to 21, the terms defined in this section have the meanings given them.

Subd. 2. [HOMESTEAD.] "Homestead" means residential or agricultural real estate, a portion or all of which is entitled to receive homestead credit under section 273.13, subdivision 15a.

Sec. 12. [583.03] [APPLICATION.]

Subdivision 1. [PROPERTY COVERED.] The provisions of sections 10 to 21 apply to judgments against, mortgages secured by, and contracts for deed conveying, homesteads within the meaning of section 11, including: (a) mortgages held by the United States or by any agency, department, bureau or instrumentality of the United States, as security or pledge of the mortgagor, its successors or assigns; and (b) mortgages held as security or pledge to secure payment of a public debt or to secure payment of the deposit of public funds.

Subd. 2. [GENERAL EXCLUSION.] The provisions of sections 10 to 21 do not apply to mortgages or contracts for deed made after the effective date of sections 10 to 21, nor to mortgages or contracts for deed made before the effective date of sections 10 to 21, which are renewed or extended after the effective date of sections 10 to 21 for a period longer than one year, nor to mortgages, judgments, or contracts for deed, regardless of when made, if a second or subsequent mortgage is made against the property after the effective date of sections 10 to 21, and the second or subsequent mortgagee commences foreclosure proceedings. No court shall allow a resale, stay, postponement, or extension of time that would cause any right to be lost or adversely affected by any statute of limitation.

Sec. 13. [583.04] [MORTGAGOR MAY APPLY TO DISTRICT COURT FOR RELIEF.]

In any proceedings commenced prior to the effective date of sections 10 to 21 for the foreclosure of a mortgage on a homestead by advertisement, in which a sale of the property has not been had, or in any proceedings commenced after the effective date of sections 10 to 21, the mortgagor, or the owner in possession of the mortgaged premises, or anyone claiming under the mortgage, or anyone liable for the mortgage debt, at any time after the issuance of the notice of the foreclosure proceedings, may petition the district court of the county where the foreclosure proceedings are pending, serving a summons and verified complaint requesting that the sale in foreclosure by advertisement be postponed and that the foreclosure, if any, proceed by action. If it appears to the court that the granting of the relief re-

quested would be equitable and just, the court may postpone the foreclosure proceedings by advertisement by ex parte order which may be served with or after service of the summons and complaint upon the party foreclosing or his attorney. At the time of hearing on the ex parte order, the court may then further postpone the sale, and the parties seeking to foreclose the mortgage shall proceed, if at all, to foreclose the mortgage by action. As a condition precedent to the postponement of the foreclosure sale by advertisement, the party serving the verified complaint shall file it and pay to the clerk for the person foreclosing the mortgage the actual costs incurred, not including attorney's fees, in the foreclosure proceeding before postponement. The filing of the verified complaint is deemed a waiver of publication of notice of postponement of the foreclosure sale. The sale, at a time which may be fixed by the court, is deemed to be a sale postponed in lieu of the time of sale specified in the published notice of mortgage foreclosure sale.

Sec. 14. [583.05] [COURT MAY ORDER RESALE.]

When a mortgage has been foreclosed by action, the court shall, upon receipt of the report of sale, cause notice of a hearing thereon to be served on the parties to the action who have appeared and fix the time and place of hearing on the report. Before granting an order confirming the sale, the court shall order a resale if it appears that the sale price is unreasonably and unfairly inadequate. If the sale is confirmed, the sheriff, or his deputy, shall execute and deliver, without delay, the proper certificate of sale which shall be recorded within 20 days after the confirmation. Upon hearing on the motion for an order confirming the sale in the foreclosure of mortgages by action, in case the evidence is insufficient to establish a fair and reasonable market or rental value of the property, the court may receive evidence, including evidence tending to establish the actual value of the property involved, for the purpose or purposes for which the property is or can be used. The court shall also receive evidence tending to show to what extent, if any, the property has decreased in market value by reason of the economic conditions existing at the time of or before the sale.

Sec. 15. [583.06] [COMPROMISES.]

If the parties to a foreclosure action agree in writing to a compromise settlement thereof, or of composition of the mortgage indebtedness, or both, the court shall have jurisdiction and may by its order confirm and approve the settlement or composition, or both, as the case may be.

Sec. 16. [583.07] [JURISDICTION OF COURT.]

The court has jurisdiction to postpone the termination of a contract for the conveyance of real estate; to postpone the enforcement of judgment by levy, execution, and sale or to order resale; and to postpone foreclosure of a mortgage secured by real estate. The inability of the mortgagor, judgment debtor, or contract vendee to make the payments under a contract for the conveyance of real estate, mortgage agreement, or judgment is a valid defense to levy, execution, sale, seizure, repossession, termination, and foreclosure under the remedies set forth in sections 10 to 21. The postponement and any other relief granted by the court shall not continue for more than one year from the date of the order.

Sec. 17. [583.08] [PERIOD OF REDEMPTION MAY BE EXTENDED.]

If, during the effective period of sections 10 to 21: (1) a mortgage on a homestead is foreclosed and the period of redemption has not expired; (2) an action to foreclose a mortgage on a homestead is commenced or is pending; (3) proceedings to foreclose a mortgage by advertisement are commenced or are pending; (4) a notice of termination of contract for deed is served; (5) the period of time during which a contract for deed can be reinstated expires; or (6) proceedings to enforce a judgment against real estate are commenced or are pending; the period of redemption or the period during which the contract for deed may be reinstated may be extended for up to one year. In such case the contract vendee, in the case of a contract for deed termination; the mortgagor, or owner in possession of the property, in the case of mortgage foreclosure proceedings; or the judgment debtor, in the case of levy, execution, or sale under judgment, shall petition the district court on not less than ten days' written notice to the contract vendor, mortgagee, or judgment creditor, or his attorney, and before the expiration of the period of redemption in the case of a mortgage, the expiration of the period during which the contract for deed can be reinstated, or the sale under judgment, for an order postponing repossession, levy, execution, sale, termination, or forfeiture. The petition must also request the court to determine the reasonable value of the income on the property, or, if the property has no income, then the reasonable rental value of the property subject to the contract for deed, mortgage, or judgment and must direct the contract vendee, mortgagor, or judgment debtor to pay all or a reasonable part of the income or rental value for the payment of taxes, insurance, interest, principal, or judgment indebtedness at the times and in the manner determined by the court. The court shall hear the petition and after the hearing shall make and file its order directing the payment by the contract vendee, mortgagor, or judgment debtor of an amount at the times and in the manner that the court determines just and equitable. In the case of contracts for deed, the court shall insure that the payment required by the contract vendee is sufficient to adequately maintain the vendor's standard of living. Upon service of the petition, the running of the period of redemption or reinstatement of contract for deed is tolled, repossession is postponed, and further proceedings under levy, execution, and sale are stayed until the court makes its order upon the petition. If the contract vendee, mortgagor, or judgment debtor defaults in the payments ordered, or commits waste, his right to redeem from the sale, cure the default on the contract for deed, or postpone seizure and sale terminates 30 days after the default. Thereafter holders of subsequent liens may redeem in the order and manner provided by law beginning 30 days after the filing of notice of the default with the clerk of district court; the right to possession ceases; and the contract vendor or party acquiring title to the homestead is entitled to immediate possession of the premises. If default is claimed because of waste, the 30-day period shall not begin to run until the filing of an order of the court finding the waste. No action shall be maintained for a deficiency judgment until the period of redemption as allowed by section 580.23, or as extended under the provisions of sections 10 to 21 has expired.

Notwithstanding the provisions of section 580.23, at the end of any extended period ordered by the court pursuant to this section, the mortgagor, his personal representatives, or assigns may redeem the lands by payment of the installments in default and the installments falling due during the redemption period together with any sums which may be payable pursuant to section 582.03.

Sec. 18. [583.09] [COURT MAY REVISE AND ALTER TERMS.]

Upon the application of either party before the expiration of the extended

period of redemption, reinstatement of contract for deed, or payment on judgment as provided in sections 10 to 21 and upon the presentation of evidence that the terms fixed by the court are no longer just and reasonable, the court may revise and alter the terms, in the manner the changed circumstances and conditions require. The revision or alteration of the terms shall not extend the postponement or other relief beyond one year from the date of the initial order.

Sec. 19. [583.10] [TRIAL TO BE HELD WITHIN 30 DAYS.]

The trial of any action, hearing, or proceeding provided for in sections 10 to 21 must be held within 30 days after the filing of the petition. The order therein must be made and filed within five days after the trial. Review by the supreme court may be had by certiorari, if application for the writ is made within 15 days after notice of the order. The writ is returnable within 30 days after the filing of the order.

Sec. 20. [583.11] [LIMITATIONS.]

No postponement or extension shall be ordered under conditions which would substantially diminish or impair the value of the contract or obligation of the person against whom the relief is sought without reasonable allowance to justify the exercise of the police power authorized in sections 10 to 21, or which would cause irreparable harm or undue hardship to any mortgagee, contract vendor, judgment creditor, or their successors or assigns.

Sec. 21. [583.12] [INCONSISTENT LAWS SUSPENDED.]

Every law, to the extent that it is inconsistent with sections 10 to 21 is suspended during the effective period of sections 10 to 21.

Sec. 22. [REPEALER.]

Sections 10 to 21 are repealed effective July 1, 1984, but any postponement or other relief ordered by a court continues to be valid for the period ordered by the court.

Sec. 23. [EFFECTIVE DATE.]

Sections 1 to 21 are effective the day following final enactment. Section 22 is effective July 1, 1984.

Delete the title and insert:

“A bill for an act relating to agricultural and residential real estate; requiring 60 days notice of default on a farm real estate mortgage notice of termination of a farm real estate contract for deed and notice of a commencement of a sale and foreclosure proceeding; providing that a mortgage on farm real estate is reinstated during the redemption period upon payment of installments in default and due during the period of redemption; providing for relief in certain cases from inequitable foreclosure of mortgages, termination of contracts for the conveyance of real estate, and execution sales of real property during an emergency declared by the legislature; postponing certain realty sales and extending the period of redemption of real property during an emergency; providing for possession during the extended period; limiting the right to maintain actions for deficiency judgments; amending Minnesota Statutes 1982, sections 47.20, subdivision 8; 550.18; 559.21, subdivisions 1, 1a, and 2; 580.09; 580.23, subdivision 1;

580.30; and 581.10; proposing new law coded as Minnesota Statutes, chapter 583.”

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 883: A bill for an act relating to transportation; modifying the definition of truck-tractor to include the power unit of automobile carriers; adjusting the motor vehicle registration tax on certain trailers; requiring proof of payment of the federal heavy use tax on heavy trucks; increasing the maximum allowable width on vehicles from 8 to 8-1/2 feet; modifying vehicle length requirements to allow longer semitrailers and vehicle combinations; modifying the gross weight seasonal increase to include all axle combinations; modifying the distance a peace officer may require a vehicle to travel to a scale and defining a suitable place for unloading an overweight vehicle; modifying the civil penalty for overweight vehicles; increasing width requirement on loads of baled hay before flashing amber lights are required; amending Minnesota Statutes 1982, sections 168.011, subdivision 12; 168.013, subdivision 1d, and by adding a subdivision; 169.01, subdivision 7; 169.80, subdivision 2; 169.81, subdivisions 2 and 3; 169.825, subdivision 11; 169.85; 169.862; 169.871, subdivision 1; and 169.872, by adding a subdivision; repealing Minnesota Statutes 1982, sections 169.80, subdivision 2a; and 169.81, subdivisions 3a, 3b, and 7.

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

Page 12, delete lines 9 to 24 and insert:

“(a) If the total gross excess weight is not more than ~~3,000~~ 1,000 pounds, one cent per pound for each pound in excess of the legal limit;

(b) If the total gross excess weight is more than ~~3,000~~ 1,000 pounds but not more than ~~4,000~~ 3,000 pounds, \$10 plus five cents per pound for each pound in excess of ~~the legal limit~~ 1,000 pounds;

(c) If the total gross excess weight is more than ~~4,000~~ 3,000 pounds but not more than ~~6,000~~ 5,000 pounds, \$110 plus ~~45~~ ten cents per pound for each pound in excess of ~~the legal limit~~ 3,000 pounds; ~~or~~

(d) If the total gross excess weight is more than ~~6,000~~ 5,000 pounds but not more than 7,000 pounds, \$310 plus ~~30~~ 15 cents per pound for each pound in excess of ~~the legal limit~~ 5,000 pounds;

(e) If the total gross excess weight is more than 7,000 pounds, \$610 plus 20 cents per pound for each pound in excess of 7,000 pounds.”

Page 12, line 25, strike “section” and insert “subdivision”

Page 12, line 29, before the period, insert “under this subdivision”

Page 12, line 35, delete “169.872” and insert “169.871”

Page 13, line 10, delete “section” and insert “subdivision”

Page 13, line 14, before the period, insert “under this subdivision”

Page 13, line 24, delete "11"

Page 13, line 26, after the period, insert "Section 11 is effective July 1, 1983."

Amend the title as follows:

Page 1, line 22, after the first semicolon, insert "and"

Page 1, line 22, before the second semicolon, insert ", and by adding a subdivision"

Page 1, lines 22 and 23, delete "and 169.872, by adding a subdivision;"

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 695: A bill for an act relating to public welfare; requiring new procedures for determining nursing home payment rates; requiring a moratorium on licensure or certification of new beds with certain exceptions; providing for an interagency board for quality assurance; appropriating money; amending Minnesota Statutes 1982, sections 144A.10, subdivision 6; 256B.091, subdivisions 1, 2, 4, and 8; 256B.41; 256B.47; and 256B.48; proposing new law coded in Minnesota Statutes 1982, chapters 144A and 256B; repealing Minnesota Statutes 1982, sections 256B.42; 256B.43; 256B.44; 256B.45; and 256B.46; and 12 MCAR 2.049.

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

Delete everything after the enacting clause and insert:

"Section 1. [144A.071] [MORATORIUM ON CERTIFICATION OF NURSING HOME BEDS.]

Subdivision 1. [FINDINGS.] The legislature finds that medical assistance expenditures are increasing at a much faster rate than the state's ability to pay them; that reimbursement for nursing home care and ancillary services comprises over half of medical assistance costs, and, therefore, controlling expenditures for nursing home care is essential to prudent management of the state's budget; that construction of new nursing homes, the addition of more nursing home beds to the state's long-term care resources, and increased conversion of beds to skilled nursing facility bed status inhibits the ability to control expenditures; that Minnesota already leads the nation in nursing home expenditures per capita and has the fifth highest number of beds per capita elderly; and that in the absence of a moratorium the increased numbers of nursing homes and nursing home beds will consume resources that would otherwise be available to develop a comprehensive long-term care system that includes a continuum of care. Unless action is taken, this expansion of bed capacity and changes of beds to a higher classification of care are likely to accelerate with the repeal of the certificate of need program effective March 15, 1984. The legislature also finds that Minnesota's dependence on institutional care for elderly persons is due in part to the dearth of alternative services in the home and community.

The legislature declares that a moratorium on medical assistance certifi-

cation of new nursing home beds and on changes in certification to a higher level of care is necessary to control nursing home expenditure growth and enable the state to meet the needs of its elderly by providing high quality services in the most appropriate manner along a continuum of care.

Subd. 2. [MORATORIUM.] Notwithstanding the provisions of the Certificate of Need Act, sections 145.832 to 145.845, or any other law to the contrary, the commissioner of health, in coordination with the commissioner of public welfare, shall deny each request by a nursing home or boarding care home, except an intermediate care facility for the mentally retarded, for addition of new certified beds or for a change or changes in the certification status of existing beds except as provided in subdivision 3. The total number of certified beds in the state in the skilled level and in the intermediate levels of care shall remain at or decrease from the number of beds certified at each level of care on the effective date of this section, except as allowed under subdivision 3. "Certified bed" means a nursing home bed or a boarding care bed certified by the commissioner of health for the purposes of the medical assistance program, under United States Code, title 42, sections 1396 et seq.

The commissioner of public welfare, in coordination with the commissioner of health, shall deny any request to issue a license under sections 245.781 to 245.812 and 252.28 to a nursing home or boarding care home, if that license would result in an increase in the medical assistance reimbursement amount.

Subd. 3. [EXCEPTIONS.] The commissioner of health, in coordination with the commissioner of welfare, may approve the addition of a new certified bed or change in the certification status of an existing bed under the following conditions:

(a) To replace a bed decertified after the effective date of this section or to address an extreme hardship situation, in a particular county that has fewer nursing home beds than 60 beds per 1,000 elderly individuals. In allowing replacement of a decertified bed, the commissioners shall ensure that the number of added or recertified beds does not exceed the total number of decertified beds in the state in that level of care. An extreme hardship situation can only be found after the county documents the existence of unmet medical needs that cannot be addressed by any other alternatives; or

(b) To certify a new bed in a facility that commenced construction before the effective date of this section. For the purposes of this section, "commenced construction" means that all of the following conditions were met: the final working drawings and specifications were approved by the commissioner of health; the construction contracts were let; a timely construction schedule was developed, stipulating dates for beginning, achieving various stages, and completing construction; all zoning and building permits were secured; and significant alteration of the site was made and continues in accordance with the construction schedule.

A nursing home or boarding care home that holds a current certificate of need or waiver issued in accordance with the provisions of sections 145.832 to 145.845, may request the commissioner of public welfare to reimburse the facility for a portion of its expenses incurred and paid by the facility after issuance of the certificate of need and up to the effective date of this section in preparation for the commencement of construction. The maximum amount of

money reimbursed to the facility shall not exceed \$25,000. Reimbursement shall be limited to expenses incurred for preparation of architectural and engineering plans and specifications or to obtain financing for the project. Reimbursement shall not be provided to recover costs of expenses incurred by the controlling persons or employees of a controlling person of the facility as defined in section 144A.01, subdivision 4, or for any costs which are tax deductible expenses.

No request for reimbursement submitted to the commissioner of public welfare 30 days after the effective date of this section shall be accepted. All requests for reimbursement shall be submitted along with documentary evidence, such as contracts or receipts that specifically identify the purpose for which the expense was incurred, the individual or organization providing the service, the date the expense was incurred, and the amount incurred and paid by the facility. The amount of money reimbursed to the facility shall be the amount incurred multiplied by 66 percent.

The certificate of need or waiver becomes null and void upon acceptance of the reimbursement from the commissioner of public welfare;

(c) To completely replace a currently operating facility of fewer than 80 beds, that has obtained a certificate of need but has not commenced construction before the effective date of this section, if the replacement will not result in more total certified beds or more certified beds in any level of care than if the original facility had continued to operate;

(d) To certify beds in a new nursing home that is needed in order to meet the special dietary needs of its residents, if: the nursing home proves to the commissioner's satisfaction that the needs of its residents cannot otherwise be met; elements of the special diet are not available through most food distributors; and proper preparation of the special diet requires incurring various operating expenses, including extra food preparation or serving items, not incurred to a similar extent by most nursing homes; or

(e) When the change in certification status results in a decrease in the reimbursement amount.

Subd. 4. [MONITORING.] The commissioner of health, in coordination with the commissioner of public welfare, shall implement mechanisms to monitor and analyze the effect of the moratorium in the different geographic areas of the state. The commissioner of health shall submit to the legislature, no later than January 15, 1984, and annually thereafter, an assessment of the impact of the moratorium by geographic area, with particular attention to service deficits or problems and a corrective action plan.

Sec. 2. Minnesota Statutes 1982, section 144A.10, subdivision 4, is amended to read:

Subd. 4. [CORRECTION ORDERS.] Whenever a duly authorized representative of the commissioner of health finds upon inspection of a nursing home, that the facility or a controlling person or an employee of the facility is not in compliance with sections 144.651, 144A.01 to 144A.17, or 626.557 or the rules promulgated thereunder, a correction order shall be issued to the facility. The correction order shall state the deficiency, cite the specific rule or statute violated, state the suggested method of correction, and specify the time allowed for correction. ~~The commissioner of health by~~

rule shall establish a schedule of allowable time periods for correction of nursing home deficiencies. If the commissioner finds that the nursing home had uncorrected violations and that two or more of the uncorrected violations create a risk to resident care, safety, or rights, the commissioner shall notify the commissioner of public welfare who shall review reimbursement to the nursing home to determine the extent to which the state has paid for substandard care.

Sec. 3. Minnesota Statutes 1982, section 144A.10, subdivision 6, is amended to read:

Subd. 6. [FINES.] A nursing home which is issued a notice of noncompliance with a correction order shall be assessed a civil fine in accordance with a schedule of fines promulgated by rule of established by the commissioner of health before March 31, 1984. In establishing the schedule of fines, the commissioner shall consider the potential for harm presented to any resident as a result of noncompliance with each statute or rule. The fine shall be assessed for each day the facility remains in noncompliance and until a notice of correction is received by the commissioner of health in accordance with subdivision 7. No fine for a specific violation may exceed \$250 \$1,000 per day of noncompliance.

Sec. 4. Minnesota Statutes 1982, section 144A.10, is amended by adding a subdivision to read:

Subd. 6a. [SCHEDULE OF FINES.] The commissioner of health shall propose for adoption the schedule of fines by publishing it in the state register and allowing a period of 60 days from the publication date for interested persons to submit written comments on the schedule. Within 60 days after the close of the comment period, and after considering any comments received, the commissioner shall adopt the schedule in final form.

The schedule of fines is exempt from the definition of "rule" in section 14.02, subdivision 4, and has the force and effect of law upon compliance with section 14.38, subdivision 7. The effective date of the schedule of fines is five days after publication, as provided in section 14.38, subdivision 8. The provisions of any rule establishing a schedule of fines for noncompliance with correction orders issued to nursing homes remain effective with respect to nursing homes until repealed, modified, or superseded by the schedule established in accordance with this subdivision.

Sec. 5. [144A.31] [INTERAGENCY BOARD FOR QUALITY ASSURANCE.]

Subdivision 1. [INTERAGENCY BOARD.] The commissioners of health and public welfare shall establish, by July 1, 1983, an interagency board of representatives of their respective departments who are knowledgeable and employed in the areas of long term care, geriatric care, long term care facility inspection, or quality of care assurance. The number of interagency board members shall not exceed seven; three members each to represent the commissioners of health and public welfare and one member to represent the commissioner of public safety in the enforcement of fire and safety standards in nursing homes. The commissioner of public welfare or a designee shall chair and convene the board. The board may utilize the expertise and time of other individuals employed by either department as needed. The board may

recommend that the commissioners contract for services as needed. The board shall meet as often as necessary to accomplish its duties, but at least monthly. The board shall establish procedures, including public hearings, for allowing regular opportunities for input from residents, nursing homes, and other interested persons.

Subd. 2. [INSPECTIONS.] No later than January 1, 1984, the board shall develop and recommend implementation and enforcement of an effective system to ensure quality of care in each nursing home in the state. Quality of care includes evaluating, using the resident's care plan, whether the resident's ability to function is optimized and should not be measured solely by the number or amount of services provided.

The board shall assist the commissioner of health in ensuring that inspections and reinspections of nursing homes are conducted with a frequency and in a manner calculated to most effectively and appropriately fulfill its quality assurance responsibilities and achieve the greatest benefit to nursing home residents. The commissioner of health shall require a higher frequency and extent of inspections with respect to those nursing homes that present the most serious concerns with respect to resident health, treatment, comfort, safety, and well-being. These concerns include but are not limited to: complaints about care, safety, or rights; situations where previous inspections or reinspections have resulted in correction orders related to care, safety, or rights; instances of frequent change in administration in excess of normal turnover rates; and situations where persons involved in ownership or administration of the nursing home have been indicted for, charged with, or convicted of engaging in criminal activity. A nursing home that presents none of these concerns or any other concern or condition established by the board that poses a risk to resident care, safety, or rights shall be inspected once every two years for compliance with key requirements as determined by the board.

The board shall develop and recommend to the commissioners mechanisms beyond the inspection process to protect resident care, safety, and rights, including but not limited to coordination with the office of health facility complaints and the nursing home ombudsman program.

Subd. 3. [METHODS FOR DETERMINING RESIDENT CARE NEEDS.] The board shall develop and recommend to the commissioners definitions for levels of care and methods for determining resident care needs in preparation for eventually developing methods to adjust payments for resident care based on the mix of resident needs in a nursing home. The methods for determining resident care needs shall include assessments of ability to perform activities of daily living and assessments of medical and therapeutic needs.

Subd. 4. [ENFORCEMENT.] The board shall develop and recommend for implementation effective methods of enforcing quality of care standards. When it deems necessary, and when all other methods of enforcement are not appropriate, the board shall recommend to the commissioner of health closure of all or part of a nursing home and revocation of the license. The board shall develop, and the commissioner of public welfare shall implement, a resident relocation plan that instructs the county in which the nursing home is located of procedures to ensure that the needs of residents in nursing homes about to be closed are met. The county shall ensure placement in

swing beds in hospitals, placement in unoccupied beds in other nursing homes, utilization of home health care on a temporary basis, foster care placement, or other appropriate alternative care. In preparing for relocation, the county shall ensure that residents and their families or guardians are involved in planning the relocation.

Subd. 5. [REPORTS.] The commissioners of health and public welfare shall report to the legislature no later than January 15, 1984, on their proposals and progress on implementation of the methods required under subdivisions 2, 3, and 4. The commissioners shall recommend changes in or additions to legislation necessary or desirable to fulfill their responsibilities. The commissioners shall report annually to the legislature, beginning in January, 1985, on the implementation and enforcement of the provisions of this section.

Subd. 6. [DATA.] The interagency board may have access to data from the commissioners of health, public welfare, and public safety for carrying out its duties under this section. The commissioner of health and the commissioner of public welfare may each have access to data on persons, including data on vendors of services, from the other to carry out the purposes of this section. If the interagency board, the commissioner of health, or the commissioner of public welfare receives data on persons, including data on vendors of services, that is collected, maintained, used or disseminated in an investigation, authorized by statute and relating to enforcement of rules or law, the board or the commissioner shall not disclose that information except:

(a) Pursuant to section 13.05;

(b) Pursuant to statute or valid court order; or

(c) To a party named in a civil or criminal proceeding, administrative or judicial, for preparation of defense.

Data described in this subdivision is classified as public data upon its submission to a hearing examiner or court in an administrative or judicial proceeding.

Sec. 6. Minnesota Statutes 1982, section 256B.091, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] It is the purpose of this section to prevent inappropriate nursing home or boarding care home placement by establishing a program of preadmission screening teams for all medical assistance recipients and any individual who would become eligible for medical assistance within ~~90~~ 180 days of admission to a licensed nursing home or boarding care home participating in the program. Further, it is the purpose of this section and the program to gain further information about how to contain costs associated with inappropriate nursing home or boarding care home admissions. The commissioners of public welfare and health shall seek to maximize use of available federal and state funds and establish the broadest program possible within the appropriation available. ~~The commissioner of public welfare shall promulgate temporary rules in order to implement this section by September 1, 1980.~~

Sec. 7. Minnesota Statutes 1982, section 256B.091, subdivision 2, is

amended to read:

Subd. 2. [SCREENING TEAMS; ESTABLISHMENT.] Each county agency designated by the commissioner of public welfare to participate in the program shall contract with the local board of health organized under section 145.911 to 145.922 or other public or non-profit agency to establish a screening team to assess, prior to admission to a nursing home or a boarding care home licensed under section 144A.02 or sections 144.50 to 144.56, that is certified for medical assistance as a skilled nursing facility, intermediate care facility level I, or intermediate care facility level II, the health and social needs of medical assistance recipients and individuals who would become eligible for medical assistance within ~~90~~ 180 days of nursing home or boarding care home admission. Each local screening team shall be composed of a public health nurse from the local public health nursing service and a social worker from the local community welfare agency. Each screening team shall have a physician available for consultation and shall utilize individuals' attending physicians' physical assessment forms, if any, in assessing needs. The individual's physician shall be included on the screening team if the physician chooses to participate. If the individual is being discharged from an acute care facility, a discharge planner from that facility may be present, at the facility's request, during the screening team's assessment of the individual and may participate in discussions but not in making the screening team's recommendations under subdivision 3, clause (e). If the assessment procedure or screening team recommendation results in a delay of the individual's discharge from the acute care facility, the facility shall not be denied medical assistance reimbursement or incur any other financial or regulatory penalty of the medical assistance program that would otherwise be caused by the individual's extended length of stay; 50 percent of the cost of this reimbursement or financial or regulatory penalty shall be paid by the state and 50 percent shall be paid by the county. Other personnel as deemed appropriate by the county agency may be included on the team. The county agency may contract with an acute care facility to have the facility's discharge planners perform the functions of a screening team with regard to individuals discharged from the facility and in those cases the discharge planners may participate in making recommendations under subdivision 3, clause (e). No member of a screening team shall have a direct or indirect financial or self-serving interest in a nursing home or non-institutional referral such that it would not be possible for the member to consider each case objectively.

Sec. 8. Minnesota Statutes 1982, section 256B.091, subdivision 4, is amended to read:

Subd. 4. [SCREENING OF PERSONS.] Prior to nursing home or boarding care home admission, screening teams shall assess the needs of all persons receiving medical assistance and of all persons who would be eligible for medical assistance within ~~90~~ 180 days of admission to a nursing home or boarding care home, except patients transferred from other nursing homes or patients who, having entered acute care facilities from nursing homes, are returning to nursing home care. Any other interested person may be assessed by a screening team upon payment of a fee based upon a sliding fee scale.

Sec. 9. Minnesota Statutes 1982, section 256B.091, subdivision 8, is

amended to read:

Subd. 8. [ALTERNATIVE CARE GRANTS.] The commissioner shall provide grants to counties participating in the program to pay costs of providing alternative care to individuals screened under subdivision 4. Payment is available under this subdivision only for individuals (1) for whom the screening team would recommend nursing home admission if alternative care were not available; (2) who are receiving medical assistance or who would be eligible for medical assistance within 90 180 days of admission to a nursing home; and (3) who need services that are not available at that time in the county through other public assistance.

Grants may be used for payment of costs of providing services such as, but not limited to, foster care for elderly persons, day care whether or not offered through a nursing home, nutritional counseling, or medical social services, which services are provided by a licensed health care provider, a home health service eligible for reimbursement under Titles XVIII and XIX of the federal Social Security Act, or by persons employed by or contracted with by the county board or the local welfare agency. The county agency shall ensure that a plan of care is established for each individual in accordance with subdivision 3, clause (e)(2). The plan shall include any services prescribed by the individual's attending physician as necessary and follow up services as necessary. The county agency shall provide documentation to the commissioner verifying that the individual's alternative care is not available at that time through any other public assistance or service program and shall provide documentation in each individual's plan of care that the most cost effective alternatives available have been offered to the individual. Grants to counties under this subdivision are subject to audit by the commissioner for fiscal and utilization control.

The commissioner shall establish a sliding fee schedule for requiring payment for the cost of providing services under this subdivision to persons who are eligible for the services but who are not yet eligible for medical assistance. The sliding fee schedule is not subject to chapter 14.

The commissioner shall apply for a waiver for federal financial participation to expand the availability of services under this subdivision. The commissioner shall provide grants to counties from the non-federal share, unless the commissioner obtains a federal waiver for medical assistance payments, of medical assistance appropriations. ~~The state expenditures for this section shall not exceed \$1,800,000 for the biennium ending June 30, 1983.~~ A county agency may use grant money to supplement but not supplant services available through other public assistance or service programs and shall not use grant money to establish new programs for which public money is available through sources other than grants provided under this subdivision. A county agency shall not use grant money to provide care under this subdivision to an individual if the anticipated cost of providing this care would exceed the average payment, as determined by the commissioner, for the level of nursing home care that the recipient would receive if placed in a nursing home. The non-federal share may be used to pay up to 90 percent of the start-up and service delivery costs of providing care under this subdivision. Each county agency that receives a grant shall pay 10 percent of the costs.

The commissioner shall promulgate temporary rules in accordance with

sections 14.29 to 14.36, to establish required documentation and reporting of care delivered.

Sec. 10. Minnesota Statutes 1982, section 256B.41, is amended to read:

256B.41 [INTENT.]

Subdivision 1. [AUTHORITY.] ~~The state agency commissioner shall by rule establish a formula, by rule, procedures for establishing payment determining rates for care of residents of nursing homes which qualify as vendors of medical assistance, and for implementing the provisions of sections 256B.41, 256B.47, 256B.48, and sections 11, 12, 15, and 16. The procedures shall be based on methods and standards that the commissioner finds are adequate to provide for the costs that must be incurred for the care of residents in efficiently and economically operated nursing homes and shall specify the costs that are allowable for establishing payment rates through medical assistance.~~

Subd. 2. [FEDERAL REQUIREMENTS.] ~~It is the intent of the legislature to establish certain limitations on the state agency in setting standards for nursing home rate setting for the care of recipients of medical assistance pursuant to this chapter. It is not the intent of the legislature to repeal or change any existing or future rule promulgated by the state agency relating to the setting of rates for nursing homes unless the rule is clearly in conflict with sections 256B.41 to 256B.48. If any provision of sections 256B.41 to, 256B.47, and 256B.48 and sections 11, 12, 15, and 16, is determined by the United States government to be in conflict with existing or future requirements of the United States government with respect to federal participation in medical assistance, the federal requirements shall prevail.~~

Sec. 11. [256B.421] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 256B.41, 256B.47, 256B.48, and sections 11, 12, 15, and 16, the following terms and phrases shall have the meaning given to them.

Subd. 2. [ACTUAL ALLOWABLE HISTORICAL OPERATING COST PER DIEM.] "Actual allowable historical operating cost per diem" means the per diem payment for actual costs, including operating costs, allowed by the commissioner for the most recent reporting year.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of public welfare.

Subd. 4. [FINAL RATE.] "Final rate" means the rate established after any adjustment by the commissioner, including but not limited to adjustments resulting from cost report reviews and field audits.

Subd. 5. [GENERAL AND ADMINISTRATIVE COSTS.] "General and administrative costs" means all allowable costs for administering the facility, including but not limited to: salaries of administrators, assistant administrators, medical directors, accounting personnel, data processing personnel, and all clerical personnel; board of directors fees; business office functions and supplies; travel; telephone and telegraph; advertising; licenses and permits; membership dues and subscriptions; postage; insurance, except as included as a fringe benefit under subdivision 14; professional services such as legal, accounting and data processing services;

central or home office costs; management fees; management consultants; employee training, other than clerical, nurse, or nursing assistant training; and business meetings and seminars. These costs shall be included in general and administrative costs in total, without direct or indirect allocation to other cost categories.

In a nursing home of 60 or fewer beds, part of an administrator's salary may be allocated to other cost categories to the extent justified in records kept by the nursing home. Central or home office costs representing services of required consultants in areas including, but not limited to, dietary, pharmacy, social services, or activities may be allocated to the appropriate department, but only if those costs are directly identified by the nursing home.

Subd. 6. [HISTORICAL OPERATING COSTS.] "Historical operating costs" means the allowable operating costs incurred by the facility during the reporting year immediately preceding the rate year for which the payment rate becomes effective, after the commissioner has reviewed those costs and determined them to be allowable costs under the medical assistance program, and after the commissioner has applied appropriate limitations such as the ten percent limit on administrative costs.

Subd. 7. [NURSING HOME.] "Nursing home" means a facility licensed under chapter 144A or a boarding care facility licensed under sections 144.50 to 144.56.

Subd. 8. [OPERATING COSTS.] "Operating costs" means the day to day costs of operating the facility in compliance with licensure and certification standards. Operating cost categories are: nursing, including nurses and nursing assistants training; dietary; laundry and linen; housekeeping; plant operation and maintenance; other care-related services; general and administration; payroll taxes; real estate taxes and special assessments; and fringe benefits, including clerical training.

Subd. 9. [PAYMENT RATE.] "Payment rate" means the rate determined under section 12.

Subd. 10. [PRIVATE PAYING RESIDENT.] "Private paying resident" means a nursing home resident who is not a medical assistance recipient and whose payment rate is not established by another third party, including the veterans administration or medicare.

Subd. 11. [RATE YEAR.] "Rate year" means the fiscal year for which a payment rate determined under section 12 is effective, from July 1 to the next June 30.

Subd. 12. [REPORTING YEAR.] "Reporting year" means the period from October 1 to September 30, immediately preceding the rate year, for which the nursing home submits reports required under section 256B.48, subdivision 2.

Subd. 13. [ACTUAL RESIDENT DAY.] "Actual resident day" means a billable, countable day as defined by the commissioner.

Subd. 14. [FRINGE BENEFITS.] "Fringe benefits" means workers' compensation insurance, group health insurance, group life insurance, retirement benefits or plans, and uniform allowances.

Subd. 15. [PAYROLL TAXES.] "Payroll taxes" means the employer's

share of FICA taxes and state and federal unemployment compensation taxes.

Sec. 12. [256B.431] [RATE DETERMINATION.]

Subdivision 1. [IN GENERAL.] The commissioner shall determine prospective payment rates for resident care costs. In determining the rates, the commissioner shall group nursing homes according to different levels of care until July 1, 1985, and after that date, mix of resident needs, and geographic location, as defined by the commissioner. Until groups are established according to mix of resident needs, the commissioner shall group all convalescent and nursing care units attached to hospitals into one group for purposes of determining reimbursement for operating costs. On or before June 1, 1983, the commissioner shall mail notices to each nursing home of the rates to be effective from July 1 of that year to June 30 of the following year. In subsequent years, the commissioner shall provide notice to each nursing home on or before May 1 of the rates effective for the following rate year. If a statute enacted after May 1 affects the rates, the commissioner shall provide a revised notice to each nursing home as soon as possible.

Until groups are established according to mix of resident needs, the commissioner shall exclude from any group any nursing home whose residents' average length of stay is less than 180 days, and any nursing home that is licensed and rendering services under the provisions of 12 MCAR 2.080 on or before March 15, 1983. For rate years beginning July 1, 1983, and July 1, 1984, a nursing home excluded from groups under this paragraph shall receive as its operating cost payment rate its actual allowable historical operating cost per diem, increased by six percent.

Subd. 2. [OPERATING COSTS.] (a) The commissioner shall establish, by rule, procedures for determining per diem reimbursement for operating costs based on actual resident days. The commissioner shall disallow any portion of the general and administration cost category, exclusive of fringe benefits and payroll taxes, that exceeds

10 percent for nursing homes with more than 100 certified beds in total,

12 percent for nursing homes with fewer than 101 but more than 40 certified beds in total, and

15 percent for nursing homes with 40 or fewer certified beds in total,

of the expenditures in all operating cost categories except fringe benefits, payroll taxes, and general and administration.

(b) For the rate year beginning July 1, 1983, and ending June 30, 1984, the prospective operating cost payment rate for each nursing home shall be determined by the commissioner based on the most recently audited and available cost reports of allowed historical operating costs received by December 31, 1982. To determine the allowed historical operating cost, the commissioner shall update the historical per diem shown in those cost reports to June 30, 1983, using a ten percent annual rate of increase after applying the general and administrative cost limitation described in paragraph (a) and after adjusting for rate limitations in effect before the effective date of this section. The commissioner shall calculate the 60th percentile of actual allowable historical operating cost per diems for each group of nursing homes

established under subdivision 1.

(1) Within each group, each nursing home whose actual allowable historical operating cost per diem as determined under this paragraph (b) is at or above the 60th percentile shall receive the 60th percentile increased by six percent plus 80 percent of the difference between its actual allowable operating cost per diem and the 60th percentile.

(2) Within each group, each nursing home whose actual allowable historical operating cost per diem is below the 60th percentile shall receive that actual allowable historical operating cost per diem increased by six percent.

For the rate year beginning July 1, 1984, and ending June 30, 1985, the prospective operating cost payment rate for each nursing home shall be determined by the commissioner based on actual allowable historical operating costs incurred during the reporting year preceding the rate year. The commissioner shall analyze and evaluate each nursing home's report of allowable operating costs incurred by the nursing home during the reporting year immediately preceding the rate year. The actual allowable historical operating costs, after the commissioner's analysis and evaluation, shall be added together and divided by the number of actual resident days to compute the actual allowable historical operating cost per diem. The commissioner shall calculate the 60th percentile of actual allowable historical operating cost per diems for each group of nursing homes established under subdivision 1.

(3) Within each group, each nursing home whose actual allowable historical operating cost per diem is at or above the 60th percentile of payment rates shall receive the 60th percentile increased by six percent plus 70 percent of the difference between its actual allowable historical operating cost per diem and the 60th percentile.

(4) Within each group, each nursing home whose actual allowable historical operating cost per diem is below the 60th percentile shall receive that actual allowable historical operating cost per diem increased by six percent.

(c) For subsequent years, the commissioner shall:

(1) Contract with an econometric firm with recognized expertise in and access to national economic change indices that can be applied to the appropriate cost categories when determining the operating cost payment rate;

(2) Establish the 60th percentile of actual allowable historical operating cost per diems for each group of nursing homes established under subdivision 1 based on cost reports of allowable operating costs in the previous reporting year. The commissioner shall analyze and evaluate each nursing home's report of allowable operating costs incurred by the nursing home during the reporting year immediately preceding the rate year for which the payment rate becomes effective. The allowable historical operating costs, after the commissioner's analysis and evaluation, shall be added together and divided by the actual number of resident days in order to compute the actual allowable historical operating cost per diem;

(3) Establish a composite index for each group by determining the weighted average of all economic change indicators applied to the operating cost categories in that group.

(4) Within each group, each nursing home shall receive the 60th percentile increased by the composite index calculated in paragraph (c)(3).

The commissioner shall include the reported actual real estate tax liability of each proprietary nursing home as an operating cost of that nursing home. The commissioner shall include a reported actual special assessment for each nursing home as an operating cost of that nursing home. Total real estate tax liability and actual special assessments paid for each nursing home (i) shall be divided by actual resident days in order to compute the operating cost payment rate for this operating cost category, but (ii) shall not be used to compute the 60th percentile.

(d) The commissioner shall allow the nursing home to keep, as an efficiency incentive, the difference between the nursing home's operating cost payment rate established for that rate year and the actual historical operating costs incurred for that rate year, if the latter amount is smaller. If a nursing home's actual historic operating costs are greater than the prospective payment rate for that rate year, there shall be no retroactive cost settle-up. If an annual cost report or field audit indicates that the expenditures for direct resident care have been reduced in amounts large enough to indicate a possible detrimental effect on the quality of care, the commissioner shall notify the commissioner of health and the interagency board for quality assurance. If a field audit reveals that unallowable expenditures have been included in the nursing home's historical operating costs, the commissioner shall disallow the expenditures and recover the entire overpayment. The commissioner shall establish, by rule, procedures for assessing an interest charge on any outstanding balance resulting from an overpayment or underpayment.

(e) The commissioner may negotiate, with a nursing home that is eligible to receive medical assistance payments, a payment rate of up to 125 percent of the allowed payment rate to be paid for a period of up to three months for individuals who have been hospitalized for more than 100 days, who have extensive care needs based on nursing hours actually provided or mental or physical disability, or need for respite care for a specified and limited time period, and based on an assessment of the nursing home's resident mix as determined by the commissioner of health.

Subd. 3. [PROPERTY-RELATED COSTS.] Property-related costs shall be reimbursed to each nursing home at the level recognized in the final rate effective March 1, 1983, adjusted for rate limitations in effect before the effective date of this section. Property-related costs include: depreciation, interest, earnings or investment allowance, lease, or rental payments. No adjustments shall be made as a result of sales or reorganizations of provider entities.

Adjustments for the cost of repairs, replacements, renewals, betterments, or improvements to existing buildings, and building service equipment shall be allowed if:

(i) The cost incurred is reasonable, necessary, and ordinary;

(ii) The net cost is greater than \$5,000. "Net cost" means the actual cost, minus proceeds from insurance, salvage, or disposal;

(iii) The nursing home's property-related costs per diem is equal to or less

than the average property-related costs per diem within its group; and

(iv) The adjustment is shown in depreciation schedules submitted to and approved by the commissioner.

Annual per diem shall be computed by dividing total property-related costs by 96 percent of the nursing home's certified capacity days for nursing homes with more than 60 beds and 94 percent of the nursing home's certified capacity days for nursing homes with 60 or fewer beds. For a nursing home whose residents' average length of stay is 180 days or less, the commissioner may waive the 96 percent factor and divide the nursing home's property-related costs by the actual resident days to compute the nursing home's annual property-related per diem. The commissioner shall promulgate temporary and permanent rules to recapture excess depreciation upon sale of a nursing home.

Subd. 4. [SPECIAL RATES.] A newly-constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the commissioner, receive an interim payment rate calculated pursuant to the statutes and rules in effect on May 1, 1983, to be effective from the first day a medical assistance recipient resides in the home or for the added beds. The interim payment rate shall not be in effect for more than 12 months. The commissioner shall establish, by temporary and permanent rules, procedures for determining the interim rate and for making a retroactive cost settle-up after the first year of operation, and may limit the interim rate and the settle-up. The commissioner shall establish by rule procedures for determining payment rates for nursing homes which provide care under a lesser care level than the level for which the nursing home is certified.

Subd. 5. [ADJUSTMENTS.] When resolution of appeals or on-site field audits of the records of nursing homes within a group result in adjustments exceeding one cent per resident per day in all nursing homes within the group in any reporting year, the payment rate for each nursing home in the following rate year in that group shall be increased or decreased by the adjustment amount.

Sec. 13. Minnesota Statutes 1982, section 256B.47, is amended to read:

256B.47 [RATE LIMITS NONALLOWABLE COSTS; NOTICE OF INCREASES TO PRIVATE PAYING RESIDENTS.]

Subdivision 1. [NONALLOWABLE COSTS.] The state agency shall by rule establish separate overall limitations on the costs for items which directly relate to the provision of patient care to residents of nursing homes and those which do not directly relate to the provision of care. The state agency may also by rule, establish limitations for specific cost categories which do not directly relate to the provision of patient care. The state agency shall reimburse nursing homes for the costs of nursing care in excess of any state agency limits on hours of nursing care if the commissioner of health issues a correction order pursuant to section 144A.10, subdivision 4, directing the nursing home to provide the additional nursing care. All costs determined otherwise allowable shall be subject to these limitations.

Subd. 2. The following costs shall not be recognized as allowable to the extent that these costs cannot be demonstrated by the nursing home to the state agency to be directly related to the provision of patient care: (1) political con-

tributions; (2) salaries or expenses of a lobbyist, as defined in section 10A.01, subdivision 11, for lobbying activities; (3) advertising designed to encourage potential residents to select a particular nursing home; (4) assessments levied by the ~~health department commissioner of health~~ for uncorrected violations; and (5) legal and related fees for unsuccessful challenges to decisions by state agencies; and (6) ~~dues paid to a nursing home or hospital association. The state agency shall promulgate rules establishing standards which shall distinguish between any patient-care related components and non-patient-care related components of these costs, where applicable. For purposes of these rules, the state agency shall exercise emergency powers and establish emergency rules pursuant to section 15.0412, subdivision 5, before September 1, 1977. The state agency commissioner shall by rule exclude the costs of any other items which it determines are not directly related to the provision of patient resident care.~~

Subd. 3. On or before January 1, 1977 the state agency shall by rule establish a procedure affording notice of the approved rate for medical assistance recipients to nursing homes within 120 days after the close of the fiscal year of the nursing home.

Subd. 4. 2. [NOTICE TO RESIDENTS.] No increase in nursing home rates for private paying residents shall be effective unless the nursing home notifies the resident or person responsible for payment of the increase in writing 30 days before the increase takes effect.

A nursing home may adjust its rates without giving the notice required by this subdivision when the purpose of the rate adjustment is to: (a) reflect a necessary change in the level of care provided to a resident; or (b) retroactively or prospectively equalize private pay rates with rates charged to medical assistance recipients as required by section 256B.48, subdivision 1, clause (a) and applicable federal law.

Subd. 5. The commissioner shall promulgate rules no later than August 1, 1980, to amend the current rules governing nursing home reimbursement, in accordance with sections 14.01 to 14.70, to allow providers to allocate their resources in order to provide as many nursing hours as necessary within the total cost limitations of the per diem already granted. If the state fails to set rates as required by section 12, the time required for giving notice is decreased by the number of days by which the state was late in setting the rates.

Sec. 14. Minnesota Statutes 1982, section 256B.48, is amended to read:

256B.48 [CONDITIONS FOR PARTICIPATION.]

Subdivision 1. [PROHIBITED PRACTICES.] No A nursing home shall be is not eligible to receive medical assistance payments unless it agrees in writing that it will refrain refrains from:

(a) Charging nonmedical assistance residents rates for similar services which exceed by more than ten percent those rates which are approved by the state agency for medical assistance recipients. For nursing homes charging non-medical assistance residents rates less than ten percent more than those rates which are approved by the state agency for medical assistance recipients, the maximum differential in rates between nonmedical assistance residents and medical assistance recipients shall not exceed that differential which was in effect on April 13, 1976. If a nursing home has exceeded this differential since April 13, 1976, it shall return the amount collected in excess of the allowable differential stated by this subdivision to the nonmedical assistance resident, or that person's representative, by July 1, 1977. Effective July 1, 1978, no nursing home

shall be eligible for medical assistance if it charges nonmedical assistance recipients. Charging private paying residents rates for similar services which exceed those which are approved by the state agency for medical assistance recipients; ~~provided, however, that as determined by the prospective desk audit rate, except under the following circumstances:~~ the nursing home may (1) charge nonmedical assistance private paying residents a higher rate for a private room, and (2) charge for special services which are not included in the daily rate if medical assistance patients residents are charged separately at the same rate for the same services in addition to the daily rate paid by the state agency commissioner. A nursing home that charges a private paying resident a rate in violation of this clause is subject to an action by the state of Minnesota or any of its subdivisions or agencies for civil damages. A private paying resident or the resident's legal representative has a cause of action for civil damages against a nursing home that charges the resident rates in violation of this clause. The damages awarded shall include three times the payments that result from the violation, together with costs and disbursements, including reasonable attorneys' fees or their equivalent. A private paying resident or the resident's legal representative, the state, subdivision or agency, or a nursing home may request a hearing to determine the allowed rate or rates at issue in the cause of action. Within 15 calendar days after receiving a request for such a hearing, the commissioner shall request assignment of a hearing examiner under sections 14.48 to 14.56 to conduct the hearing as soon as possible or according to agreement by the parties. The hearing examiner shall issue a report within 15 calendar days following the close of the hearing. The prohibition set forth in this clause shall not apply to facilities licensed as boarding care facilities which are not certified as skilled or intermediate care facilities level I or II for reimbursement through medical assistance;

(b) Requiring an applicant for admission to the home, or the guardian or conservator of the applicant, as a condition of admission, to pay an admission fee any fee or deposit in excess of \$100, loan any money to the nursing home, or promise to leave all or part of the applicant's estate to the home; and

(c) Requiring any resident of the nursing home to utilize a vendor of health care services who is a licensed physician or pharmacist chosen by the nursing home;

(d) Requiring any applicant to the nursing home, or the applicant's guardian or conservator, as a condition of admission, to assure that the applicant is neither eligible for nor will seek public assistance for payment of nursing home care costs;

(e) Requiring any vendor of medical care as defined by section 256B.02, subdivision 7, who is reimbursed by medical assistance under a separate fee schedule, to pay any portion of his fee to the nursing home except as payment for renting or leasing space or equipment of the nursing home or purchasing support services, if those agreements are disclosed to the commissioner; and

(f) Refusing, for more than 24 hours, to accept a resident returning to his same bed or a bed certified for the same level of care, in accordance with a physician's order authorizing transfer, after receiving inpatient hospital services.

The prohibitions set forth in clause (b) shall not apply to a retirement home with more than 325 beds including at least 150 licensed nursing home beds and which:

(1) is owned and operated by an organization tax-exempt under section 290.05, subdivision 1, clause (i); and

(2) ~~at the time of admission places accounts for all of the applicant's assets which are required to be assigned to the home in a trust account from which so that only expenses for the cost of care of the applicant may be deducted charged against the account;~~ and

(3) agrees in writing at the time of admission to the home to permit the applicant, or his guardian, or conservator, to examine the records relating to the ~~individual's trust applicant's~~ account upon request, and to receive an audited statement of the expenditures ~~from charged against~~ his individual account upon request; and

(4) agrees in writing at the time of admission to the home to permit the applicant to withdraw from the home at any time and to receive, upon withdrawal, ~~all of the unexpended funds remaining in the balance of his individual trust account;~~ and

(5) ~~was in compliance with provisions (1) to (4) as of June 30, 1976.~~

Subd. 2. [REPORTING REQUIREMENTS.] ~~Effective July 1, 1976, no A nursing home shall be is not eligible to receive medical assistance payments unless it agrees in writing to:~~

(a) ~~Provide No later than December 31 of each year, it provides the state agency commissioner with its most recent (1) balance sheet and statement of revenues and expenses, including a statement of the rate or rates charged to private paying residents, as audited by a certified public accountant licensed by this state or by a public accountant as defined in section 412.222; (2) statement of ownership for the nursing home; and (3) a separate audited balance sheet and statement of revenues and expenses for each nursing home if more than one nursing home or other business operation is owned by the same owner; a governmentally owned nursing home may comply with the auditing requirements of this clause by submitting an audit report prepared by the state auditor's office. The commissioner shall audit cost reports as required by section 256B.27, subdivision 2a;~~

(b) ~~No later than December 31 of each year, it provides to the commissioner the information and supporting documents that the commissioner requires for determining payment rates. The commissioner shall prescribe, by rule, the information necessary for determining payment rates;~~

(b) ~~Provide (c) It provides the state agency commissioner with copies of leases, purchase agreements and other related documents related to the lease or purchase of the nursing home;~~ and

(c) ~~Provide to the state agency upon request copies of leases, purchase agreements, or similar documents for to the purchase or acquisition of equipment, goods and services which are claimed as allowable costs.~~

Subd. 3. [INCOMPLETE OR INACCURATE REPORTS.] The ~~state agency commissioner~~ may reject any annual cost report filed by a nursing

home pursuant to this chapter if ~~the~~ *the commissioner* determines that the report or the information required in subdivision 2, clause (a) has been filed in a form that is incomplete or inaccurate. In the event that a report is rejected pursuant to this subdivision, ~~the state agency may commissioner~~ *shall* make payments to a nursing home at ~~the its most recently established rate determined for its prior fiscal year, or at an interim rate established by the state agency,~~ until the information is completely and accurately filed.

Subd. 4. [EXTENSIONS.] The commissioner may grant a 15-day extension of the reporting deadline to a nursing home for good cause. To receive such an extension, a nursing home shall submit a written request by December 1. The commissioner will notify the nursing home of the decision by December 15.

Subd. 5. [FALSE REPORTS.] If a nursing home knowingly supplies inaccurate or false information in a required report that results in an overpayment, the commissioner shall: (a) immediately adjust the nursing home's payment rate to recover the entire overpayment within the rate year; or (b) terminate the commissioner's agreement with the nursing home; or (c) prosecute under applicable state or federal law; or (d) use any combination of the foregoing actions.

Sec. 15. [256B.50] [APPEALS.]

A nursing home may appeal a decision arising from the application of standards or methods pursuant to sections 10 and 256B.47 if the appeal, if successful, would result in a change to the nursing home's payment rate. To appeal, the nursing home shall notify the commissioner of its intent to appeal within 30 days and submit a written appeal request within 60 days of receiving notice of the payment rate determination or decision. The appeal request shall specify each disputed item, the reason for the dispute, an estimate of the dollar amount involved for each disputed item, the computation that the nursing home believes is correct, the authority in statute or rule upon which the nursing home relies for each disputed item, the name and address of the person or firm with whom contacts may be made regarding the appeal, and other information required by the commissioner. The appeal shall be heard by a hearing examiner according to sections 14.48 to 14.56, or upon agreement by both parties according to a modified appeals procedure established by the commissioner and the hearing examiner. In any proceeding under this section, the appealing party must demonstrate by a preponderance of the evidence that the commissioner's determination is incorrect. Regardless of any rate appeal, the rate established shall be the rate paid and shall remain in effect until final resolution of the appeal or subsequent desk or field audit adjustment, notwithstanding any provision of law or rule to the contrary. To challenge the validity of rules established by the commissioner pursuant to sections 256B.41, 256B.47, 256B.48, and sections 11, 12, 15, and 16, a nursing home shall comply with section 14.44.

Sec. 16. [256B.502] [TEMPORARY RULES.]

The commissioners of health and public welfare shall promulgate temporary and permanent rules necessary to implement sections 1 to 17 in accordance with sections 14.01 to 14.38. Notwithstanding the provisions of section 14.35, temporary rules promulgated to implement sections 1 to 17 shall be effective for up to 360 days after July 1, 1983, and may be continued in

effect for two additional periods of 180 days each if the commissioner gives notice of continuation of each additional period by publishing notice in the state register and mailing the same notice to all persons registered with the commissioner to receive notice of rulemaking proceedings in connection with sections 1 to 17. The temporary rules promulgated in accordance with this section shall not be effective 720 days after their effective date without following the procedures in sections 14.13 to 14.20. The commissioner shall report to the legislature by January 1, 1985, on likely groups and shall establish groups of nursing homes based on the mix of resident care needs, and on geographic area, by July 1, 1985.

Sec. 17. [PROPERTY COST REIMBURSEMENT RECOMMENDATION.]

The commissioner of public welfare shall recommend to the legislature no later than January 1, 1984, a method for determining payment rates for property-related costs. The method shall be designed to:

(i) simplify the administrative procedures for determining payment rates for property-related costs;

(ii) minimize discretionary or appealable decisions;

(iii) eliminate any incentives to sell nursing homes;

(iv) recognize legitimate costs of preserving and replacing property;

(v) recognize the existing costs of outstanding indebtedness;

(vi) address the current value of, if used directly for patient care, land improvements, buildings, attached fixtures, and equipment;

(vii) establish an investment per bed limitation; and

(viii) reward efficient management of capital assets.

The commissioner shall also recommend a plan for implementing the recommended method, including proposals for phasing in the implementation.

Sec. 18. [LEGISLATIVE STUDY COMMISSION ON LONG TERM HEALTH CARE FUNDING ALTERNATIVES.]

Subdivision 1. A legislative study commission is created to study and report on alternatives to medical assistance funding for providing long term health care services to the citizens of Minnesota. The study commission shall consider use of alternatives such as private insurance, private annuities, health maintenance organizations, preferred provider organizations, medicare, and other alternatives the commission deems worthy of study.

Subd. 2. The commission shall consist of six members of the house of representatives appointed in the usual manner and six members of the senate appointed by the subcommittee on committees.

Subd. 3. The commission shall report its findings and recommendations to the governor and the legislature not later than January 1, 1985.

Subd. 4. The commission shall hold meetings and hearings at the times and places it designates to accomplish the purposes set forth in this section. It shall select a chairperson and other officers from its membership as it deems necessary.

Subd. 5. The commission shall make use of existing legislative facilities and staff of the house and senate research departments and senate counsel, but it may also request the legislative coordinating commission to supply it with additional necessary staff, office space, and administrative services. All additional personnel shall be hired and supervised by the directors of the house and senate research departments and senate counsel. The commission shall have full authority to contract for expert services and opinions relevant to the purposes of this section.

Sec. 19. [REPEALER.]

Minnesota Statutes 1982, sections 256B.42; 256B.43; 256B.44; 256B.45; and 256B.46 are repealed effective July 1, 1983. 12 MCAR, Section 2.049 is repealed effective on the effective date of the first temporary rule promulgated to implement section 12.

Sec. 20. [APPROPRIATION.]

The approved complement of the department of health increased by one-half position for the interagency board. \$3,156,000 for fiscal year 1984 and \$2,206,000 for fiscal year 1985 are appropriated from the general fund to the commissioner of public welfare for the state's costs of implementing sections 1 to 19 for the biennium ending June 30, 1985, in the following areas:

<i>Staff</i>	<i>\$316,000</i>
<i>Contracting for professional services</i>	<i>390,500</i>
<i>Implementing the new rate system</i>	<i>126,000</i>
<i>Office operation</i>	<i>71,300</i>
<i>Reimbursement of certain nursing homes under the moratorium</i>	<i>750,000</i>
<i>Research of property-related reimbursement systems</i>	<i>330,000</i>
<i>Preadmission screening/alternative care</i>	<i>3,975,775.</i>

Remaining amounts necessary to fund these areas shall be obtained from federal and county sources. The approved complement of the department of public welfare is increased by five and one-half full-time positions; the one-half full-time position is for the interagency board.

Sec. 21. [EFFECTIVE DATE.]

Sections 1 to 20 are effective the day following enactment, for establishing procedures for determining payment rates to become effective for the biennium beginning July 1, 1983, and thereafter. The amendments to section 256B.48, subdivision 1, apply to causes of action arising from charges made on or after the effective date of section 14."

Amend the title as follows:

Page 1, line 4, delete "licensure or" and after "certification" insert "or welfare licensure"

Page 1, line 8, delete "subdivision" and insert "subdivisions 4," and after "6" insert " , and by adding a subdivision"

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 11: A bill for an act relating to taxation; exempting certain leasehold interests in property owned by Independent School District No. 692, Babbitt, from the property tax.

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

Page 1, after line 6, insert:

“ARTICLE 1: INCOME TAX

Section 1. Minnesota Statutes 1982, section 290.01, subdivision 19, is amended to read:

Subd. 19. [NET INCOME.] The term “net income” means the gross income, as defined in subdivision 20, less the *following* deductions ~~allowed by section 290.09 (and for individuals, section 290.21)~~ to the extent allowed by section 290.18, subdivision 1:

(a) *For corporations, the deductions allowed by section 290.09;*

(b) *For individuals, the deductions allowed in section 10, without regard to section 290.18, subdivision 1, section 11, and section 290.09; and*

(c) *For estates and trusts, the deduction allowed by section 10, without regard to section 290.18, subdivision 1.*

Sec. 2. Minnesota Statutes 1982, section 290.01, subdivision 20, is amended to read:

Subd. 20. [GROSS INCOME.] Except as otherwise provided in this chapter, the term “gross income,” as applied to corporations includes every kind of compensation for labor or personal services of every kind from any private or public employment, office, position or services; income derived from the ownership or use of property; gains or profits derived from every kind of disposition of, or every kind of dealing in, property; income derived from the transaction of any trade or business; and income derived from any source.

The term “gross income” in its application to individuals, estates, and trusts shall mean the adjusted gross income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision and in subdivisions 20a to 20f. For estates and trusts the adjusted gross income shall be their federal taxable income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision and in subdivisions 20a to 20f, and with the modification that the federal deduction for personal exemptions for trusts and estates shall not be allowed.

(i) The Internal Revenue Code of 1954, as amended through December 31, 1976, including the amendments made to section 280A (relating to licensed day care centers) in H.R. 3477 as it passed the Congress on May 16, 1977, shall be in effect for the taxable years beginning after December 31, 1976. The provisions of the Tax Reform Act of 1976, P.L. 94-455, which affect adjusted gross income shall become effective for purposes of this chapter at the same time they become effective for federal income tax purposes.

The provisions of section 4 of P.L. 95-458, sections 131, 133, 134, 141, 152, 156, 157, 405, and 543 of P.L. 95-600, and section 2 of P.L. 96-608 (relating to pensions, individual retirement accounts, deferred compensation plans, the sale of a residence and to conservation payments to farmers) including the amendments made to these sections in P.L. 96-222 shall be effective at the same time that these provisions became effective for federal income tax purposes.

(ii) The Internal Revenue Code of 1954, as amended through December 31, 1979, shall be in effect for taxable years beginning after December 31, 1979.

(iii) The Internal Revenue Code of 1954, as amended through December 31, 1980, and as amended by sections 302(b) and 501 to 509 of Public Law Number 97-34, shall be in effect for taxable years beginning after December 31, 1980 including the provisions of section 404 (relating to partial exclusions of dividends and interest received by individuals) of the Crude Oil Windfall Profit Tax Act of 1980, P.L. 96-223. The provisions of P.L. 96-471 (relating to installment sales) sections 122, 123, 126, 201, 202, 203, 204, 211, 213, 214, 251, 261, 264, 265, 311(g)(3), 313, 314(a)(1), 321(a), 501 to 507, 811, and 812 of the Economic Recovery Tax Act of 1981, Public Law Number 97-34 and section 113 of Public Law Number 97-119 shall be effective at the same time that they become effective for federal income tax purposes.

(iv) The Internal Revenue Code of 1954, as amended through December 31, 1981, shall be in effect for taxable years beginning after December 31, 1981. *The Payment-in-Kind Tax Treatment Act of 1983, Public Law Number 98-4 shall be effective at the same time it becomes effective for federal income tax purposes.*

References to the Internal Revenue Code of 1954 in subdivisions 20a, 20b, 20c, and 20e shall mean the code in effect for the purpose of defining gross income for the applicable taxable year.

Sec. 3. Minnesota Statutes 1982, section 290.01, subdivision 20a, as amended by Laws 1982, Third Special Session chapter 1, article V, section 1, is amended to read:

Subd. 20a. [MODIFICATIONS INCREASING FEDERAL ADJUSTED GROSS INCOME.] There shall be added to federal adjusted gross income:

(1) Interest income on obligations of any state other than Minnesota or a political subdivision of any other state exempt from federal income taxes under the Internal Revenue Code of 1954;

(2) ~~A business casualty loss if the taxpayer elected to deduct the loss on the current year's federal income tax return but had deducted the loss on the previous year's Minnesota income tax return;~~

(3) Income taxes imposed by this state or any other taxing jurisdiction, to the extent deductible in determining federal adjusted gross income and not credited against federal income tax;

(4) (3) Interest on indebtedness incurred or continued to purchase or carry securities the income from which is exempt from tax under this chapter, to the extent deductible in determining federal adjusted gross income;

(5) (4) Amounts received as reimbursement for an expense of sickness or injury which was deducted in a prior taxable year to the extent that the deduction for the reimbursed expenditure resulted in a tax benefit;

(6) (5) The amount of any federal income tax overpayment for any previous taxable year, received as refund or credited to another taxable year's income tax liability, proportionate to the percentage of federal income tax that was claimed as a deduction in determining Minnesota income tax for the previous taxable year. The amount of the federal income tax overpayment shall be reported only to the extent that the amount resulted in a reduction of the tax imposed by this chapter.

The overpayment refund or credit, determined with respect to a husband and wife on a joint federal income tax return for a previous taxable year, shall be reported on joint, combined, or separate Minnesota income tax returns. In the case of combined or separate Minnesota returns, the overpayment shall be reported by each spouse proportionately according to the relative amounts of federal income tax claimed as a deduction on his or her combined or separate Minnesota income tax return for such previous taxable year;

(7) (6) In the case of a change of residence from Minnesota to another state or nation, the amount of moving expenses which exceed total reimbursements and which were therefore deducted in arriving at federal adjusted gross income;

(8) (7) The amount of any increase in the taxpayer's federal tax liability under section 47 of the Internal Revenue Code of 1954 to the extent of the credit under section 38 of the Internal Revenue Code of 1954 that was previously allowed as a deduction under subdivision 20b, clause (7);

(9) (8) Expenses and losses arising from a farm which are not allowable under section 290.09, subdivision 29;

(10) (9) Expenses and depreciation attributable to substandard buildings disallowed by section 290.101;

(11) (10) The amount by which the gain determined pursuant to section 41.59, subdivision 2 exceeds the amount of such gain included in federal adjusted gross income;

(12) (11) To the extent deducted in computing the taxpayer's federal adjusted gross income for the taxable year, losses recognized upon a transfer of property to the spouse or former spouse of the taxpayer in exchange for the release of the spouse's marital rights;

(13) (12) Interest income from qualified scholarship funding bonds as defined in section 103(e) of the Internal Revenue Code of 1954, if the nonprofit corporation is domiciled outside of Minnesota;

(14) (13) Exempt-interest dividends, as defined in section 852(b)(5)(A) of the Internal Revenue Code of 1954, not included in federal adjusted gross income pursuant to section 852(b)(5)(B) of the Internal Revenue Code of 1954, except for that portion of exempt-interest dividends derived from interest income on obligations of the state of Minnesota, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities;

(15) (14) The amount of any excluded gain recognized by a trust on the sale or exchange of property as defined in section 641(c)(1) of the Internal Revenue Code of 1954;

~~(16)~~ (15) To the extent not included in the taxpayer's federal adjusted gross income, the amount of any gain, from the sale or other disposition of property having a lower adjusted basis for Minnesota income tax purposes than for federal income tax purposes. This modification shall not exceed the difference in basis. If the gain is considered a long term capital gain for federal income tax purposes, the modification shall be limited to 40 percent of the portion of the gain. This modification is limited to property that qualified for the energy credit contained in section 290.06, subdivision 14, and to property acquired in exchange for the release of the taxpayer's marital rights contained in section 290.14, clause (7);

~~(17)~~ (16) The amount of any loss from a source outside of Minnesota which is not allowed under section 290.17 including any capital loss or net operating loss carryforwards or carrybacks resulting from the loss;

~~(18)~~ (17) The amount of a distribution from an individual housing account which is to be included in gross income as required under section 290.08, subdivision 25;

~~(19)~~ (18) To the extent deducted in computing the taxpayer's federal adjusted gross income, interest, taxes and other expenses which are not allowed under section 290.10, clause (9) or (10);

~~(20)~~ (19) To the extent excluded from federal adjusted gross income, in the case of a city manager or city administrator who elects to be excluded from the public employees retirement association and who makes contributions to a deferred compensation program pursuant to section 353.028, the amount of contributions made by the city manager or administrator which is equal to the amount which would have been the city manager's or administrator's employee contribution pursuant to section 353.27, subdivision 2, if he were a member of the public employees retirement association;

~~(21)~~ (20) The deduction for two-earner married couples provided in section 221 of the Internal Revenue Code of 1954;

~~(22)~~ (21) Interest on all-savers certificates which is excluded under section 128 of the Internal Revenue Code of 1954;

~~(23)~~ (22) Losses from the business of mining as defined in section 290.05, subdivision 1, clause (a) which is not subject to the Minnesota income tax;

~~(24)~~ (23) Expenses and depreciation attributable to property subject to Laws 1982, Chapter 523, Article 7, Section 3 which has not been registered;

~~(25)~~ (24) The amount of contributions to an individual retirement account, simplified employee pension plan, or self-employed retirement plan which is allowed under sections 311 and 312 of Public Law Number 97-34 to the extent those contributions were not an allowable deduction prior to the enactment of that law;

~~(26)~~ (25) To the extent deducted in computing federal adjusted gross income, living expenses of a member of congress in excess of that allowable under section 290.09, subdivision 2, clause (a)(3); and

(27) (26) To the extent not included in the taxpayer's federal adjusted gross income, the amount of any contributions to a qualified pension plan, designated as employee contributions but which the employing unit picks up and which are treated as employer contributions pursuant to section 414(h)(2) of the Internal Revenue Code of 1954.

Sec. 4. Minnesota Statutes 1982, section 290.01, subdivision 20b, as amended by Laws 1982, Third Special Session chapter 1, article V, section 2, is amended to read:

Subd. 20b. [MODIFICATIONS REDUCING FEDERAL ADJUSTED GROSS INCOME.] There shall be subtracted from federal adjusted gross income:

(1) Interest income on obligations of any authority, commission or instrumentality of the United States to the extent includible in gross income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes, that does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to 40 per centum of the portion of the gain. This modification shall not be applicable if the difference in basis is due to disallowance of depreciation pursuant to section 290.101.

(3) Income from the performance of personal or professional services which is subject to the reciprocity exclusion contained in section 290.081, clause (a);

(4) Losses, not otherwise reducing federal adjusted gross income assignable to Minnesota, arising from events or transactions which are assignable to Minnesota under the provisions of sections 290.17 to 290.20, including any capital loss or net operating loss carryforwards or carrybacks or out of state loss carryforwards resulting from the losses, and including any farm loss carryforwards or carrybacks;

(5) If included in federal adjusted gross income, the amount of any credit received, whether received as a refund or credit to another taxable year's income tax liability, pursuant to chapter 290A, and the amount of any overpayment of income tax to Minnesota, or any other state, for any previous taxable year, whether the amount is received as a refund or credited to another taxable year's income tax liability;

(6) To the extent included in federal adjusted gross income, or the amount reflected as the ordinary income portion of a lump sum distribution under section 402(e) of the Internal Revenue Code of 1954, notwithstanding any other law to the contrary, the amount received by any person (i) from the United States, its agencies or instrumentalities, the Federal Reserve Bank or from the state of Minnesota or any of its political or governmental subdivisions or from any other state or its political or governmental subdivisions, or a Minnesota volunteer firefighter's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or (ii) as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the Internal Revenue

Code of 1954. The maximum amount of this subtraction shall be \$11,000 less the amount by which the individual's federal adjusted gross income, plus the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, exceeds \$17,000. In the case of a volunteer firefighter who receives an involuntary lump sum distribution of his pension or retirement benefits, the maximum amount of this subtraction shall be \$11,000; this subtraction shall not be reduced by the amount of the individual's federal adjusted gross income in excess of \$17,000;

(7) The amount of any credit to the taxpayer's federal tax liability under section 38 of the Internal Revenue Code of 1954 but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

(8) To the extent included in the taxpayer's federal adjusted gross income for the taxable year, gain recognized upon a transfer of property to the spouse or former spouse of the taxpayer in exchange for the release of the spouse's marital rights;

(9) The amount of any distribution from a qualified pension or profit sharing plan included in federal adjusted gross income in the year of receipt to the extent of any contribution not previously allowed as a deduction by reason of a change in federal law which was not adopted by Minnesota law for a taxable year beginning in 1974 or later;

(10) Interest, including payment adjustment to the extent that it is applied to interest, earned by the seller of the property on a family farm security loan executed before January 1, 1986 that is guaranteed by the commissioner of agriculture as provided in sections 41.51 to 41.60;

(11) The first \$3,000 of compensation for personal services in the armed forces of the United States or the United Nations, and the next \$2,000 of compensation for personal services in the armed forces of the United States or the United Nations wholly performed outside the state of Minnesota. This modification does not apply to compensation defined in subdivision 20b, clause (6);

(12) The amount of any income earned for personal services rendered outside of Minnesota prior to the date when the taxpayer became a resident of Minnesota. This modification does not apply to compensation defined in subdivision 20b, clause (6);

(13) In the case of wages or salaries paid or incurred on or after January 1, 1977, the amount of any credit for employment of certain new employees under sections 44B and 51 to 53 of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

(14) In the case of work incentive program expenses paid or incurred on or after January 1, 1979, the amount of any credit for expenses of work incentive programs under sections 40, 50A and 50B of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable

against the production or receipt of income included in the measure of the tax imposed by this chapter;

(15) Unemployment compensation to the extent includible in gross income for federal income tax purposes under section 85 of the Internal Revenue Code of 1954;

(16) To the extent included in federal adjusted gross income, severance pay that may be treated as a lump sum distribution under the provisions of section 290.032, subdivision 5;

(17) The amount of any income or gain which is not assignable to Minnesota under the provisions of section 290.17;

(18) Minnesota exempt-interest dividends as provided by subdivision 27;

~~(19) A business casualty loss which the taxpayer elected to deduct on the current year's Minnesota income tax return but did not deduct on the current year's federal income tax return;~~

~~(20)~~ To the extent included in federal adjusted gross income, in the case of a city manager or city administrator who elects to be excluded from the public employees retirement association and who makes contributions to a deferred compensation program pursuant to section 353.028, the amount of payments from the deferred compensation program equivalent to the amount of contributions taxed under subdivision 20a, clause ~~(20)~~ (19);

~~(21)~~ (20) Contributions to and interest earned on an individual housing account as provided by section 290.08, subdivision 25;

~~(22)~~ (21) Interest earned on a contract for deed entered into for the sale of property for agricultural use if the rate of interest set in the contract is no more than nine percent per year for the duration of the term of the contract. This exclusion shall be available only if (1) the purchaser is an individual who, together with his spouse and dependents, has a total net worth valued at less than \$150,000 and (2) the property sold under the contract is farm land as defined in section 41.52, subdivision 6 of no more than 1,000 acres that the purchaser intends to use for agricultural purposes. Compliance with these requirements shall be stated in an affidavit to be filed with the first income tax return on which the taxpayer claims the exclusion provided in this clause. Upon request accompanied by the information necessary to make the determination, the commissioner shall determine whether interest to be paid on a proposed transaction will qualify for this exclusion; the determination shall be provided within 30 days of receipt of the request, unless the commissioner finds it necessary to obtain additional information, or verification of the information provided, in which case the determination shall be provided within 30 days of receipt of the final item of information or verification. The exclusion provided in this clause shall apply to interest earned on contracts for deed entered into after December 31, 1981 and before July 1, 1983;

~~(23)~~ (22) The penalty on the early withdrawal of an all-savers certificate as provided in section 128(e) of the Internal Revenue Code of 1954 to the extent that the interest was included in income under subdivision 20a, clause ~~(22)~~ (21);

~~(24)~~ (23) Income from the business of mining as defined in section

290.05, subdivision 1, clause (a) which is not subject to the Minnesota income tax; and

~~(25)~~ (24) To the extent included in federal adjusted gross income, distributions from a qualified governmental pension plan which represent a return of designated employee contributions to the plan and which contributions were included in gross income pursuant to subdivision 20a, clause ~~(27)~~ (26).

Sec. 5. Minnesota Statutes 1982, section 290.06, subdivision 2d, is amended to read:

Subd. 2d. [INFLATION ADJUSTMENT OF BRACKETS.] *(a) Subject to the restrictions provided under paragraph (b), for taxable years beginning after December 31, 1980, the taxable net income brackets in subdivision 2c shall be adjusted for inflation. For the purpose of making the adjustment as provided in this subdivision all of the brackets provided in subdivision 2c shall be the adjusted brackets as they existed for taxable years beginning after December 31, 1979 and before January 1, 1981. The commissioner shall determine: (a) the percentage increase in the revised consumer price index for all urban consumers for the Minneapolis-St. Paul metropolitan area prepared by the United States department of labor. He shall then determine the percent change from August, 1980, to, in 1981, August, 1981, and in each subsequent year, from August of the preceding year to August of the current year; and (b) the percentage increase in average Minnesota gross income from tax year 1980 to, in 1981, tax year 1981, and in each subsequent tax year between the previous tax year and the current tax year. The percent increases in Minnesota gross income shall be estimated using the best available data sources and reasonable forecasting procedures. The determination of the commissioner pursuant to this section shall not be considered a "rule" and shall not be subject to the administrative procedures act contained in chapter 14.*

The dollar amount in each taxable net income bracket for the prior year in subdivision 2c shall be multiplied by a figure calculated as one plus 100 percent of the consumer price index increase or 100 percent of the Minnesota gross income increase, whichever is smaller. The product of the calculation shall yield the inflation adjusted tax brackets for each succeeding year. If the product exceeds a whole dollar amount, it shall be rounded to the nearest whole dollar.

No later than October 1 of each year, the commissioner shall announce both percentage increases and the specific percentage that will be used to adjust the tax brackets, the maximum standard deduction amount, and the personal credit amounts.

(b) For taxable years beginning after December 31, 1982, the taxable net income brackets, the personal credit amounts established pursuant to subdivisions 3f and 3g, and the maximum standard deduction provided under section 290.09, subdivision 15, shall be adjusted pursuant to paragraph (a) only if the commissioner of finance certifies by September 15 that the unobligated general fund balance on June 30, including the amount of the balance in the budget reserve account established pursuant to article 6, exceeds an amount equal to five percent of the total general fund expenditures and transfers, less dedicated revenue expenditures, for the current biennium.

Sec. 6. Minnesota Statutes 1982, section 290.06, subdivision 2e, as amended by Laws 1982, Third Special Session chapter 1, article V, section 3, is amended to read:

Subd. 2e. [ADDITIONAL INCOME TAX.] In addition to the tax computed pursuant to subdivisions 2c and 2d or subdivision 3d, there is hereby imposed an additional income tax on individuals, estates, and trusts, other than those taxable as corporations. The additional tax shall be computed by applying the following rates to the tax computed pursuant to subdivision 3d or, in the case of an individual who does not qualify for the low income alternative tax and estates and trusts, the tax computed pursuant to subdivisions 2c and 2d and sections 290.032 and 290.091 less the credits allowed by sections 290.06, subdivisions 3e, 3f, 9, 9a, 11 and 14; and 290.081.

(1) For taxable years beginning after December 31, 1981, but before January 1, 1983, seven percent;

(2) For taxable years beginning after December 31, 1982, but before January 1, 1984 1985, ~~5~~ ten percent;

(3) For taxable years beginning after December 31, 1984, but before January 1, 1986, five percent.

On October 1, 1983 the commissioner of finance shall determine the amount of the state's unrestricted general fund balance at the close of the 1982-1983 biennium. If this amount is more than \$150,000,000, the commissioner shall reduce the rate of the surtax in effect for taxable years beginning after December 31, 1982 and before January 1, 1984, so that the amount of revenue raised by the surtax results in a fund balance of no more than \$150,000,000, provided that the rate so determined shall be rounded upward to the next one-tenth of one percent and no adjustment shall be required if the change in the rate of the surtax would be less than one-tenth of one percent.

Sec. 7. [ADJUSTMENT TO WITHHOLDING AND DECLARATIONS.]

For taxable years beginning after December 31, 1984, but before January 1, 1986, the commissioner of revenue shall adjust the withholding tables, notwithstanding section 290.92, subdivision 2a, so that the additional tax imposed by section 5 for the entire year is withheld and remitted by employers as if the additional tax were imposed at a rate of ten percent during the first six months of the taxable year.

For the same period, the commissioner shall require that declarations filed for the first six months of the taxable year by individuals shall include the additional tax imposed by section 5.

Sec. 8. Minnesota Statutes 1982, section 290.06, subdivision 11, is amended to read:

Subd. 11. [CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] ~~In lieu of the deduction provided by section 290.21, subdivision 3, clause (e).~~ A taxpayer may take a credit against the tax due under this chapter of 50 percent of his contributions to candidates for elective state or federal public office and to any political party. The maximum credit for an individual shall not exceed \$50 and, for a married couple filing jointly or filing a combined return, shall not exceed \$100. No credit shall be allowed under

this subdivision for a contribution to any candidate, other than a candidate for elective judicial office or federal office, who has not signed an agreement to limit his campaign expenditures as provided in section 10A.32, subdivision 3b. For purposes of this subdivision, a political party means a major political party as defined in section 200.02, subdivision 7.

This credit shall be allowed only if the contribution is verified in the manner the commissioner of revenue shall prescribe.

Sec. 9. Minnesota Statutes 1982, section 290.06, subdivision 13, is amended to read:

Subd. 13. [GASOLINE AND SPECIAL FUEL TAX REFUND.] Subject to the provisions of section 296.18, a credit equal to the amount paid by the taxpayer during the taxable year as excise tax on gasoline bought and used for any purpose other than use in motor vehicles or, snowmobiles, or motorboats, or on special fuel bought and used for any purpose other than use in licensed motor vehicles may be deducted from any tax due under this chapter. Any amount by which the credit exceeds the tax due shall be refunded.

Sec. 10. Minnesota Statutes 1982, section 290.068, is amended by adding a subdivision to read:

Subd. 6. [ADDITIONAL CREDIT.] (a) *In addition to the credit allowed by subdivision 1, a credit shall be allowed against the tax imposed by this chapter for the taxable year equal to 12.5 percent of the amount of qualified research expenses paid or incurred for qualified research performed by a Minnesota-domiciled corporation for or on behalf of one or more of its wholly-owned subsidiary corporations which has in effect during the taxable year a valid election under section 936 of the Internal Revenue Code, including any expenses paid or incurred that are attributable to a wholly-owned subsidiary corporation by reason of paragraph (h) of section 936 for purposes of determining each corporation's combined taxable income.*

(b) *The maximum credit allowed by clause (a) for the taxable year shall be the excess of*

(1) *the total amount of tax imposed by this chapter on all members of the unitary group for the taxable year, over*

(2) *the sum of (A) the total amount of tax which would be imposed on the unitary group, if the corporation or corporations with valid elections under section 936 of the Internal Revenue Code were excluded from the unitary group, plus (B) the tax, if any, which would be imposed on the corporation or corporations with valid elections under section 936 of the Internal Revenue Code without regard to the other members of the unitary group.*

(c) (1) *If the amount of the credit determined under clause (a) for any taxable year exceeds the limitation provided in clause (b), the excess shall be a research credit carryover to each of the 15 succeeding taxable years. The entire amount of the excess unused credit for the taxable year shall be carried first to the earliest of the taxable years to which the credit may be carried and then to each successive year to which the credit may be carried.*

(2) *The amount of the unused credit which may be added under subparagraph (1) for any preceding taxable year shall not exceed the amount by*

which the limitation provided by clause (b) for the taxable year exceeds the sum of

(i) the credit allowable under this subdivision for the taxable year, and

(ii) the amounts, which, by reason of subparagraph (1), are added to the amount allowable for the taxable year and which are attributable to taxable years preceding the taxable year in which an excess credit arises.

Sec. 11. Minnesota Statutes 1982, section 290.07, subdivision 1, is amended to read:

Subdivision 1. [ANNUAL ACCOUNTING PERIOD.] Net income and taxable net income shall be computed upon the basis of the taxpayer's annual accounting period. If a taxpayer has no annual accounting period, or has one other than a fiscal year, as heretofore defined, the net income and taxable net income shall be computed on the basis of the calendar year. Taxpayers shall employ the same accounting period on which they report, or would be required to report, their net income under the ~~federal income tax act~~ Internal Revenue Code. The commissioner shall provide by rule for the determination of the accounting period for taxpayers who file a combined report under section 290.34, subdivision 2, when members of the group use different accounting periods for federal income tax purposes. Unless the taxpayer changes its accounting period for federal purposes, the due date of the return is not changed.

A taxpayer may change his accounting period only with the consent of the commissioner. In case of any such change, he shall pay a tax for the period not included in either his former or newly adopted taxable year, computed as provided in section 290.32.

Sec. 12. [290.088] [DEDUCTION FOR FEDERAL INCOME TAXES.]

Adjusted gross income for individuals, estates and trusts shall be computed by allowing to individuals, estates, and trusts a deduction from gross income for federal income taxes. The amount of the deduction is determined under section 290.18, subdivision 2.

Sec. 13. [290.089] [DEDUCTIONS FROM GROSS INCOME; INDIVIDUALS.]

Subdivision 1. [AMOUNT ALLOWED.] In computing the net income of individuals, an amount determined pursuant to subdivision 2 or 3 is allowed as a deduction.

Subd. 2. [ITEMIZED DEDUCTIONS.] Subject to the provisions of section 290.18, subdivision 1, an amount equal to the amount determined pursuant to section 63(f) of the Internal Revenue Code is allowed with the following adjustments:

(a) Add the amount paid to others not to exceed \$500 for each dependent in grades K to 6 and \$700 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter

363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs;

(b) Add the amount of Minnesota and other states' estate or inheritance taxes which are allowed as a deduction under section 290.077, subdivision 4, on income in respect of a decedent;

(c) Subtract income taxes paid or accrued within the taxable year under this chapter;

(d) Subtract income taxes paid to any other state or to any province or territory of Canada if a credit is allowed for the taxes under section 290.081;

(e) If the deduction computed under section 164 of the Internal Revenue Code is not reduced by the amount of the credit or refund allowed under chapter 290A, subtract that amount;

(f) Subtract the amount of interest on investment indebtedness paid or accrued in a taxable year beginning before January 1, 1981, which is allowed under section 163(d) of the Internal Revenue Code to be carried over to a future taxable year;

(g) The amount of charitable contributions deducted under section 170 of the Internal Revenue Code that (i) exceeds the following limitations: (A) an overall limit of 30 percent of the taxpayer's Minnesota gross income which, for purposes of this paragraph, shall include the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code; and (B) the aggregate of contributions to organizations described in section 290.21, subdivision 3, clause (c) shall not exceed 20 percent of the taxpayer's Minnesota gross income; or (ii) was deducted as a carryover under section 170(d) of the Internal Revenue Code.

Subd. 3. [STANDARD DEDUCTION.] In lieu of the deductions provided in subdivision 2, an individual may claim or be allowed a standard deduction as follows:

(a) Subject to modification pursuant to clause (b), the standard deduction shall be an amount equal to ten percent of the adjusted gross income of the taxpayer, up to a maximum deduction of \$2,250.

In the case of a husband and wife, the standard deduction shall not be allowed to either if the net income of one of the spouses is determined without regard to the standard deduction.

(b) The maximum amount of the standard deduction shall be adjusted for inflation in the same manner as provided in section 290.06, subdivision 2d, for the expansion of the taxable net income brackets.

(c) The commissioner of revenue may establish a standard deduction tax table incorporating the rates set forth in section 290.06, subdivision 2c, and

the standard deduction. The tax of any individual taxpayer whose adjusted gross income is less than \$20,000 shall, if an election is made not to itemize nonbusiness deductions, be computed in accordance with tables prepared and issued by the commissioner of revenue. The tables shall be prepared to reflect the allowance of the standard deduction and the personal and dependent credits.

Subd. 4. [NON-FEDERAL ITEMIZERS.] An individual who does not itemize deductions for federal purposes but does itemize deductions for Minnesota purposes shall compute that person's deductions for Minnesota as if that person had itemized their deductions for federal purposes under the provisions of subdivision 2.

Subd. 5. [DIVISION OF DEDUCTIONS.] In the case of a husband and wife who filed a joint federal income tax return but filed separate Minnesota income tax returns, the amount of the itemized deductions that shall be allowed shall be the same amount that was allowed on their joint federal income tax return and as modified by subdivision 2. The deductions shall be divided between them based on who incurred and paid the amount which qualifies as a deduction. Amounts which qualify as a deduction and which are paid from joint funds may be divided between the spouses as they elect.

Subd. 6. [DEDUCTION FOR JOINT FILERS.] In the case of married taxpayers who file a joint return, an additional deduction shall be allowed in an amount equal to ten percent of the total gross income of the spouses. The deduction under this subdivision shall not exceed \$1,000, provided that, if the combined gross income of the spouses is over \$25,000, the maximum credit provided under this subdivision shall be reduced by 20 percent of the amount by which the gross income exceeds \$25,000.

Subd. 7. [INTERNAL REVENUE CODE REFERENCES.] The Internal Revenue Code referred to in any of the subdivisions of this section means the Internal Revenue Code of 1954, as amended through January 15, 1983.

Sec. 14. Minnesota Statutes 1982, section 290.09, subdivision 1, is amended to read:

Subdivision 1. [LIMITATIONS.] (a) Except as provided in this subdivision, the following deductions from gross income shall only be allowed to corporations in computing net income; ~~provided that any item which was deducted in arriving at gross income under the provisions of section 290.01, subdivisions 20 to 20f, shall not be again deducted under this section. The provisions of subdivisions 2, clause (c), 28, and 29 shall also apply to individuals, estates, and trusts to the extent provided in those subdivisions.~~

(b) Property taxes may not be deducted under this section if

(1) The taxes are attributable to a trade or business carried on by an individual; or

(2) The taxes are expenses for the production of income which are paid or incurred by an individual; and which are not allowed as a deduction under section 164 of the Internal Revenue Code of 1954, as amended through December 31, 1981.

(c) Interest and depreciation attributable to rental residential property may not be deducted under this section if the property does not comply with the

requirements of Laws 1982, chapter 523, article 7, section 3.

Sec. 15. Minnesota Statutes 1982, section 290.09, subdivision 2, is amended to read:

Subd. 2. [TRADE OR BUSINESS EXPENSES; EXPENSES FOR PRODUCTION OF INCOME.] (a) In General. There shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including

(1) A reasonable allowance for salaries or other compensation for personal services actually rendered;

(2) Traveling expenses (including amounts expended for meals and lodging other than amounts which are lavish or extravagant under the circumstances) while away from home in the pursuit of a trade or business; and

(3) Rentals or other payments required to be made as a condition to the continued use or possession, for purposes of the trade or business, of property to which the taxpayer has not taken or is not taking title or in which he has no equity. ~~For purposes of the preceding sentence, the place of residence of a member of congress within the state shall be considered his home, but amounts expended by such members within each taxable year for living expenses shall not be deductible for income tax purposes in excess of \$3,000.~~

(b) ~~Expenses for Production of Income.~~ In the case of an individual, there shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable year.

(1) ~~For the production or collection of income;~~

(2) ~~For the management, conservation, or maintenance of property held for the production of income; or~~

(3) ~~In connection with the determination, collection, or refund of any tax.~~

(c) ~~Actual campaign expenditures in an amount not to exceed one-third of the salary of the office sought, for the year the election is held, by the candidate, but no less than \$100, not reimbursed, which have been personally paid by a candidate for public office;~~

(d) ~~No deduction shall be allowed under this subdivision for any contribution or gift which would be allowable as a deduction under section 290.21 were it not for the percentage limitations set forth in such section;~~

(e) ~~(c) All expense money paid by the legislature to legislators;~~

(f) ~~The provisions of section 280A (disallowing certain expenses in connection with the business use of the home and rental of vacation homes) of the Internal Revenue Code of 1954, as amended through December 31, 1981, shall be applicable in determining the availability of any deduction under this subdivision.~~

(g) ~~(d) Entertainment, amusement, or recreation expenses shall be allowed under this subdivision only to the extent that they qualify as a deduction under section 274 of the Internal Revenue Code of 1954, as amended through December 31, 1981.~~

Sec. 16. Minnesota Statutes 1982, section 290.09, subdivision 3, as

amended by Laws 1982, Third Special Session chapter 1, article VII, section 1, is amended to read:

Subd. 3. [INTEREST.] (a) All interest paid or accrued within the taxable year on indebtedness, except as hereinafter provided.

(b) Interest paid or accrued within the taxable year on indebtedness incurred or continued to purchase or carry obligations or securities the income from which is excludable from gross income under sections 290.01, subdivisions 20 to 20f or section 290.08, or shares of a regulated investment company which during the taxable year of the holder thereof distributes Minnesota exempt interest dividends as defined in section 290.01, subdivision 27, or on indebtedness described in section 264(a)(2) and (3), (b) and (c) (relating to life insurance) of the Internal Revenue Code of 1954, as amended through December 1, 1982 shall not be allowed as a deduction.

(c) If personal property or educational services are purchased under a contract the provisions of section 163(b) of the Internal Revenue Code of 1954, as amended through December 1, 1982 shall apply.

(d) A cash basis taxpayer may elect to deduct interest as it accrues on a reverse mortgage loan as defined in section 47.58, subdivision 1, rather than when it is actually paid. This election must be made, if at all, in the first taxable year in which it is available to the cash basis taxpayer and, if made, shall be binding on the taxpayer for each subsequent taxable year until maturity of the loan.

(e) In the case of a taxpayer other than a corporation, the amount of interest on investment indebtedness allowable as a deduction shall be allowed and limited as set forth in section 163(d) of the Internal Revenue Code of 1954, as amended through December 1, 1982. The limitation prescribed in section 163(d)(1)(A) for married individuals who file separate returns shall also apply to married individuals who file separately on one return.

(f) A taxpayer may not deduct interest on indebtedness incurred or continued to purchase or carry obligations or shares, or to make deposits or other investments; the interest on which is described in section 116(e) of the Internal Revenue Code of 1954, as amended through December 1, 1982 to the extent such interest is excludable from gross income under section 116 of the Internal Revenue Code of 1954 as amended through December 1, 1982. Interest and carrying costs in the case of straddles shall be treated as provided in section 263(g) of the Internal Revenue Code of 1954, as amended through December 1, 1982. The deduction of original issue discount shall be allowed as provided in section 163(e) of the Internal Revenue Code of 1954, as amended through December 1, 1982.

(g) (e) No deduction shall be allowed for interest on any registration-required obligation unless the obligation is in registered form as provided in section 163(f) of the Internal Revenue Code of 1954, as amended through December 1, 1982.

Sec. 17. Minnesota Statutes 1982, section 290.09, subdivision 4, is amended to read:

Subd. 4. [TAXES.] Taxes paid or accrued within the taxable year, except (a) income or franchise taxes imposed by this chapter and income or fran-

chise taxes paid to any other state or to any province or territory of Canada for which a credit is allowed under section 290.081; (b) taxes assessed against local benefits of a kind deemed in law to increase the value of the property assessed; (c) ~~inheritance, gift and estate taxes except as provided in section 290.077, subdivision 4;~~ (d) ~~cigarette and tobacco products excise tax imposed on the consumer;~~ (e) ~~that part of Minnesota property taxes for which a credit or refund is claimed and allowed under chapter 290A;~~ (f) federal income taxes (including the windfall profit tax on domestic crude oil), by corporations, national and state banks; ~~(g) mortgage registry tax; (h) real estate transfer tax; (i) federal telephone tax; (j) federal transportation tax; and (k) (d) tax paid by any corporation or national or state bank to any foreign country or possession of the United States to the extent that a credit against federal income taxes is allowed under the provisions of the Internal Revenue Code of 1954, as amended through December 31, 1981. If the taxpayer's foreign tax credit consists of both foreign taxes deemed paid and foreign taxes actually paid or withheld, it will be conclusively presumed that foreign taxes deemed paid were first used by the taxpayer in its foreign tax credit. Minnesota gross income shall include the amount of foreign tax paid which had been allowed as a deduction in a previous year, provided such foreign tax is later allowed as a credit against federal income tax.~~

Taxes imposed upon a shareholder's interest in a corporation which are paid by the corporation without reimbursement from the shareholder shall be deductible only by such corporation.

Property taxes shall be allowed as a deduction to the same taxpayer and in the same manner as provided in section 164 of the Internal Revenue Code of 1954, as amended through December 31, 1981, notwithstanding the provisions of section 272.31.

Sec. 18. Minnesota Statutes 1982, section 290.09, subdivision 5, is amended to read:

Subd. 5. [LOSSES.] (a) [GENERAL RULE.] There shall be allowed as a deduction any loss sustained during the taxable year and not compensated for by insurance or otherwise.

(b) [AMOUNT OF DEDUCTION.] For purposes of paragraph (a), the basis for determining the amount of the deduction for any loss shall be the adjusted basis provided in this chapter for determining the loss from the sale or other disposition of property.

(c) [~~LIMITATION OF LOSSES OF INDIVIDUALS.~~] ~~In the case of an individual, the deduction under paragraph (a) shall be limited to~~

(1) ~~Losses incurred in a trade or business;~~

(2) ~~Losses incurred in any transaction entered into for profit, though not connected with a trade or business; and~~

(3) ~~Losses of property not connected with a trade or business, if such losses arise from fire, storm, shipwreck, or other casualty, or from theft to the extent they are deductible pursuant to the provisions of section 165 (e) (3) of the Internal Revenue Code of 1954, as amended through December 31, 1981. No loss described in this paragraph shall be allowed if, at the time of the filing of the return, such loss has been claimed for inheritance or estate tax purposes.~~

(d) [WAGERING LOSSES.] Losses from wagering transactions shall be allowed only to the extent of the gains from such transactions.

(e) (d) [THEFT LOSSES.] For purposes of paragraph (a), any loss arising from theft shall be treated as sustained during the taxable year in which the taxpayer discovers such loss.

(f) (e) [CAPITAL LOSSES.] Losses from sales or exchanges of capital assets shall be allowed only to the extent allowed in section 290.16.

(g) (f) [WORTHLESS SECURITIES.] (1) [GENERAL RULE.] If any security which is a capital asset becomes worthless during the taxable year, the loss resulting therefrom shall, for purposes of this chapter, be treated as a loss from the sale or exchange, on the last day of the taxable year, of a capital asset.

(2) [SECURITY DEFINED.] For purposes of this paragraph, the term "security" means:

(A) A share of stock in a corporation;

(B) A right to subscribe for, or to receive, a share of stock in a corporation;
or

(C) A bond, debenture, note, or certificate, or other evidence of indebtedness, issued by a corporation or by a government or political subdivision thereof, with interest coupons or in registered form.

(3) [SECURITIES IN AFFILIATED CORPORATION.] For purposes of paragraph (1), any security in a corporation affiliated with a taxpayer which is a domestic corporation shall not be treated as a capital asset. For purposes of the preceding sentence, a corporation shall be treated as affiliated with the taxpayer only if:

(A) At least 80 percent of each class of its stock is owned directly by the taxpayer, and

(B) More than 90 percent of the aggregate of its gross receipts for all taxable years has been from sources other than royalties, rents (except rents derived from rental from properties to employees of the corporation in the ordinary course of its operating business), dividends, interest (except interest received on deferred purchase price of operating assets sold), annuities, and gains from sales or exchanges of stocks and securities. In computing gross receipts for purposes of the preceding sentence, gross receipts from sales or exchanges of stock and securities shall be taken into account only to the extent of gains therefrom.

(h) (g) [DISASTER LOSSES.] (1) Notwithstanding the provisions of (a), any loss

(A) attributable to a disaster which occurs during the period following the close of the taxable year and on or before the time prescribed by law for filing the income tax return for the taxable year (determined without regard to any extension of time); and

(B) occurring in an area subsequently determined by the President of the United States to warrant assistance by the Federal Government under the provisions of the Federal Disaster Relief Act of 1974, at the election of the

~~taxpayer, may~~ shall be deducted for the taxable year immediately preceding the taxable year in which the disaster occurred. ~~Such election may be made~~ This provision shall apply only if a ~~similar~~ an election has been made under the provisions of section ~~165(h)~~ 165(i) of the Internal Revenue Code of 1954, as amended through December 31, ~~1981~~ 1982, for federal income tax purposes. ~~Such~~ The deduction allowed in the preceding taxable year shall not be in excess of so much of the loss as would have been deductible in the taxable year in which the casualty occurred ~~exceed the uncompensated amount determined on the basis of the facts existing at the date the taxpayer claims the loss.~~ If an election is made under this paragraph, the casualty resulting in the loss will be deemed to have occurred in the taxable year for which the deduction is claimed.

~~(2) The commissioner is authorized to prescribe regulations providing the time and manner of making an election to claim a disaster loss under this clause.~~

~~(i) (h) [ELECTION.] In lieu of the deduction allowed by (a) or (h) (g) any loss not compensated for by insurance or otherwise:~~

~~(1) Attributable to storm or other natural causes or fire, may, at the election of the taxpayer, be claimed as a deduction in the taxable year in which said loss is sustained or in the preceding taxable year.~~

~~(2) In the event that under the provisions of this paragraph, a taxpayer claims the same disaster loss deduction or a net operating loss deduction resulting from the inclusion of a casualty loss in the calculation of such deduction in different taxable years for state and federal purposes, appropriate modifications shall be allowed or required for taxable years affected in order to prevent duplication or omission of such deduction.~~

~~(3) The commissioner is authorized to prescribe regulations providing the time and manner to make an election to claim a loss under the provisions of this paragraph and for the filing of an amended return or claim for refund.~~

Sec. 19. Minnesota Statutes 1982, section 290.091, is amended to read:

290.091 [MINIMUM TAX ON PREFERENCE ITEMS.]

In addition to all other taxes imposed by this chapter there is hereby imposed, a tax which, in the case of a resident individual, shall be equal to 40 percent of the amount of the taxpayer's minimum tax liability for tax preference items pursuant to the provisions of sections 55 to 58 and 443(d) of the Internal Revenue Code of 1954 as amended through December 31, 1981. For purposes of the tax imposed by this section, the following modifications shall be made:

(1) Capital gain as defined in section 57(a) of the Internal Revenue Code shall not include that portion of any gain occasioned by sale, transfer or the granting of a perpetual easement pursuant to any eminent domain proceeding or threat thereof as described in section 290.13, subdivision 5. This modification shall apply to the years in which the gain or reduction in loss is actually included in federal adjusted gross income even though amounts received pursuant to the eminent domain proceedings were received in prior years.

(2) In the case of a corporate taxpayer, percentage depletion shall not be a

preference item.

(3) ~~In the case of a corporate taxpayer, the capital gain preference item shall not include the timber preference income defined in section 57(e)(1) of the Internal Revenue Code.~~

(4) The preference item of reserves for losses on bad debts shall not include reserves allowable under section 593 of the Internal Revenue Code, but which are not allowable under section 290.09, subdivision 6, clause (c).

(5) ~~In the case of an individual, the preference item of adjusted itemized deductions does not include any deduction for charitable contributions in excess of the limitations contained in section 290.21, subdivision 3, including any carryover amount allowed for federal purposes.~~

(6) (4) The capital gain preference item shall be reduced where the gain would be modified because some or all of the assets have a higher basis for Minnesota purposes than for federal purposes.

(7) (5) In the case of a nonresident individual, or an estate or trust, with a net operating loss that is a larger amount for Minnesota than for federal, the capital gain preference item shall be reduced to the extent it was reduced in the allowance of the net operating loss.

In the case of a resident individual, having preference items which could not be taken to reduce income from sources outside the state pursuant to section 290.17, subdivision 1, or any other taxpayer the tax shall equal 40 percent of that federal liability, multiplied by a fraction the numerator of which is the amount of the taxpayer's preference item income allocated to this state pursuant to the provisions of sections 290.17 to 290.20, and the denominator of which is the taxpayer's total preference item income for federal purposes.

The tax benefit rule contained in section 58(h) of the Internal Revenue Code is applied to the Minnesota minimum tax only to the extent that it determines if there is a federal minimum tax. No separate tax benefit rule is allowable for the Minnesota minimum tax.

For property placed in service after December 31, 1980, the preference items contained in section 57 (a)(12) of the Internal Revenue Code of 1954, as amended through December 31, 1981, shall not apply.

Sec. 20. Minnesota Statutes 1982, section 290.14, is amended to read:

290.14 [GAIN OR LOSS ON DISPOSITION OF PROPERTY, BASIS.]

Except as otherwise provided in this chapter, the basis for determining the gain or loss from the sale or other disposition of property acquired on or after January 1, 1933, shall be the cost to the taxpayer of such property, with the following exceptions:

(1) If the property should have been included in the last inventory, it shall be the last inventory value thereof;

(2) If the property was acquired by gift, it shall be the same as it would be if it were being sold or otherwise disposed of by the last preceding owner not acquiring it by gift; if the facts required for this determination cannot be ascertained, it shall be the fair market value as of the date, or approximate

date, of acquisition by the last preceding owner, as nearly as the requisite facts can be ascertained by the commissioner;

(3) If the property was acquired by gift through an inter vivos transfer in trust, it shall be the same as it would be if it were being sold or otherwise disposed of by the grantor;

(4) Except as otherwise provided in this clause, the basis of property in the hands of a person acquiring the property from a decedent or to whom the property passed from a decedent shall, if not sold, exchanged or otherwise disposed of before the decedent's death by the person, be the fair market value of the property at the date of decedent's death or, in the case of an election under section 2032 (relating to alternate valuation) of the Internal Revenue Code of 1954, as amended through December 31, 1981, its valuation at the applicable valuation date prescribed by that section, or in the case of an election under section 2032A (relating to valuation of farm real property) of the Internal Revenue Code of 1954, as amended through December 31, 1981, its value determined by that section.

For the purposes of the preceding paragraph, the following property shall be considered to have been acquired from or to have passed from the decedent:

(a) Property acquired by bequest, devise, or inheritance, or by the decedent's estate from the decedent;

(b) Property transferred by the decedent during his lifetime in trust to pay the income for life to or on the order or direction of the decedent, with the right reserved to the decedent at all times before his death to revoke the trust;

(c) Property transferred by the decedent during his lifetime in trust to pay the income for life to or on the order or direction of the decedent with the right reserved to the decedent at all times before his death to make any change in the enjoyment thereof through the exercise of a power to alter, amend, or terminate the trust;

(d) Property passing without full and adequate consideration under a general power of appointment exercised by the decedent by will;

(e) In the case of a decedent's dying after December 31, 1956, property acquired from the decedent by reason of death, form of ownership, or other conditions (including property acquired through the exercise or non-exercise of a power of appointment), if by reason thereof the property is required to be included in determining the value of the decedent's gross estate for Minnesota inheritance or estate tax purposes. In this case, if the property is acquired before the death of the decedent, the basis shall be the amount determined under the first paragraph of this clause reduced by the amount allowed to the taxpayer as deductions in computing taxable net income under this chapter or prior Minnesota income tax laws for exhaustion, wear and tear, obsolescence, amortization, and depletion on the property before the death of the decedent. The basis shall be applicable to the property commencing on the death of the decedent. This paragraph shall not apply to annuities and property described in paragraphs (a), (b), (c) and (d) of this clause.

This clause shall not apply to property which constitutes a right to receive

an item of income in respect of a decedent under section 290.077.

(5) If substantially identical property was acquired in the place of stocks or securities which were sold or disposed of and in respect of which loss was not allowed as a deduction under *section 11* or section 290.09, subdivision 5, the basis in the case of property so acquired shall be the same as that provided in section 1091 of the Internal Revenue Code of 1954, as amended through December 31, 1981.

(6) Neither the basis nor the adjusted basis of any portion of real property shall, in the case of a lessor of the property, be increased or diminished on account of income derived by the lessor in respect of the property and excludable from gross income under section 290.08, subdivision 14.

If an amount representing any part of the value of real property attributable to buildings erected or other improvements made by a lessee in respect of the property was included in gross income of the lessor for any taxable year beginning before January 1, 1943, the basis of each portion of the property shall be properly adjusted for the amount included in gross income.

(7) If the property was acquired by the taxpayer as a transfer of property in exchange for the release of the taxpayer's marital rights, the basis of the property shall be the same as it would be if it were being sold or otherwise disposed of by the person who transferred the property to the taxpayer.

(8) The basis of property subject to the provisions of section 1034 of the Internal Revenue Code of 1954, as amended through December 31, 1981 (relating to the rollover of gain on sale of principal residence) shall be the same as the basis for federal income tax purposes. The basis shall be increased by the amount of gain realized on the sale of a principal residence outside of Minnesota, while a nonresident of this state, which gain was not recognized because of the provisions of section 1034.

Sec. 21. Minnesota Statutes 1982, section 290.16, subdivision 9, is amended to read:

Subd. 9. [PROPERTY USED IN TRADE OR BUSINESS.] (4) ~~For the purposes of this subdivision, the term "property used in the trade or business" means property used in the trade or business of a character which is subject to the allowance for depreciation provided in section 290.09, subdivision 7, held for more than one year, and real property used in the trade or business, held for more than one year, which is not (A) property of a kind which would properly be includible in the inventory of the taxpayer if on hand at the close of the taxable year, or (B) property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business. Such term also includes livestock, regardless of age, held by the taxpayer for draft, breeding or dairy purposes, and held by him for 12 months or more from the date of acquisition. Such term does not include poultry.~~

(2) ~~If, during the taxable year, the recognized gains upon sale or exchanges of the provisions of section 1231 of the Internal Revenue Code of 1954, as amended through January 15, 1983, shall apply to property used in the trade or business, plus the recognized gains from the compulsory or and involuntary conversion (as a result of destruction in whole or in part, theft or seizure, or an exercise of the power of requisition or condemnation or the threat or imminence thereof) of property used in the trade or business and capital assets~~

held for more than one year into other property or money; exceed the recognized losses from such sales, exchanges, and conversions; such gains and losses shall be considered as gains and losses from sales or exchanges of capital assets held for more than one year. If such gains do not exceed such losses, such gains and losses shall not be considered as gains and losses from sales or exchanges of capital assets conversions. For the purposes of this paragraph:

(A) in determining under this paragraph whether gains exceed losses, the gains and losses described therein shall be included only if and to the extent taken into account in computing net income, except that subdivisions 4 and 5 shall not apply.

(B) Losses (including losses not compensated for by insurance or otherwise) upon the destruction, in whole or in part, theft or seizure, or requisition or condemnation of property used in the trade or business or capital assets held for more than one year shall be considered losses from a compulsory or involuntary conversion.

In the case of any involuntary conversion (subject to the provisions of this clause but for this sentence) arising from fire, storm, shipwreck, or other casualty, or from theft, of any property used in the trade or business or as any capital asset held for more than one year, this clause shall not apply to such conversion (whether resulting in gain or loss) if during the taxable year the recognized losses from such conversions exceed the recognized gains from such conversions. A taxpayer may elect to apply the provisions of section 631(a) and (b) of the Internal Revenue Code of 1954, as amended through January 15, 1983, to determine gain or loss in the case of timber.

To the extent section 1238 of the Internal Revenue Code of 1954, as amended through January 15, 1983, applies, gain from the sale or exchange of property, to the extent that the adjusted basis of such property is less than the adjusted basis without regard to the provisions of section 168 of the Internal Revenue Code of 1954, as in effect before its repeal by the Tax Reform Act of 1976, shall be considered as gain from the sale or exchange of property which is neither a capital asset nor property described in this subdivision shall be determined under that section.

Sec. 22. Minnesota Statutes 1982, section 290.17, subdivision 2, is amended to read:

Subd. 2. [OTHER TAXPAYERS.] In the case of taxpayers not subject to the provisions of subdivision 1, items of gross income shall be assigned to this state or other states or countries in accordance with the following principles:

(1) (a) The entire income of all resident or domestic taxpayers from compensation for labor or personal services, or from a business consisting principally of the performance of personal or professional services, shall be assigned to this state, and the income of nonresident taxpayers from such sources shall be assigned to this state if, and to the extent that, the labor or services are performed within it; all other income from such sources shall be treated as income from sources without this state.

(b) In the case of an individual who is a nonresident of Minnesota and who is an athlete or entertainer, income from compensation for labor or personal services performed within this state shall be determined in the following

manner.

(i) The amount of income to be assigned to Minnesota for an individual who is a nonresident salaried athletic team employee shall be determined by using a fraction in which the denominator contains the total number of days in which the individual is under a duty to perform for the employer, and the numerator is the total number of those days spent in Minnesota. In order to eliminate the need to file state or provincial income tax returns in several states or provinces, Minnesota will exclude from income any income assigned to Minnesota under the provisions of this clause for a nonresident athlete who is employed by an athletic team whose operations are not based in this state if the state or province in which the athletic team is based provides a similar income exclusion. If the state or province in which the athletic team's operations are based does not have an income tax on an individual's personal service income, it will be deemed that that state or province has a similar income exclusion. As used in the preceding sentence, the term "province" means a province of Canada.

(ii) The amount of income to be assigned to Minnesota for an individual who is a nonresident, and who is an athlete not listed in clause (i), or who is an entertainer, for that person's athletic or entertainment performance in Minnesota shall be determined by assigning to this state all income from performances or athletic contests in this state.

(2) Income from the operation of a farm shall be assigned to this state if the farm is located within this state and to other states only if the farm is not located in this state. Income and gains received from tangible property not employed in the business of the recipient of such income or gains, and from tangible property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, shall be assigned to this state if such property has a situs within it, and to other states only if it has no situs in this state. Income or gains from intangible personal property not employed in the business of the recipient of such income or gains, and from intangible personal property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, wherever held, whether in trust, or otherwise, shall be assigned to this state if the recipient thereof is domiciled within this state; income or gains from intangible personal property wherever held, whether in trust or otherwise shall be assigned to this state if the recipient of such income or gains is domiciled within this state, or if the grantor of any trust is domiciled within this state and such income or gains would be taxable to such grantor under section 290.28 or 290.29;

(3) Income derived from carrying on a trade or business, including in the case of a business owned by natural persons the income imputable to the owner for his services and the use of his property therein, shall be assigned to this state if the trade or business is conducted wholly within this state, and to other states if conducted wholly without this state. This provision shall not apply to business income subject to the provisions of clause (1);

(4) When a trade or business is carried on partly within and partly without this state, the entire income derived from such trade or business, including income from intangible property employed in such business and including,

in the case of a business owned by natural persons, the income imputable to the owner for his services and the use of his property therein, shall be governed, except as otherwise provided in sections 290.35 and 290.36, by the provisions of section 290.19, notwithstanding any provisions of this section to the contrary. This shall not apply to business income subject to the provisions of clause (1), nor shall it apply to income from the operation of a farm which is subject to the provisions of clause (2). For the purposes of this clause, a trade or business located in Minnesota is carried on partly within and partly without this state if tangible personal property is sold by such trade or business and delivered or shipped to a purchaser located outside the state of Minnesota.

If the trade or business carried on wholly or partly in Minnesota is part of a unitary business, the entire income of that unitary business shall be subject to apportionment under section 290.19 *except for business income subject to the provisions of clause (1) and farm income subject to the provisions of clause (2)*. The term "unitary business" shall mean a ~~number of~~ business activities or operations which are of mutual benefit, dependent upon, or contributory to one another, individually or as a group. Unity shall be presumed whenever there is unity of ownership, operation, and use, evidenced by centralized management or executive force, centralized purchasing, advertising, accounting, or other controlled interaction *but the absence of any of these centralized activities will not necessarily evidence a nonunitary business*. Unity of ownership will not be deemed to exist ~~unless the corporation owns more than 50 percent of the voting stock of the other corporation~~ when a corporation is involved *unless that corporation is a member of a group of two or more corporations more than 50 percent of the voting stock of each member of the group is directly or indirectly owned by a common owner or by common owners, either corporate or noncorporate, or by one or more of the member corporations of the group*.

The entire income of a unitary business, ~~including all income from each activity, operation or division,~~ shall be subject to apportionment as provided in section 290.19. None of the income of a unitary business shall be considered as derived from any particular source and none shall be allocated to any particular place except as provided by the applicable apportionment formula.

In determining whether or not intangible property is employed in a unitary business carried on partly within and partly without this state so that income derived therefrom is subject to apportionment under section 290.19 the following rules and guidelines shall apply.

(a) Intangible property is employed in a business if the business entity owning intangible property holds it as a means of furthering the business operation of which a part is located within the territorial confines of this state.

(b) Where a business operation conducted in Minnesota, is owned by a business entity which carries on business activity outside of the state different in kind from that conducted within this state, and such other business is conducted entirely outside the state, it will be presumed that the two business operations are unitary in nature, interrelated, connected and interdependent unless it can be shown to the contrary.

(5) In the case of a nonresident who is liable for payment of a penalty for having withdrawn funds from an individual housing account established pursuant to section 290.08, subdivision 25, the amount so withdrawn and for which a deduction was allowed shall be an item of income assignable to this state, and the penalty tax of ten percent shall remain an additional liability of that taxpayer.

(6) For purposes of this section, amounts received by a non-resident from the United States, its agencies or instrumentalities, the Federal Reserve Bank, the state of Minnesota or any of its political or governmental subdivisions, or a Minnesota volunteer fireman's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the Internal Revenue Code of 1954, as amended through December 31, 1981, are not considered income derived from carrying on a trade or business or from performing personal or professional services in Minnesota, and are not taxable under this chapter.

(7) All other items of gross income shall be assigned to the taxpayer's domicile.

Sec. 23. Minnesota Statutes 1982, section 290.18, subdivision 1, is amended to read:

Subdivision 1. [TAXABLE NET INCOME.] (a) *For resident individuals, taxable net income shall be the same as net income.*

(b) *For all other taxpayers, the taxable net income shall, except insofar as section 290.19 is applicable, be computed by deducting from the gross income assignable to this state under section 290.17 deductions of the kind permitted by ~~section~~ sections 2, 290.09, and section 62 of the Internal Revenue Code of 1954, as amended through January 15, 1983, in accordance with the following provisions:*

(1) Such deductions shall be allowed to the extent that they are connected with and allocable against the production or receipt of such gross income assignable to this state;

(2) That proportion of such deductions, so far as not connected with and allocable against the production or receipt of such gross income assignable to this state and so far as not connected with and allocable against the production or receipt of gross income assignable to other states or countries and so far as not entering into the computation of the net income assignable to this state under section 290.19, shall be allowed which the taxpayer's gross income from sources within this state, as determined under section 290.17, subdivision 2, clauses (1), (2), (3), (5), and (7), bears to his gross income from all sources, including that entering into the computations provided for by section 290.19; provided that taxes of the kind deductible under section 290.09, subdivision 4, shall, so far as within the description of deductions deductible under this clause, be deductible in their entirety if paid to the state of Minnesota, or any of its subdivisions authorized to impose such taxes, and thereupon be excluded in making the computation of deductions, as in this clause provided.

Sec. 24. Minnesota Statutes 1982, section 290.18, subdivision 4, is

amended to read:

Subd. 4. [TAXABLE NET INCOME ADJUSTMENT FACTOR.] For the taxable year beginning after December 31, 1980 and before January 1, 1982, the commissioner of revenue shall adjust taxable net income by multiplying the taxable net income of each individual, estate and trust by a fraction, the numerator of which is one plus the predicted rate of growth in average Minnesota gross income between tax year 1980 and tax year 1981. The denominator of the adjustment fraction shall be one plus the product of (a) the predicted rate of growth in average Minnesota gross income as determined above, and (b) the difference between the ratio of Minnesota gross income to Minnesota adjusted gross income and the product of the ratio of federal taxes paid to Minnesota adjusted gross income and an estimate of average federal income tax elasticity relating percent changes in federal adjusted gross income to percent changes in net federal income tax liabilities.

For each taxable year beginning after December 31, 1981, *except a year when no inflation adjustment is made pursuant to section 290.06, subdivision 2d, paragraph (b)*, the commissioner of revenue shall adjust taxable net income by multiplying the taxable net income of each individual, estate, and trust by an adjustment factor determined by multiplying the previous year's adjustment factor by the current year adjustment factor as defined above using data appropriate to the current year.

The data used shall reflect the most current aggregate tax statistics collected and tabulated by the department of revenue. The estimate of the percentage increase in Minnesota gross income shall be based on the best available data sources and reasonable forecasting procedures. The estimate of federal income tax elasticity shall reflect the best available sources of information, including the judgment of the United States Internal Revenue Service and the United States Treasury, Office of Tax Analysis. The determination of the commissioner pursuant to this section shall not be considered a "rule" and shall not be subject to the administrative procedures act contained in chapter 14.

No later than October 1 of each tax year, the commissioner shall announce the adjustment factor to be applied to taxable net income, including its separate components, and the estimate of federal elasticity.

Sec. 25. Minnesota Statutes 1982, section 290.21, subdivision 1, is amended to read:

Subdivision 1. The following deductions shall be allowed *only to corporations and shall be deductions from gross income in computing net income for individuals, and from a corporation's taxable net income for corporations.*

Sec. 26. Minnesota Statutes 1982, section 290.21, subdivision 3, is amended to read:

Subd. 3. An amount for contribution or gifts made within the taxable year:

(a) to or for the use of the state of Minnesota, or any of its political subdivisions for exclusively public purposes,

(b) to or for the use of any community chest, corporation, organization,

trust, fund, association, or foundation located in and carrying on substantially all of its activities within this state, organized and operating exclusively for religious, charitable, public cemetery, scientific, literary, artistic, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual,

(c) to a fraternal society, order, or association, operating under the lodge system located in and carrying on substantially all of their activities within this state if such contributions or gifts are to be used exclusively for the purposes specified in subdivision 3(b), or for or to posts or organizations of war veterans or auxiliary units or societies of such posts or organizations, if they are within the state and no part of their net income inures to the benefit of any private shareholder or individual,

(d) to or for the use of the United States of America for exclusively public purposes, and to or for the use of any community chest, corporation, trust, fund, association, or foundation, organized and operated exclusively for any of the purposes specified in subdivision 3(b) and (c) no part of the net earnings of which inures to the benefit of any private shareholder or individual, but not carrying on substantially all of their activities within this state, in an amount equal to the ratio of Minnesota taxable net income to total net income, ~~provided, however, that for an individual taxpayer, the deduction shall be allowed in an amount equal to the ratio of the taxpayer's gross income assignable to Minnesota to the taxpayer's gross income from all sources,~~

~~(e) to a major political party, as defined in section 200.02, subdivision 7, or a political candidate, as defined in section 210A.01, or a political cause when sponsored by any party or association or committee, as defined in section 210A.01, in a maximum amount not to exceed the following:~~

~~(1) contributions made by individual natural persons, \$100;~~

~~(2) contributions made by a national committeeman, national committeewoman, state chairman, or state chairwoman of a major political party, as defined in section 200.02, subdivision 7, \$1,000;~~

~~(3) contributions made by a congressional district committeeman or committeewoman of a major political party, as defined in section 200.02, subdivision 7, \$350;~~

~~(4) contributions made by a county chairman or a county chairwoman of a major political party, as defined in section 200.02, subdivision 7, \$150;~~

~~(f) in the case of an individual, the total deduction allowable hereunder shall not exceed 30 percent of the taxpayer's Minnesota gross income as follows:~~

~~(i) the aggregate of contributions made to organizations specified in (a), (b) and (d) shall not exceed ten percent of the taxpayer's Minnesota gross income;~~

~~(ii) the total deduction under this subparagraph for any taxable year shall not exceed 20 percent of the taxpayer's Minnesota gross income. For purposes of this subparagraph, the deduction under this section shall be computed without regard to any deduction allowed under subparagraph (i) but shall take into account any contributions described in subparagraph (i) which are in excess of the amount allowable as a deduction under subparagraph (i). For purposes of~~

paragraph (f) the term Minnesota gross income shall also include the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, as amended through December 31, 1981;

(g) in the case of a corporation, the total deduction hereunder shall not exceed 15 percent of the taxpayer's taxable net income less the deductions allowable under this section other than those for contributions or gifts.

(h) (f) in the case of a corporation reporting its taxable income on the accrual basis, if: (A) the board of directors authorizes a charitable contribution during any taxable year, and (B) payment of such contribution is made after the close of such taxable year and on or before the fifteenth day of the third month following the close of such taxable year; then the taxpayer may elect to treat such contribution as paid during such taxable year. The election may be made only at the time of the filing of the return for such taxable year, and shall be signified in such manner as the commissioner shall by regulations prescribe;

(i) (g) in the case of a contribution or property placed in trust as described in section 170(f)(2) of the Internal Revenue Code of 1954, as amended through December 31, 1981, a deduction shall be allowed under this subdivision to the extent that a deduction is allowable for federal income tax purposes.

(j) amounts paid to maintain certain students as members of the taxpayer's household shall be allowed as a deduction as provided in section 170(g) of the Internal Revenue Code of 1954, as amended through December 31, 1981. No other deduction shall be allowed under this subdivision for these amounts and the limitations contained in clause (f) shall not apply to these amounts.

Sec. 27. Minnesota Statutes 1982, section 290.23, subdivision 5, is amended to read:

Subd. 5. {DISTRIBUTABLE NET INCOME, INCOME, BENEFICIARY; DEFINED.} (1) For purposes of sections 290.22 through 290.25, the term "distributable net income" means the same as that term is defined in section 643(a) of the Internal Revenue Code of 1954, as amended through December 31, 1981 with the following modification:

There shall be included any tax-exempt interest to which section 290.01, subdivision 20b, clause (1) applies, reduced by any amounts which would be deductible in respect of disbursements allocable to such interest but for the provisions of sections 290.09, subdivision 3, and section 290.10(9) (relating to disallowance of certain deductions).

If the estate or trust is allowed a deduction under section 642(c) of the Internal Revenue Code of 1954, as amended through December 31, 1981, the amount of the modification shall be reduced to the extent that the amount of income which is paid, permanently set aside, or to be used for the purposes specified in that section of the Internal Revenue Code is deemed to consist of items specified in the modification. For this purpose, such amount shall (in the absence of specific provisions in the governing instrument) be deemed to consist of the same proportion of each class of items of income of the estate or trust as the total of each class bears to the total of all classes.

(2) The term "income," and the term "beneficiary" have the same

meaning as those terms are defined in section 643(b) and (c) of the Internal Revenue Code of 1954, as amended through December 31, 1981.

Sec. 28. Minnesota Statutes 1982, section 290.31, subdivision 2, is amended to read:

Subd. 2. [INCOME AND CREDITS OF PARTNER.] (1) In determining his income tax, each partner shall take into account separately his distributive share of the partnership's

(a) gains and losses from sales or exchanges of capital assets held for not more than one year,

(b) gains and losses from sales or exchanges of capital assets held for more than one year,

(c) gains and losses from sales or exchanges of property described in section ~~290.16, subdivision 9(1) and (2)~~ 1231 of the Internal Revenue Code of 1954, as amended through January 15, 1983 (relating to certain property used in a trade or business and involuntary conversions),

(d) charitable contributions ~~(as defined in section 290.21, subdivision 3) as defined in section 170(c) of the Internal Revenue Code of 1954, as amended through January 15, 1983,~~

(e) dividends with respect to which there is provided a ~~deduction under section 290.21, an exclusion under section 116 or a deduction under sections 241 to 247 of the Internal Revenue Code of 1954, as amended through January 15, 1983,~~

(f) other items of income, gain, loss, deduction, or credit, to the extent provided by regulations prescribed by the commissioner, and

(g) taxable net income or loss, exclusive of items requiring separate computation under other subparagraphs of this paragraph (1).

(2) The character of any item of income, gain, loss, deduction, or credit included in a partner's distributive share under paragraphs (a) through (f) of paragraph (1) shall be determined as if such item were realized directly from the source from which realized by the partnership, or incurred in the same manner as incurred by the partnership.

(3) In any case where it is necessary to determine the gross income of a partner for purposes of this chapter, such amount shall include his distributive share of the gross income of the partnership.

Sec. 29. Minnesota Statutes 1982, section 290.31, subdivision 3, is amended to read:

Subd. 3. [PARTNERSHIP COMPUTATIONS.] The taxable net income of a partnership shall be computed in the same manner as in the case of an individual except that

(1) the items described in subdivision 2(1) shall be separately stated, and

(2) the following deductions shall not be allowed to the partnership:

(a) the deduction for taxes provided in section ~~290.09, subdivision 4~~ 164(a) of the Internal Revenue Code of 1954, as amended through January 15, 1983, with respect to taxes, described in section 901 of the Internal

Revenue Code of 1954, as amended through December 31, 1981, paid or accrued to foreign countries and to possessions of the United States,

(b) the deduction for charitable contributions provided in section 290.21, subdivision 3 or section 170 of the Internal Revenue Code of 1954, as amended through January 15, 1983,

(c) the net operating loss deduction provided in section 290.095,

(d) the additional itemized deductions for individuals provided in ~~section 290.09, subdivisions 40 and 47~~ sections 211 to 223 of the Internal Revenue Code of 1954, as amended through January 15, 1983, and,

(e) the deduction for depletion under section 290.09, subdivision 8 with respect to oil and gas wells.

Any election affecting the computation of taxable net income derived from a partnership shall be made by the partnership except as provided in section 703(b) of the Internal Revenue Code of 1954, as amended through December 31, 1981.

Sec. 30. Minnesota Statutes 1982, section 290.34, subdivision 2, is amended to read:

Subd. 2. [AFFILIATED OR RELATED CORPORATIONS, COMBINED REPORT.] When a corporation which is required to file an income tax return is affiliated with or related to any other corporation through stock ownership by the same interests or as parent or subsidiary corporations, or has its income regulated through contract or other arrangement, the commissioner of revenue may permit or require such combined report as, in his opinion, is necessary in order to determine the taxable net income of any one of the affiliated or related corporations. For purposes of computing either the arithmetic average or weighted apportionment formulas under section 290.19, subdivision 1 for each corporation involved, the numerator of the fraction shall be that corporation's sales, property, and payroll in Minnesota and the denominator shall be the total sales, payroll, and property of all the corporations shown on the combined report. The combined report shall reflect the income of the entire unitary business as provided in section 290.17, subdivision 2, clause (4). The combined report shall reflect income only from corporations created or organized in the United States or under the laws of the United States or of any state, *the District of Columbia, the commonwealth of Puerto Rico, any possession of the United States, or any political subdivision of any of the foregoing*. All intercompany transactions between companies which are contained on the combined report shall be eliminated. This subdivision shall not apply to insurance companies whose income is determined under section 290.35 or to investment companies whose income is determined under section 290.36.

Sec. 31. Minnesota Statutes 1982, section 290.39, subdivision 2, is amended to read:

Subd. 2. [SEPARATE COMPUTATIONS ON A SINGLE RETURN.] Notwithstanding the provisions of section 290.61, a husband and wife may elect to compute their Minnesota income tax separately on a single return, in which event:

(a) if the sum of the payments by either spouse, including withheld and

estimated taxes, exceeds the amount of tax of such spouse as computed separately, the excess may be applied by the commissioner to the credit of the other spouse if the sum of the payments by such other spouse, including withheld and estimated taxes, is less than the amount of the tax of such other spouse as computed separately;

(b) if the sum of the payments made by both spouses with respect to the taxes of both as computed separately, including withheld and estimated taxes, exceeds the total of the taxes due, refund of the excess may be made payable to both spouses or may be credited against any liability in respect of Minnesota income tax on the part of either spouse;

(c) if the sum of the payments made by both spouses with respect to the taxes of both as computed separately, including withheld and estimated taxes, is less than the total of the taxes due, the liability for the unpaid tax shall be joint and several; provided that a spouse may be relieved of liability in those cases contained in section 6013(e) of the Internal Revenue Code of 1954 as amended through December 31, 1981 (for purposes of computing the 25 percent test contained in that section, the amount of gross income stated in the return shall include the total gross income of both spouses);

(d) if the standard deduction provided for by section ~~290.09, subdivision 15 11, subdivision 3~~, is not utilized, then the total of the Minnesota itemized deductions of a husband and wife may be taken by either or divided between them as they elect;

(e) the limitation on the deduction for investment interest prescribed in section 163(d) (1) (A) of the Internal Revenue Code of 1954 as amended through March 12, 1983, for married individuals who file separate returns shall also apply to married individuals who file separately on one return.

Sec. 32. Minnesota Statutes 1982, section 290.46, is amended to read:

290.46 [EXAMINATION OF RETURNS; ASSESSMENTS, REFUNDS.]

The commissioner shall, as soon as practicable after the return is filed, examine the same and make any investigation or examination of the taxpayer's records and accounts that he may deem necessary for determining the correctness of the return. The tax computed by him on the basis of such examination and investigation shall be the tax to be paid by such taxpayer. If the tax found due shall be greater than the amount reported as due on the taxpayer's return, the commissioner shall assess a tax in the amount of such excess and the whole amount of such excess shall be paid to the commissioner within 60 days after notice of the amount and demand for its payment shall have been mailed to the taxpayer by the commissioner. If the understatement of the tax on the return was false and fraudulent with intent to evade the tax, the installments of the tax shown by the taxpayer on his return which have not yet been paid shall be paid to the commissioner within 60 days after notice of the amount thereof and demand for payment shall have been mailed to the taxpayer by the commissioner. If the amount of the tax found due by the commissioner shall be less than that reported as due on the taxpayer's return, the excess shall be refunded to the taxpayer in the manner provided by section 290.50 (except that no demand therefor shall be necessary), if he has already paid the whole of such tax, or credited against any unpaid installment thereof; provided, that no refundment shall be made ex-

cept as provided in section 290.50.

If the commissioner examines returns of a taxpayer for more than one year, he may issue one order covering the several years under consideration reflecting the aggregate refund or additional tax due.

The notices and demands provided for by sections 290.46 to 290.48 shall be in such form as the commissioner may determine (including a statement) and shall contain a brief explanation of the computation of the tax and shall be sent by mail to the taxpayer at the address given in his return, or to his last known address.

In cases where there has been an overpayment of a self-assessed liability as shown on the return filed by the taxpayer, the commissioner may refund such overpayment to the taxpayer and no demand therefor shall be necessary; further, written findings by the commissioner, notice by mail to the taxpayer and certificate for refundment by the commissioner shall not be necessary and the provisions of section 270.10, in such case, shall not be applicable.

In the case of an individual, estate or trust, the commissioner may audit and adjust the taxpayer's computation of federal adjusted gross income (or federal taxable income for estates or trusts) to make it properly conform with the provisions of section 290.01, subdivision 20. *In the case of an individual, the commissioner may audit and adjust the taxpayer's computation of itemized deductions to make them properly conform with the provisions of section 11.*

Sec. 33. Minnesota Statutes 1982, section 290.92, subdivision 2a, is amended to read:

Subd. 2a. [COLLECTION AT SOURCE.] (1) [DEDUCTIONS.] Every employer making payment of wages shall deduct and withhold upon such wages a tax as provided in this section.

(2) [WITHHOLDING ON PAYROLL PERIOD.] The employer shall withhold the tax on the basis of each payroll period or as otherwise provided in this section.

(3) [WITHHOLDING TABLES.] Unless the amount of tax to be withheld is determined as provided in subdivision 3, the amount of tax to be withheld for each individual shall be based upon tables to be prepared and distributed by the commissioner. The tables shall be computed for the several permissible withholding periods and shall take account of exemptions allowed under this section; and the amounts computed for withholding shall be such that the amount withheld for any individual during his taxable year shall approximate in the aggregate as closely as possible the tax which is levied and imposed under this chapter for that taxable year, upon his salary, wages, or compensation for personal services of any kind for the employer, and shall take into consideration the allowable deduction for federal income tax and the deduction allowable under section ~~290.09~~ 11, subdivision ~~4~~ 3, and the personal credits allowed against the tax.

(4) [MISCELLANEOUS PAYROLL PERIOD.] If wages are paid with respect to a period which is not a payroll period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll

period containing a number of days, including Sundays and holidays, equal to the number of days in the period with respect to which such wages are paid.

(5) [MISCELLANEOUS PAYROLL PERIOD.] (a) In any case in which wages are paid by an employer without regard to any payroll period or other period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days equal to the number of days, including Sundays and holidays, which have elapsed since the date of the last payment of such wages by such employer during the calendar year, or the date of commencement of employment with such employer during such year, or January 1 of such year, whichever is the later.

(b) In any case in which the period, or the time described in clause (a), in respect of any wages is less than one week, the commissioner, under regulations prescribed by him, may authorize an employer to determine the amount to be deducted and withheld under the tables applicable in the case of a weekly payroll period, in which case the aggregate of the wages paid to the employee during the calendar week shall be considered the weekly wages.

(6) [WAGES COMPUTED TO NEAREST DOLLAR.] If the wages exceed the highest bracket, in determining the amount to be deducted and withheld under this subdivision, the wages may, at the election of the employer, be computed to the nearest dollar.

(7) [REGULATIONS ON WITHHOLDING.] The commissioner may, by regulations, authorize employers:

(a) To estimate the wages which will be paid to any employee in any quarter of the calendar year;

(b) To determine the amount to be deducted and withheld upon each payment of wages to such employee during such quarter as if the appropriate average of the wages so estimated constituted the actual wages paid; and

(c) To deduct and withhold upon any payment of wages to such employee during such quarter such amount as may be necessary to adjust the amount actually deducted and withheld upon wages of such employee during such quarter to the amount required to be deducted and withheld during such quarter without regard to this paragraph (7).

(8) [ADDITIONAL WITHHOLDING.] The commissioner is authorized to provide by rule for increases or decreases in the amount of withholding otherwise required under this section in cases where the employee requests the changes. Such additional withholding shall for all purposes be considered tax required to be deducted and withheld under this section.

(9) [TIPS.] In the case of tips which constitute wages, this subdivision shall be applicable only to such tips as are included in a written statement furnished to the employer pursuant to section 6053 of the Internal Revenue Code of 1954, as amended through December 31, 1981, and only to the extent that the tax can be deducted and withheld by the employer, at or after the time such statement is so furnished and before the close of the calendar year in which such statement is furnished, from such wages of the employee

(excluding tips, but including funds turned over by the employee to the employer for the purpose of such deduction and withholding) as are under the control of the employer; and an employer who is furnished by an employee a written statement of tips (received in a calendar month) pursuant to section 6053 of the Internal Revenue Code of 1954 as amended through December 31, 1981 to which subdivision 1 is applicable may deduct and withhold the tax with respect to such tips from any wages of the employee (excluding tips) under his control, even though at the time such statement is furnished the total amount of the tips included in statements furnished to the employer as having been received by the employee in such calendar month in the course of his employment by such employer is less than \$20. Such tax shall not at any time be deducted and withheld in an amount which exceeds the aggregate of such wages and funds as are under the control of the employer minus any tax required by other provisions of state or federal law to be collected from such wages and funds.

Sec. 34. Minnesota Statutes 1982, section 290A.03, subdivision 3, is amended to read:

Subd. 3. [INCOME.] (1) "Income" means the sum of the following:

(a) federal adjusted gross income as defined in the Internal Revenue Code of 1954 as amended through ~~December 31, 1981~~ *March 12, 1983*; and

(b) the sum of the following amounts to the extent not included in clause (a):

(i) additions to federal adjusted gross income as provided in Minnesota Statutes, Section 290.01, Subdivision 20a, Clauses (1), ~~(3)~~, ~~(9)~~, ~~(14)~~, ~~(15)~~, and ~~(21)~~ (2), (8), (13), (14), and (20);

(ii) all nontaxable income;

(iii) recognized net long term capital gains;

(iv) dividends and interest excluded from federal adjusted gross income under sections 116 or 128 of the Internal Revenue Code of 1954;

(v) cash public assistance and relief;

(vi) any pension or annuity (including railroad retirement benefits, all payments received under the federal social security act, supplemental security income, and veterans benefits), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

(vii) nontaxable interest received from the state or federal government or any instrumentality or political subdivision thereof;

(viii) workers' compensation;

(ix) unemployment benefits;

(x) nontaxable strike benefits; and

(xi) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise. In the case of an individual

who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced by the amount of a net operating loss carryback.

(2) "Income" does not include

(a) amounts excluded pursuant to the Internal Revenue Code, Sections 101(a), 102, 117, and 121;

(b) amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

(c) surplus food or other relief in kind supplied by a governmental agency;

(d) relief granted under sections 290A.01 to 290A.20;

(e) child support payments received under a temporary or final decree of dissolution or legal separation;

(f) federal adjusted gross income shall be reduced by wage or salary expense, or expense of work incentive programs which are not allowed as a deduction under provisions of section 280C of the Internal Revenue Code of 1954; or

(g) federal adjusted gross income shall be reduced by the amount of the penalty on the early withdrawal of an all-savers certificate as provided in section 128(e) of the Internal Revenue Code of 1954.

Sec. 35. Minnesota Statutes 1982, section 290A.16, is amended to read:

290A.16 [INCOME TAX DEDUCTION PROHIBITED.]

~~Notwithstanding section 290.09, subdivision 4,~~ The income tax deduction for property taxes paid shall not exceed the amount paid, reduced by the amount of credit allowed with respect to the tax pursuant to sections 290A.01 to 290A.20.

Sec. 36. Minnesota Statutes 1982, section 296.18, subdivision 1, is amended to read:

Subdivision 1. [GASOLINE OR SPECIAL FUEL USED IN OTHER THAN MOTOR VEHICLES.] Any person who shall buy and use gasoline for any purpose other than use in motor vehicles or, snowmobiles, or motorboats, or special fuel for any purpose other than use in licensed motor vehicles, and who shall have paid the excise tax directly or indirectly through the amount of the tax being included in the price of the gasoline or special fuel, or otherwise, shall be eligible to receive the credit provided in section 290.06, subdivision 13, in the amount of the tax paid by him. The taxpayer claiming this credit shall include with his income tax return information including the total amount of the gasoline so purchased and used by him other than in motor vehicles, or special fuel so purchased and used by him other than in licensed motor vehicles, and shall state when and for what purpose it was used. The words "gasoline" or "special fuel" as used in this subdivision do not include aviation gasoline or special fuel for aircraft.

Sec. 37. Minnesota Statutes 1982, section 296.421, subdivision 5, is amended to read:

Subd. 5. [COMPUTATION OF UNREFUNDED TAX.] The amount of unrefunded tax shall be a sum equal to three-fourths of one percent of all revenues derived from the excise taxes on gasoline, except on gasoline used for aviation purposes, together with interest thereon and penalties for delinquency in payment, paid or collected pursuant to the provisions of sections 296.02 to 296.17, ~~from which shall be subtracted the total amount of money refunded for motor boat use pursuant to section 296.18.~~ The amount of such tax shall be computed for each six-month period commencing January 1, 1961, and shall be paid into the state treasury on November 1 and June 1 following each six-month period.

Sec. 38. [INSTRUCTIONS TO THE REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the phrase "Internal Revenue Code of 1954, as amended through March 12, 1983" for the words "Internal Revenue Code of 1954, as amended through December 31, 1981" or for the words "Internal Revenue Code of 1954, as amended through December 1, 1982" wherever the phrase occurs in chapter 290, except sections 290.01, subdivision 20, and 290.09, subdivisions 5 and 10.

Sec. 39. [REPEALER.]

(a) Minnesota Statutes 1982, sections 290.01, subdivision 23; 290.077, subdivision 2; 290.09, subdivisions 10, 15, 22, and 27; 290.21, subdivision 3a; and 290.501 are repealed.

(b) Minnesota Statutes 1982, section 290.06, subdivisions 9 and 9a, are repealed.

Sec. 40. [EFFECTIVE DATE.]

Sections 11, 22, and 30 are effective for taxable years beginning after June 30, 1981. Section 39, clause (b), is effective for taxable years beginning after December 31, 1982, provided that the carryover provisions shall continue to apply to credit amounts attributable to a taxable year beginning before January 1, 1983. The remainder of this article is effective for taxable years beginning after December 31, 1982.

ARTICLE 2: PROPERTY TAX

Section 1. Minnesota Statutes 1982, section 124.11, subdivision 2a, is amended to read:

Subd. 2a. (a) ~~Through the 1981-1982 school year, ninety percent of the estimated post-secondary vocational instructional aid shall be paid to each district in 12 equal monthly payments on the 15th of each month. The estimated aid payments shall be paid on the basis of the department of education's estimates of the current year's average daily membership adjusted for the latest available information in November, February and May. The final payment, adjusted to reflect the actual average daily membership, shall be made in September of the following fiscal year.~~

(b) ~~Beginning in~~ For the 1982-1983 school year, eighty-five percent of the estimated post-secondary vocational instructional aid shall be paid to each district in 12 equal monthly payments on the 15th of each month. The estimated aid payments shall be paid on the basis of the department of educa-

tion's estimates of the current year's average daily membership adjusted for the latest available information in November, February and May. The final payment, adjusted to reflect the actual average daily membership, shall be made in September of the following fiscal year.

Sec. 2. Minnesota Statutes 1982, section 124.11, subdivision 2b, is amended to read:

Subd. 2b. (a) ~~Through the 1981-1982 school year, post-secondary vocational supply aid and support services aid shall be paid to districts in equal installments on or before August 1, November 1, February 1, and May 1 of each year. Eighty percent of post-secondary vocational equipment aid and repair and betterment aid shall be paid to districts on or before August 1 of each year. The remaining 20 percent of post-secondary vocational equipment aid and repair and betterment aid shall be paid to districts by May 1 of each year.~~

(b) ~~Beginning in~~ For the 1982-1983 school year, the state shall pay to districts 25 percent of post-secondary vocational supply aid and support services aid by August 1, 20 percent by November 1, 20 percent by February 1, and 20 percent by May 1 of each school year. Eighty-five percent of post-secondary vocational equipment aid and repair and betterment aid shall be paid to districts by August 1 of each year. The final aid distribution shall be made by October 31 of the following fiscal year.

Sec. 3. [124.195] [PAYMENT OF AIDS AND CREDITS TO SCHOOL DISTRICTS.]

Subdivision 1. [APPLICABILITY.] This section applies to all aids or credits paid by the commissioner of education from the general fund of the state of Minnesota to school districts for the financing of elementary and secondary education. The procedures described in this section for making disbursements to schools will be used starting in fiscal year 1985.

Subd. 2. [DEFINITIONS.] (a) The term "other district receipts" means payments by county treasurers pursuant to section 276.10, apportionments from the school endowment fund pursuant to section 124.09, apportionments by the county auditor pursuant to section 124.10, subdivision 2, and payments to school districts by the commissioner of revenue pursuant to sections 294.21 to 294.26 and chapter 298.

(b) The term "cumulative amount guaranteed" means the sum of the following:

(1) 85 percent of the estimated aid and credit entitlements paid according to subdivision 10; plus

(2) 100 percent of the entitlements paid according to subdivisions 8 and 9; plus

(3) the other district receipts; plus

(4) the final adjustment payment according to subdivision 6;

times the cumulative disbursement percentage.

Subd. 3. [PAYMENT DATES AND PERCENTAGES.] Beginning in fiscal year 1985 and thereafter, the commissioner of education shall pay to a school district on the dates indicated an amount computed as follows: the

cumulative amount guaranteed minus the sum of (a) the district's other district receipts through the current payment, and (b) the aid and credit payments through the immediately preceding payment. For purposes of this computation, the payment dates and the cumulative disbursement percentages are as follows:

	<i>Payment date</i>	<i>Percentage</i>
<i>Payment 1</i>	<i>First business day prior to July 15:</i>	<i>2.25</i>
<i>Payment 2</i>	<i>First business day prior to July 30:</i>	<i>4.50</i>
<i>Payment 3</i>	<i>First business day prior to August 15:</i>	<i>6.75</i>
<i>Payment 4</i>	<i>First business day prior to August 30:</i>	<i>9.0</i>
<i>Payment 5</i>	<i>First business day prior to September 15:</i>	<i>12.75</i>
<i>Payment 6</i>	<i>First business day prior to September 30:</i>	<i>16.5</i>
<i>Payment 7</i>	<i>First business day prior to October 15: the greater of (a) one-half of the final adjustment for the prior fiscal year or (b) the amount needed to provide 20.75 percent</i>	
<i>Payment 8</i>	<i>First business day prior to October 30: the greater of (a) one-half of the final adjustment for the prior fiscal year or (b) the amount needed to provide 25.0 percent</i>	
<i>Payment 9</i>	<i>First business day prior to November 15:</i>	<i>31.0</i>
<i>Payment 10</i>	<i>First business day prior to November 30:</i>	<i>37.0</i>
<i>Payment 11</i>	<i>First business day prior to December 15:</i>	<i>40.0</i>
<i>Payment 12</i>	<i>First business day prior to December 30:</i>	<i>43.0</i>
<i>Payment 13</i>	<i>First business day prior to January 15:</i>	<i>47.25</i>
<i>Payment 14</i>	<i>First business day prior to January 30:</i>	<i>51.5</i>
<i>Payment 15</i>	<i>First business day prior to February 15:</i>	<i>56.0</i>
<i>Payment 16</i>	<i>First business day prior to February 28:</i>	<i>60.5</i>
<i>Payment 17</i>	<i>First business day prior to March 15:</i>	<i>65.25</i>
<i>Payment 18</i>	<i>First business day prior to March 30:</i>	<i>70.0</i>
<i>Payment 19</i>	<i>First business day prior to April 15:</i>	<i>74.0</i>
<i>Payment 20</i>	<i>First business day prior to April 30:</i>	<i>78.0</i>
<i>Payment 21</i>	<i>First business day prior to May 15:</i>	<i>85.0</i>
<i>Payment 22</i>	<i>First business day prior to May 30:</i>	<i>95.0</i>
<i>Payment 23</i>	<i>First business day prior to June 15:</i>	<i>100.0</i>

Subd. 4. [PAYMENT LIMIT.] Subdivision 3 does not authorize the commissioner of education to pay to a school's operating funds an amount of state general fund cash that exceeds the sum of:

(a) its estimated aid and credit entitlements for the current year according to subdivision 10;

(b) its actual aid entitlements according to subdivisions 8 and 9; and

(c) the final adjustment payment for the prior year.

Subd. 5. [COMMISSIONER'S ASSUMPTIONS.] For purposes of determining the amount of state general fund cash to be paid to schools pursuant to subdivision 3, the commissioner of education shall:

(a) assume that the payments to school districts by the county treasurer pursuant to section 276.10 are made in the following manner:

(1) 50 percent within seven business days of each deadline for payment of

ad valorem taxes; and

(2) 100 percent within 14 business days of each deadline for payment of ad valorem taxes;

(b) assume that the payments to school districts by county auditors pursuant to section 124.10, subdivision 2 are made at the end of the months indicated in that subdivision.

Subd. 6. [FINAL ADJUSTMENT PAYMENT.] For all aids and credits paid according to subdivision 10, the final adjustment payment shall include the amounts necessary to pay the district's full aid entitlement for the prior year based on actual data. This payment shall be used to correct all estimates used for the payment schedule in subdivision 3. The payment shall be made in two installments, during October, as specified in subdivision 3.

Subd. 7. [PAYMENTS TO SCHOOL NONOPERATING FUNDS.] Beginning in fiscal year 1985, state general fund payments to school nonoperating funds shall be made at 85 percent of the estimated entitlement during the fiscal year of the entitlement. This amount shall be paid in 12 equal monthly installments. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement shall be paid prior to October 31 of the following school year.

Subd. 8. [PAYMENT PERCENTAGE FOR REIMBURSEMENT AIDS.] The following aids shall be paid at 100 percent of the entitlement for the prior fiscal year: special education summer foundation aid according to section 124.201; abatement aid according to section 124.214, subdivision 2; special education residential aid according to section 124.32, subdivision 5; special education summer school aid, according to section 124.32, subdivision 10; veterans farm management aid, according to section 124.625; early retirement aid according to section 125.611; and extended leave and part-time teacher aids according to chapters 354 and 354A.

Subd. 9. [PAYMENT PERCENTAGE FOR CERTAIN AIDS.] The following aids shall be paid at 100 percent of the entitlement for the current fiscal year: school lunch aid, according to section 124.646; teacher institute aid; campus laboratory school aid; and high technology aids.

Subd. 10. [AID PAYMENT PERCENTAGE.] Except as provided in subdivisions 8 and 9, beginning in fiscal year 1985, all education aids and credits in chapters 121, 123, 124, 125, and 273.1392, except post-secondary vocational shall be paid at 85 percent of the estimated entitlement during the fiscal year of the entitlement. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement shall be paid as the final adjustment payment according to subdivision 6.

Sec. 4. [124.5628] [PAYMENT OF AVTI INSTRUCTIONAL AID.]

For the 1983-1984 school year, 85 percent of the estimated post-secondary vocational instructional aid entitlement for each district shall be paid during the fiscal year of entitlement in 12 uniform payments on the 15th of each month.

Beginning for the 1984-1985 school year, 85 percent of the estimated post-secondary vocational instructional aid entitlement for each district

shall be paid during the fiscal year of entitlement in 24 uniform payments.

The amount of entitlement, adjusted for actual data on tuition and fund balances, minus the payments made during the fiscal year of entitlement, shall be the final adjustment paid to each district in the fiscal year following entitlement.

Beginning in fiscal year 1985, all payments of post-secondary vocational instructional aid shall be made on the dates specified in section 3, subdivision 3.

Sec. 5. [PAYMENT SCHEDULES FOR 1984.]

The following sections are applicable for aids payments for the 1983-1984 school year: sections 124.11, subdivision 1a; 124.225, subdivision 12; 124.246, subdivision 5; 124.26, subdivision 5; 124.271, subdivision 6; 124.273, subdivision 5; 124.32, subdivision 9a; 124.572, subdivision 8a; 124.573, subdivision 6; and 124.574, subdivision 8.

Sec. 6. Minnesota Statutes 1982, section 124.2137, subdivision 1, is amended to read:

Subdivision 1. [TAX REDUCTIONS.] The county auditor shall reduce the tax for school purposes on all property receiving the homestead credit pursuant to section 273.13, subdivision 6, by an amount equal to 25 percent of the tax levy that would be produced by applying a rate of 18 mills imposed on up to 320 acres of the property. The county auditor shall reduce the tax for school purposes on the next 320 acres classified pursuant to section 273.13, subdivision 6 by an amount equal to 13 percent of the tax levy that would be produced by applying a rate of ten mills imposed on the property. The tax on all other agricultural lands classified pursuant to section 273.13, subdivision 6 shall be reduced by an amount equal to ten percent of the tax levy that would be produced by applying a rate of eight mills imposed on the property. The tax on the first 320 acres of agricultural land classified pursuant to section 273.13, subdivision 4 and all real estate devoted to temporary and seasonal residential occupancy for recreational purposes, but not devoted to commercial purposes, shall be reduced by an amount that would be produced by applying a rate of ten mills equal to 13 percent of the tax imposed on the property. The tax on timber land classified pursuant to section 273.13, subdivision 8a and agricultural land in excess of 320 acres classified pursuant to section 273.13, subdivision 4 shall be reduced by an amount equal to ten percent of the tax levy that would be produced by applying a rate of eight mills imposed on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions of section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner of revenue shall review such the certifications to determine their accuracy. He may make such changes in the certification as he may deem necessary or return a certification to the county auditor for corrections. *The amount of the reduction provided under this subdivision on any agricultural property in a year shall not exceed \$2,000 and the reduction on seasonal residential recreational property in a year shall not exceed \$100.*

Sec. 7. Minnesota Statutes 1982, section 272.02, subdivision 1, is

amended to read:

Subdivision 1. Except as provided in other subdivisions of this section or in section 272.025 or section 273.13, subdivisions 17, 17b, 17c or 17d, all property described in this section to the extent herein limited shall be exempt from taxation:

- (1) All public burying grounds;
- (2) All public schoolhouses;
- (3) All public hospitals;
- (4) All academies, colleges, and universities, and all seminaries of learning;
- (5) All churches, church property, and houses of worship;
- (6) Institutions of purely public charity except property assessed pursuant to section 273.13, subdivisions 17, 17b, 17c or 17d;
- (7) All public property exclusively used for any public purpose;
- (8) (a) Class 2 property of every household of the value of \$100, maintained in the principal place of residence of the owner thereof. The county auditor shall deduct ~~such~~ the exemption from the total valuation of ~~such the~~ property as equalized by the ~~revenue~~ commissioner of revenue assessed to ~~such the~~ household, and extend the levy of taxes upon the remainder only. The term "household" as used in this section is defined to be a domestic establishment maintained either (1) by two or more persons living together within the same house or place of abode, subsisting in common and constituting a domestic or family relationship, or (2) by one person.

(b) During the period of his active service and for six months after his discharge therefrom, no member of the armed forces of the United States shall lose status of a householder under paragraph (a) which he had immediately prior to becoming a member of the armed forces.

In case there is an assessment against more than one member of a household the \$100 exemption shall be divided among the members assessed in the proportion that the assessed value of the Class 2 property of each bears to the total assessed value of the Class 2 property of all the members assessed. The Class 2 property of each household claimed to be exempt shall be limited to property in one taxing district, except in ~~those~~ cases where a single domestic establishment is maintained in two or more adjoining districts.

Bonds and certificates of indebtedness hereafter issued by the state of Minnesota, or by any county or city of the state, or any town, or any common or independent school district of the state, or any governmental board of the state, or any county or city thereof, shall hereafter be exempt from taxation; provided, that nothing herein contained shall be construed as exempting ~~such the~~ bonds from the payment of a tax thereon, as provided for by section 291.01, when any of ~~such the~~ bonds constitute, in whole or in part, any inheritance or bequest, taken or received by any person or corporation.

- (9) Farm machinery manufactured prior to 1930, which is used only for

display purposes as a collectors item;

(10) The taxpayer shall be exempted with respect to: all agricultural products, inventories, stocks of merchandise of all sorts, all materials, parts and supplies, furniture and equipment, manufacturers material, manufactured articles including the inventories of manufacturers, wholesalers, retailers and contractors; and the furnishings of a room or apartment in a hotel, rooming house, tourist court, motel or trailer camp, tools and machinery which by law are considered as personal property, and the property described in section 272.03, subdivision 1, clause (c), except personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures. Railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80 are not exempt.

(11) Containers of a kind customarily in the possession of the consumer during the consumption of commodities, the sale of which are subject to tax under the provisions of the excise tax imposed by ~~Extra Session Laws 1967,~~ chapter 32 297A;

(12) All livestock, poultry, all horses, mules and other animals used exclusively for agricultural purposes;

(13) All agricultural tools, implements and machinery used by the owners in any agricultural pursuit.

(14) Real and personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, other than real property used primarily as a solid waste disposal site.

Any taxpayer requesting exemption of all or a portion of any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. ~~Any such~~ The equipment or device shall meet standards, regulations or criteria prescribed by the Minnesota Pollution Control Agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota Pollution Control Agency shall upon request of the commissioner furnish information or advice to the commissioner. If the commissioner determines that property qualifies for exemption, he shall issue an order exempting ~~such~~ the property from taxation. ~~Any such~~ The equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota Pollution Control Agency remains in effect.

(15) Wetlands. For purposes of this subdivision, "wetlands" means land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes. "Wetlands" shall be land preserved in its natural condition, drainage of which would be *legal, feasible*, and *economically practical* ~~and would provide land suitable~~ for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice. "Wetlands" shall include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands. *"Wetlands" shall not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bot-*

toms. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(16) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause and section 273.116. Upon receipt of an application for the exemption and credit provided in this clause and section 273.116 for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of his decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

(17) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1954, as amended through December 31, 1980 1982, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(18) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(19) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydroelectric or hydro-mechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of section 105.482, subdivisions 1, 8 and 9.

Sec. 8. Minnesota Statutes 1982, section 273.115, subdivision 1, is amended to read:

Subdivision 1. The county auditor shall annually reduce the tax liability of each owner of wetlands exempt from property taxation pursuant to section 272.02, subdivision 1, clause (15), by an amount equal to ~~three-fourths~~ *one-half* of one percent of the average level of estimated market value of an acre of tillable land in the township, city or unorganized territory in which the qualifying wetland is located, multiplied by the number of acres of wetlands he owns. Any excess of credit over tax liability shall not be paid to the property owner but shall be applied to the tax liability of the owner of the wetlands for any parcel he owns which is contiguous to the parcel containing the wetlands.

Sec. 9. Minnesota Statutes 1982, section 273.13, subdivision 6, is amended to read:

Subd. 6. [CLASS 3B.] Agricultural land, except as provided by class 1 hereof, ~~and~~ which is used for the purposes of a homestead shall constitute class 3b and shall be valued and assessed ~~for taxes payable in 1981 and thereafter~~ as follows: the first \$50,000 of market value shall be valued and assessed at 14 percent; the remaining market value shall be valued and assessed at 19 percent. Effective for taxes payable in 1982 and thereafter, the maximum amount of the market value of the homestead bracket subject to the 14 percent rate shall be adjusted by the commissioner of revenue as provided in section 273.1311. The property tax to be paid on class 3b property as otherwise determined by law less any reduction received pursuant to sections 124.213 and 273.135 shall be reduced by ~~58 50~~ percent of the tax ~~for taxes payable in 1981 and thereafter~~; provided that the amount of ~~said~~ the reduction shall not exceed \$650. Valuation subject to relief shall be limited to 240 acres of land, most contiguous surrounding, bordering, or closest to the house occupied by the owner as his dwelling place, and ~~such~~ other structures ~~as may be~~ included thereon utilized by the owner in an agricultural pursuit, provided that noncontiguous land shall constitute class 3b only if the homestead is classified as class 3b and the detached land is located in the same township or city or not farther than two townships or cities or combination thereof from the homestead. The first \$12,000 market value of each tract of real estate which is rural in character and devoted or adaptable to rural but not necessarily agricultural use, used for the purpose of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law.

Agricultural land as used herein, and in section 124.2137, shall mean contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land and land included in federal farm programs.

Real estate of less than ten acres used principally for raising poultry, livestock, fruit, vegetables or other agricultural products, shall be considered as agricultural land, if it is not used primarily for residential purposes.

~~Effective for the 1981 assessment and in subsequent years.~~ The assessor shall determine and list separately on his records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

Sec. 10. Minnesota Statutes 1982, section 273.13, subdivision 7, is amended to read:

Subd. 7. [CLASS 3C, 3CC.] All other real estate and class 2a property, except as provided by classes 1 and 3cc, which is used for the purposes of a homestead, shall constitute class 3c, and shall be valued and assessed ~~for taxes payable in 1981 and thereafter~~ as follows: the first \$25,000 of market value shall be valued and assessed at 16 percent; the next \$25,000 of market value shall be valued and assessed at 22 percent; and the remaining market value shall be valued and assessed at 28 percent. Effective for taxes payable

in 1982 and thereafter, the maximum amounts of the market value of the homestead brackets subject to the 16 percent and 22 percent rates shall be adjusted by the commissioner of revenue as provided in section 273.1311. The property tax to be paid on class 3c property as otherwise determined by law, less any reduction received pursuant to section 273.135 shall be reduced by ~~58~~ 50 percent of the tax ~~for taxes payable in 1981 and thereafter imposed on the first \$65,000 of market value~~; provided that the amount of ~~said~~ the reduction shall not exceed \$650. The first \$12,000 market value of each tract of such real estate used for the purposes of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law. Class 3cc property shall include real estate or manufactured homes used for the purposes of a homestead by (a) any blind person, if ~~such~~ the blind person is the owner thereof or if ~~such~~ the blind person and his or her spouse are the sole owners thereof; or (b) any person (hereinafter referred to as veteran) who: (1) served in the active military or naval service of the United States and (2) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophics, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair, and (3) with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of such a deceased veteran for as long as the surviving spouse retains the special housing unit as his or her homestead; or (c) any person who: (1) is permanently and totally disabled and (2) is receiving (i) aid from any state as a result of that disability, or (ii) supplemental security income for the disabled, or (iii) workers' compensation based on a finding of total and permanent disability, or (iv) social security disability, or (v) aid under the Federal Railroad Retirement Act of 1937, 45 United States Code Annotated, Section 228b(a)5, or (vi) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability; which aid is at least 90 percent of the total income of ~~such~~ the disabled person from all sources. Class 3cc property shall be valued and assessed ~~for taxes payable in 1981 and thereafter~~ as follows: in the case of agricultural land, including a manufactured home, used for a homestead, the first \$33,000 of market value shall be valued and assessed at five percent, the next \$17,000 of market value shall be valued and assessed at 14 percent, and the remaining market value shall be valued and assessed at 19 percent; and in the case of all other real estate and manufactured homes, the first \$33,000 of market value shall be valued and assessed at five percent, the next \$17,000 of market value shall be valued and assessed at 22 percent, and the remaining market value shall be valued and assessed at 28 percent. Effective for taxes payable in 1982 and thereafter, in the case of agricultural land including a manufactured home used for purposes of a homestead, the commissioner of revenue shall adjust, as provided in section 273.1311, the maximum amount of the market value of the homestead brackets subject to the five percent and 14 percent rates; and for all other real estate and manufactured homes, the commissioner of revenue shall adjust, as provided in section 273.1311, the maximum amount of the market value of the homestead brackets subject to the five percent and 22 percent rates. Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings him an income. The property tax to be paid on class 3cc property as otherwise determined by law, less any

reduction received pursuant to section 273.135 shall be reduced by ~~58~~ 50 percent of the tax ~~for taxes payable in 1984 and thereafter imposed on the first \$65,000 of market value~~; provided that the amount of ~~said~~ the reduction shall not exceed \$650.

Sec. 11. Minnesota Statutes 1982, section 273.13, subdivision 9, is amended to read:

Subd. 9. [CLASS 4A, 4B, 4C, AND 4D.] (1) All property not included in the preceding classes shall constitute class 4a and shall be valued and assessed at 43 percent of the market value thereof, except as otherwise provided in this subdivision.

(2) Real property which is not improved with a structure and which is not utilized as part of a commercial or industrial activity shall constitute class 4b and shall be valued and assessed at 40 percent of market value.

(3) Commercial and industrial property, except as provided in this subdivision, shall constitute class 4c and shall be valued and assessed at ~~40~~ 34 percent of the first \$50,000 of market value ~~for taxes levied in 1983, payable in 1984 and 28 percent of the first \$50,000 of market value for taxes levied in 1984, payable in 1985 and thereafter~~, and 43 percent of the remainder, provided that in the case of state-assessed commercial or industrial property owned by one person or entity, only one parcel shall qualify for the ~~40~~ 34 or 28 percent assessment, and in the case of other commercial or industrial property owned by one person or entity, only one parcel in each county shall qualify for the ~~40~~ 34 or 28 percent assessment.

(4) Industrial employment property defined in section 273.1313, during the period provided in section 273.1313, shall constitute class 4d and shall be valued and assessed at 20 percent of the first \$50,000 of market value and 21.5 percent of the remainder.

Sec. 12. Minnesota Statutes 1982, section 273.13, subdivision 14a, is amended to read:

Subd. 14a. [BUILDINGS AND APPURTENANCES ON LAND NOT OWNED BY OCCUPANT.] The property tax to be paid in respect of the value of all buildings and appurtenances thereto owned and used by the occupant as a permanent residence, which are located upon land subject to property taxes and the title to which is vested in a person or entity other than the occupant, for all purposes shall be reduced by ~~58~~ 50 percent of the amount of the tax in respect of ~~said~~ that value, ~~not in excess of \$65,000~~, as otherwise determined by law ~~for taxes payable in 1984, and thereafter~~, but not by more than \$650.

Sec. 13. Minnesota Statutes 1982, section 273.13, subdivision 17, is amended to read:

Subd. 17. [TITLE II OR STATE HOUSING FINANCE AGENCY PROPERTY USED FOR ELDERLY AND LOW AND MODERATE INCOME FAMILIES.] (a) *Except as provided in clause (b)*, a structure situated on real property that is used for housing for the elderly or for low and moderate income families as defined by Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or regulations promulgated by the agency pursuant thereto and financed by a direct federal loan or

federally insured loan or a loan made by the Minnesota housing finance agency pursuant to the provisions of either of ~~said~~ those acts and acts amendatory thereof shall, for 15 years from the date of the completion of the original construction or substantial rehabilitation, or for the original term of the loan, be assessed at 20 percent of the market value thereof, provided that the fair market value as determined by the assessor is based on the normal approach to value using normal unrestricted rents.

(b) In the case of a structure described in clause (a) with respect to which construction or substantial rehabilitation had not been commenced prior to January 1, 1984, the 20 percent assessment ratio shall apply only to that portion of the structure that is occupied by elderly persons or low and moderate income families as defined above.

Sec. 14. Minnesota Statutes 1982, section 273.13, subdivision 17b, is amended to read:

Subd. 17b. [VALUATION OF FARMERS HOME ADMINISTRATION PROPERTY IN MUNICIPALITIES OF UNDER 10,000.] (a) Notwithstanding any other provision of law, *except as provided in clause (b)*, any structure

(a) situated on real property that is used for housing for the elderly or for low and moderate income families as defined by the farmers home administration,

(b) located in a municipality of less than 10,000 population,

(c) financed by a direct loan or insured loan from the farmers home administration, and

(d) which qualifies under subdivision 17a, shall, for 15 years from the date of the completion of the original construction or for the original term of the loan, be assessed at five percent of the market value thereof, provided that the fair market value as determined by the assessor is based on the normal approach to value using normal unrestricted rents.

(b) A structure described in clause (a) with respect to which construction had not been commenced prior to January 1, 1984, shall be assessed at 20 percent of its market value, but only in proportion to its occupancy by elderly persons or low and moderate income families as defined above.

Sec. 15. Minnesota Statutes 1982, section 273.13, subdivision 17c, is amended to read:

Subd. 17c. [VALUATION OF LOWER INCOME HOUSING.] (a) *Except as provided in clause (b)*, a structure which is

~~(a)~~ (1) situated upon real property that is used for housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended, and

~~(b)~~ (2) owned by an entity which has entered into a housing assistance payments contract under section 8 which provides assistance for 100 percent of the dwelling units in the structure, other than dwelling units intended for management or maintenance personnel, shall, for the term of the housing assistance payments contract, including all renewals, or for the term of its permanent financing, whichever is shorter, be assessed at 20 percent of

its market value. The market value determined by the assessor shall be based on the normal approach to value using normal unrestricted rents.

(b) In the case of a structure described in clause (a) with respect to which construction had not been commenced prior to January 1, 1984, the 20 percent assessment ratio shall apply only to that portion of the structure that is occupied by lower income families or elderly or handicapped persons as defined above.

Sec. 16. Minnesota Statutes 1982, section 273.1392, is amended to read:

273.1392 [PAYMENT; AIDS TO SCHOOL DISTRICTS.]

The amounts of homestead credit under section 273.13, subdivisions 6, 7, and 14a; wetlands credit and reimbursement under section 273.115; native prairie credit and reimbursement under section 273.116; *disaster or emergency reimbursement under section 273.123*; attached machinery aid under section 273.138; *taconite homestead credit under section 273.136*; reimbursement under section 273.139; *supplemental homestead credit under 273.1391*; and *metropolitan agricultural preserve credit reduction under section 473H.10*, shall be certified to the department of education by the department of revenue. The amounts so certified shall be paid according to the schedule for payment of foundation aids pursuant to section 124.11 for *fiscal year 1984*. ~~The sum sufficient to make the payments required by this section is appropriated from the general fund to the commissioner of education~~ *Beginning in fiscal year 1985, the amounts so certified shall be paid according to section 3.*

Sec. 17. Minnesota Statutes 1982, section 273.138, subdivision 2, is amended to read:

Subd. 2. *(a) Except as provided in paragraph (b), each county government, city and township except for counties that contain a city of the first class, shall receive reimbursement in 1978 1984 and subsequent years in an amount equal to based on the product of its total mill rate for taxes payable in the calendar year prior to the calendar year in which the aid is to be paid 1983, times the total 1972 assessed value of real property exempted from taxation by section 272.02, subdivision 1 which was located within the territory of such governmental unit the county, times 1.25. For the purpose of this subdivision, the "total mill rate" of a county government, city or township includes mill rates for taxes levied by such governmental unit the county which were not levied on the entire taxable value of such governmental unit the county.*

(b) If the product computed pursuant to paragraph (a) is \$50,000 or more for a county, aid shall be paid to that county in an amount equal to 90 percent of the amount computed pursuant to paragraph (a). If the product is less than \$50,000, no aid will be paid.

Sec. 18. Minnesota Statutes 1982, section 273.138, subdivision 3, is amended to read:

Subd. 3. *(a) Except as provided in paragraph (b), each school district shall receive reimbursement in 1974 1984 and subsequent years in an amount equal to based on the product of its 1972 assessed value of real property exempted from taxation by Laws 1973, Chapter 650, Article XXIV, Section*

1, times the sum of its 1972 payable 1973 mill rates for the following levies:

(1) A levy to pay the principal and interest on bonded indebtedness, including the levy to pay the principal and interest on bonds issued pursuant to Minnesota Statutes 1971, Section 275.125, Subdivision 3, Clause (6) (c);

(2) A levy to pay the principal and interest on debt service loans, pursuant to Minnesota Statutes 1971, Section 124.42;

(3) A levy to pay the principal and interest on capital loans, pursuant to Minnesota Statutes 1971, Section 124.43;

(4) A levy to pay amounts required in support of a teacher retirement fund, pursuant to Minnesota Statutes 1971, Section 422.13;

(5) A levy for additional maintenance cost in excess of 30 mills times the adjusted assessed valuation of the school district, pursuant to Minnesota Statutes 1971, Section 275.125, Subdivision 3, Clause (4).

For the purpose of this subdivision, a school district mill rate for any of the forementioned levies which was not applied to the total taxable value of such school district shall be added to the forementioned sum of mill rates as if it had been applied to the entire taxable value of the school district.

(b) If the product computed pursuant to paragraph (a) is more than or equal to an amount equal to \$10 per pupil unit of the district, aid shall be paid to that school district in an amount equal to 90 percent of the amount computed pursuant to paragraph (a). If the product is an amount less than \$10 per pupil unit, no aid will be paid.

Sec. 19. Minnesota Statutes 1982, section 273.138, subdivision 6, is amended to read:

Subd. 6. ~~If a county government, city or township is subject to the provisions of sections 275.50 to 275.56, the amount of aid calculated for such taxing district pursuant to subdivision 2 for 1976 shall be deducted from the taxing district's levy year 1975, taxes payable 1976 levy limit base determined pursuant to section 275.51, subdivision 3b and the amount of aid calculated for such taxing district pursuant to subdivision 2 for 1977 shall be deducted from the taxing district's levy year 1976, taxes payable 1977 levy limit base determined pursuant to section 275.51, subdivision 3e for the purpose of calculating the taxing district's levy limitation for taxes payable in 1976 or 1977 as the case may be. The amount of aid calculated for a school district pursuant to subdivision 3, clauses (2), (3), (4), (5) and (6) for 1975 or a subsequent year shall be deducted from the school district's maintenance levy limitation established pursuant to section 275.125, subdivision 2a, in determining the amount of taxes the school district may levy for general and special purposes for taxes payable in 1975 or a subsequent year.~~

Sec. 20. Minnesota Statutes 1982, section 275.50, subdivision 2, is amended to read:

Subd. 2. [GOVERNMENTAL SUBDIVISION.] "Governmental subdivision" means a county, home rule charter city, or statutory city, ~~town or special taxing district determined by the department of revenue, except a town home rule charter or statutory city that has a population of less than 5,000 2,500 according to the most recent federal census, provided that the popula-~~

tion of an incorporated municipality located within the boundaries of a town is not included in the population of the town. The term does not include school districts or the metropolitan transit commission created pursuant to section 473.404.

Sec. 21. Minnesota Statutes 1982, section 275.50, subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1982 1983 payable in 1983 1984 and subsequent years, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

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

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

(c) pay the costs to a governmental subdivision for their minimum required share of any program otherwise authorized by law for which matching funds have been appropriated by the state of Minnesota or the United States, excluding the administrative costs of public assistance programs, to the extent of the increase in levy for the taxes payable year 1983 and subsequent years over the amount levied for the local share of the program for the taxes payable year 1971. This clause shall apply only to those programs or projects for which matching funds have been designated by the state of Minnesota or the United States on or before September 1, of the previous year and only when the receipt of these matching funds is contingent upon the initiation or implementation of the project or program during the year in which the taxes are payable or those programs or projects approved by the commissioner;

(d) pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law, and the costs of purchase or delivery of social services, but not the administrative costs of public assistance programs or of county welfare systems. Except for the costs of general assistance medical care under section 256D.03 and the costs of hospital care pursuant to

section 261.21; the aggregate amounts levied pursuant to this clause are subject to a maximum increase of 18 percent over the amount levied for these purposes in the previous year;

(e) pay the costs of principal and interest on bonded indebtedness, ~~or effective for taxes levied in 1973 and years thereafter,~~ to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

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

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

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

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

(j) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission ~~in levy year 1971 or a subsequent levy year,~~ but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

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

(l) pay the increased cost of municipal services as the result of an annexation or consolidation ordered by the Minnesota municipal board ~~in levy year 1971 or a subsequent levy year,~~ but only to the extent and for the levy years as provided by the board in its order pursuant to section 414.01, subdivision 15. Special levies authorized by the board shall not exceed 50 percent of the levy limit base of the governmental subdivision and may not be in effect for more than three years after the board's order;

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

special assessments, and not to exceed the amount determined as follows. The governmental subdivision may calculate the aggregate of:

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

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

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

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

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

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

(q) pay the costs of financial assistance to local governmental units and

certain administrative, engineering, and legal expenses pursuant to Laws 1979, Chapter 253, Section 3;

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

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

(t) pay the total operating cost of a county jail as authorized in section 641.01. If the county government utilizes this special levy, then any amount levied by the county government in the previous year for operating its county jail and included in its previous year's levy limitation computed pursuant to section 275.51 shall be deducted from the current levy limitation.

Sec. 22. Minnesota Statutes 1982, section 275.50, is amended by adding a subdivision to read:

Subd. 8. [IMPLICIT PRICE DEFLATOR.] "Implicit price deflator" means the implicit price deflator for government purchases of goods and services for state and local government prepared by the bureau of economic analysis of the United States department of commerce for the 12 month period ending in June of the levy year.

Sec. 23. Minnesota Statutes 1982, section 275.51, is amended by adding a subdivision to read:

Subd. 3f. The property tax levy limitation for governmental subdivisions for taxes levied in 1983 and subsequent years shall be calculated as follows:

(a) The sum of the following amounts shall be computed:

(1) the property tax permitted to be levied in 1982 for taxes payable in 1983 pursuant to Minnesota Statutes 1982, section 275.51, subdivision 3e; plus

(2) the amount of any payments the governmental subdivision was certified to receive in 1983 pursuant to Minnesota Statutes 1982, sections 477A.011 to 477A.03; plus

(3) the amount of any payments to the governmental subdivision in 1983 pursuant to Minnesota Statutes 1982, sections 298.28 and 298.282; plus

(4) the difference between the amount paid to the governmental subdivision in 1983 pursuant to Minnesota Statutes 1982, section 273.138, and the amount payable under section 17 in 1984; plus

(5) the amount levied in 1982, payable in 1983 as a special levy under Minnesota Statutes 1982, section 275.51, subdivision 5, paragraph (d), for the administrative costs of social services.

(b) The sum computed in clause (a) shall be increased annually as provided in subdivision 3g to derive the levy limit base for successive years.

Sec. 24. Minnesota Statutes 1982, section 275.51, is amended by adding a subdivision to read:

Subd. 3g. [ADJUSTED LEVY LIMIT BASE.] For taxes levied in 1983 and thereafter, the adjusted levy limit base is equal to the levy limit base computed pursuant to subdivision 3f, increased by:

(a) a percentage equal to the percentage growth in the implicit price deflator, or five percent, whichever is greater;

(b) a percentage equal to the greater of the percentage increases in population or in number of households, if any, for the most recent 12 month period for which data is available, using figures derived pursuant to section 275.53, subdivision 1b;

(c) one-half of the amount levied as a special levy in the previous year for paying the costs of municipal services provided to new private industrial and nonresidential commercial development pursuant to section 275.50, subdivision 5, clause (m), if the special levy is discontinued;

(d) the amount of any permanent increase in the levy limit base approved at a general or special election held during the twelve month period ending September 30 of the levy year, pursuant to section 275.58, subdivisions 1 and 2;

(e) for the taxes payable year 1984, one-half of the amount by which its levy limitation for taxes payable in 1981 calculated pursuant to sections 275.50 to 275.56 exceeded the amount that it actually levied subject to limitation for taxes payable in 1981; and

(f) for the taxes payable year 1984, the amount of any levy in excess of levy limitations, not to exceed \$150,000, that was approved as a temporary levy increase in a referendum held during 1982.

Sec. 25. Minnesota Statutes 1982, section 275.51, is amended by adding a subdivision to read:

Subd. 3h. [LEVY LIMITATION.] The levy limitation for a governmental subdivision shall be equal to the adjusted levy limit base determined pursuant to subdivision 3g, reduced by the total amount of local government aid that the governmental subdivision has been certified to receive in the taxes payable year pursuant to sections 477A.011 to 477A.014; and taconite taxes and aids pursuant to sections 298.28 and 298.282 and state reimbursements for wetlands and native prairie property tax exemptions provided in section 272.02, subdivision 1, clauses (15) and (16); and the payments in lieu of taxes to a county pursuant to section 477A.12 which are required to be used to provide property tax levy reduction to be paid in the calendar year in which property taxes are payable. As provided in section 298.28, subdivision 1, one cent per taxable ton of the amount distributed under section 298.28, subdivision 1, clause (4)(c) shall not be deducted from the levy limit base of the counties that receive that aid. The resulting figure is the amount of property taxes which a governmental subdivision may levy for all purposes other than those for which special levies and special assessments are made.

Sec. 26. Minnesota Statutes 1982, section 275.53, is amended by adding a subdivision to read:

Subd. 1b. [POPULATION AND HOUSEHOLD ESTIMATES.] For the purpose of determining the amount of tax that a governmental subdivision may levy in accordance with limitation established by this chapter, the population or the number of households of the governmental subdivision shall be that established by the last federal census, by a census taken pursuant to subdivision 2, or by an estimate made by the metropolitan council, or by the

state demographer made pursuant to section 116J.42, subdivision 7, whichever is the most recent as to the stated date of count or estimate, up to and including July 1 of the current levy year.

Sec. 27. Minnesota Statutes 1982, section 276.09, is amended to read:

276.09 [SETTLEMENT BETWEEN AUDITOR AND TREASURER.]

On the ~~fifth 20th~~ day of ~~March, June, and November~~ *February, May and October* of each year, the county treasurer shall make full settlement with the county auditor of all receipts collected by him for all purposes, from the date of the last settlement up to and including each day mentioned. The county auditor shall, within 30 days after each settlement, send an abstract of same to the state auditor in the form prescribed by the state auditor. At each settlement the treasurer shall make complete returns of the receipts on the current tax list, showing the amount collected on account of the several funds included in the list.

For purposes of this section, "receipts" shall include all tax payments received by the county treasurer on or before the settlement date.

Sec. 28. Minnesota Statutes 1982, section 276.10, is amended to read:

276.10 [APPORTIONMENT AND DISTRIBUTION OF FUNDS.]

On the settlement day in ~~March, June, and November~~ *February, May and October* of each year, the county auditor and county treasurer shall distribute all undistributed funds in the treasury, apportioning them, as provided by law, and placing them to the credit of the state, town, city, school district, special district and each county fund. Within 20 days after the distribution is completed, the county auditor shall make a report of it to the state auditor in the form prescribed by the state auditor. The county auditor shall issue his warrant for the payment of moneys in the county treasury to the credit of the state, town, city, school district, or special districts on application of the persons entitled to receive them.

Sec. 29. Minnesota Statutes 1982, section 276.11, is amended to read:

276.11 [WHEN TREASURER SHALL PAY FUNDS.]

As soon as practical after each settlement in ~~March, June, and November~~ *February, May and October*, the county treasurer shall pay over to the state treasurer or the treasurer of any town, city, school district, or special district, on the warrant of the county auditor, all receipts arising from taxes levied by and belonging to the state, or to such municipal corporation, or other body, and deliver up all orders and other evidences of indebtedness of such municipal corporation or other body, taking triplicate receipts therefor. The treasurer shall file one of the receipts with the county auditor, and shall return one by mail on the day of its reception to the clerk of the town, city, school district, or special district to which payment was made. The clerk shall preserve the receipt in the clerk's office. Upon written request of the state, a municipal corporation or other public body, the county treasurer shall, to the extent practicable, make partial payments of amounts collected periodically in advance of the next settlement and distribution. Accompanying each payment shall be a statement prepared by the county treasurer designating the years for which taxes included in the payment were collected and, for each year, the amount of the taxes and any penalties thereon.

The county treasurer shall pay, upon written request of the state, a municipal corporation or other public body except school districts, at least 70 percent of the estimated collection within 30 days after the settlement date. Within 15 days after the settlement date, the county treasurer shall pay to the treasurer of the school districts at least 70 percent of the estimated collections arising from taxes levied by and belonging to the school district. The treasurer shall pay the balance of the amounts collected to the state or to a municipal corporation or other body within 60 days after the settlement date, provided, however, that after 45 days interest shall accrue at a rate of eight percent per annum to the credit of and shall be paid to the state, municipal corporation or other body. Interest shall be payable upon appropriation from the general revenue fund of the county and, if not paid, may be recovered by the state, municipal corporation, or other body, in a civil action.

Sec. 30. Minnesota Statutes 1982, section 278.01, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION OF VALIDITY.] Any person having any estate, right, title, or interest in or lien upon any parcel of land, who claims that such property has been partially, unfairly, or unequally assessed in comparison with other property in the city or county, or that the parcel has been assessed at a valuation greater than its real or actual value, or that the tax levied against the same is illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of his claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving two copies of a petition for such determination upon the county auditor and one copy each on the county treasurer and the county attorney and filing the same, with proof of service, in the office of the clerk of the district court before the ~~first~~ *15th* day of ~~June~~ *May* of the year in which the tax becomes payable. The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be sent to the school board of the school district in which the property is located. A petition for determination under this section may be transferred by the district court to the tax court. An appeal may also be taken to the tax court under chapter 271 at any time following receipt of the valuation notice required by section 273.121 but prior to ~~June 4~~ *May 15* of the year in which the taxes are payable.

Sec. 31. Minnesota Statutes 1982, section 278.01, subdivision 2, is amended to read:

Subd. 2. [HOMESTEADS.] Any person having any estate, right, title or interest in or lien upon any parcel which is classified as homestead under the provisions of section 273.13, subdivisions 6, 6a, 7, 7b, 10 or 12, who claims that said parcel has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class, in that portion of the county in which that parcel is located, for which the commissioner is able to establish and publish a sales ratio study as determined by the applicable real estate assessment/sales ratio study published

by the commissioner of revenue, may have the validity of his claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving two copies of a petition for such determination upon the county auditor and one copy each on the county treasurer and the county attorney and filing the same, with proof of such service, in the office of the clerk of the district court before the ~~first 15th day of June~~ *May* of the year in which such tax becomes payable. The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be sent to the school board of the school district in which the property is located. A petition for determination under this section may be transferred by the district court to the tax court.

Sec. 32. Minnesota Statutes 1982, section 278.03, is amended to read:

278.03 [PAYMENT OF TAX.]

If the proceedings instituted by the filing of the petition have not been completed before the ~~first 15th day of June~~ *May* next following the filing, the petitioner shall pay to the county treasurer 50 percent of the tax levied for such year against the property involved, unless permission to continue prosecution of the petition without such payment is obtained as herein provided. If the proceedings instituted by the filing of the petition have not been completed by the next ~~November 15~~ *October 15*, the petitioner shall pay to the county treasurer 50 percent of the unpaid balance of the taxes levied for the year against the property involved if the unpaid balance is \$2,000 or less and 80 percent of the unpaid balance if the unpaid balance is over \$2,000, unless permission to continue prosecution of the petition without payment is obtained as herein provided. The petitioner, upon ten days notice to the county attorney and to the county auditor, given at least ten days prior to the ~~first 15th day of June~~ *May* or the ~~first 15th day of November~~ *October*, may apply to the court for permission to continue prosecution of the petition without payment; and, if it is made to appear

(1) That the proposed review is to be taken in good faith;

(2) That there is probable cause to believe that the property may be held exempt from the tax levied or that the tax may be determined to be less than 50 percent of the amount levied; and

(3) That it would work a hardship upon petitioner to pay the taxes due.

the court may permit the petitioner to continue prosecution of the petition without payment, or may fix a lesser amount to be paid as a condition of continuing the prosecution of the petition.

Failure to make payment of the amount required when due shall operate automatically to dismiss the petition and all proceedings thereunder unless the payment is waived by an order of the court permitting the petitioner to continue prosecution of the petition without payment. The county treasurer shall, upon request of the petitioner, issue duplicate receipts for the tax payment, one of which shall be filed by the petitioner in the proceeding.

Sec. 33. Minnesota Statutes 1982, section 278.05, subdivision 5, is

amended to read:

Subd. 5. Any time after the filing of the petition and before the trial of the issues raised thereby, when the defense or claim presented is that the property has been partially, unfairly, or unequally assessed, or that the parcel has been assessed at a valuation greater than its real or actual value, or that a parcel which is classified as homestead under the provisions of section 273.13, subdivisions 6, 6a, 7, 7b, 10 or 12, has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class in that portion of the county in which the parcel is located, for which the commissioner is able to establish and publish a sales ratio study, the attorney representing the state, county, city or town in the proceedings may serve on the petitioner, or his attorney, and file with the clerk of the district court, an offer to reduce the valuation of any tract or tracts to a valuation set forth in the offer. If, within ten days thereafter, the petitioner, or his attorney, gives notice in writing to the county attorney, or the attorney for the city or town, that the offer is accepted, he may file the offer with proof of notice, and the clerk shall enter judgment accordingly. Otherwise, the offer shall be deemed withdrawn and evidence thereof shall not be given; and, unless a lower valuation than specified in the offer is found by the court, no costs or disbursements shall be allowed to the petitioner, but the costs and disbursements of the state, county, city or town, including interest at six percent on the tax based on the amount of the offer from and after the ~~first 15th~~ day of ~~November~~ *October* of the year the taxes are payable, shall be taxed in its favor and included in the judgment and when collected shall be credited to the county revenue fund, unless the taxes were paid in full before the ~~first 15th~~ day of ~~November~~ *October* of the year in which the taxes were payable, in which event interest shall not be taxable.

Sec. 34. Minnesota Statutes 1982, section 279.01, subdivision 1, is amended to read:

Subdivision 1. On ~~June first~~, *May 16* of each year, with respect to property actually occupied and used as a homestead by the owner of the property, a penalty of three percent shall accrue and thereafter be charged upon all unpaid taxes on real estate on the current lists in the hands of the county treasurer, and a penalty of seven percent on non-homestead property. Thereafter, for both homestead and non-homestead property, on the ~~first 16th~~ day of each month, up to and including ~~November first~~ *October 16* following, an additional penalty of one percent for each month shall accrue and be charged on all such unpaid taxes. When the taxes against any tract or lot exceed \$10, one-half thereof may be paid prior to ~~June first~~ *May 16*; and, if so paid, no penalty shall attach; the remaining one-half shall be paid at any time prior to ~~November first~~ *October 16* following, without penalty; but, if not so paid, then a penalty of four percent shall accrue thereon for homestead property and a penalty of four percent on non-homestead property. Thereafter, for homestead property, on the ~~first 16th~~ day of each month up to and including ~~January + December 16~~ following, an additional penalty of two percent for each month shall accrue and be charged on all such unpaid taxes. Thereafter, for non-homestead property, on the ~~first 16th~~ day of each month up to and including ~~January + December 16~~ following, an additional penalty of four percent for each month shall accrue and be charged on all

such unpaid taxes. If one-half of such taxes shall not be paid prior to ~~June first May 16~~, the same may be paid at any time prior to ~~November first October 16~~, with accrued penalties to the date of payment added, and thereupon no penalty shall attach to the remaining one-half until ~~November first October 16~~ following; provided, also, that the same may be paid in installments as follows: One-fourth prior to ~~April first March 16~~; one-fourth prior to ~~June first May 16~~; one-fourth prior to ~~September first August 16~~; and the remaining one-fourth prior to ~~November first October 16~~, subject to the aforesaid penalties. Where the taxes delinquent after ~~November first October 16~~ against any tract or parcel exceed \$40, they may be paid in installments of not less than 25 percent thereof, together with all accrued penalties and costs, up to the next tax judgment sale, and after such payment, penalties, interest, and costs shall accrue only on the sum remaining unpaid. Any county treasurer who shall make out and deliver or countersign any receipt for any such taxes without including all of the foregoing penalties therein, shall be liable to the county for the amount of such penalties.

Sec. 35. Minnesota Statutes 1982, section 473F.08, subdivision 7a, is amended to read:

Subd. 7a. The administrative auditor shall determine for each county the difference between the total levy on distribution value pursuant to subdivision 3, clause (a), within the county and the total tax on contribution value pursuant to subdivision 6, within the county. On or before ~~June 1~~ ~~May 15~~ of each year, he shall certify the differences so determined to each county auditor. In addition, he shall certify to those county auditors for whose county the total tax on contribution value exceeds the total levy on distribution value the settlement the county is to make to the other counties of the excess of the total tax on contribution value over the total levy on distribution value in the county. On or before ~~June 30~~ ~~15~~ and ~~November 30~~ ~~15~~ of each year, each county treasurer in a county having a total tax on contribution value in excess of the total levy on distribution value shall pay one-half of the excess to the other counties in accordance with the administrative auditors certification.

Sec. 36. [REPEALER.]

Minnesota Statutes 1982, sections 273.13, subdivision 15b; 273.139; 273.138, subdivisions 1 and 4; 275.09, subdivision 3; and 275.51, subdivisions 3e and 5, are repealed.

Sec. 37. [EFFECTIVE DATE.]

Except as otherwise specified, this article is effective for taxes levied in 1983, payable in 1984 and thereafter.

ARTICLE 3: LOCAL GOVERNMENT AIDS

Section 1. Minnesota Statutes 1982, section 116J.42, subdivision 7, is amended to read:

Subd. 7. The commissioner:

(1) Shall continuously gather and develop demographic data within the state;

(2) Shall design and test methods of research and data collection;

(3) Shall have the power to call upon any agency of the state or political subdivision for data as may be available, and the agencies and political subdivisions shall cooperate to the fullest extent possible;

(4) Shall periodically prepare population projections for designated regions and for the state and may periodically prepare projections for each county, or other political or geographic division;

(5) Shall review, comment, and prepare analysis of population estimates and projections made by state agencies, political subdivisions, other states, federal agencies or nongovernmental persons, institutions or commissions;

(6) Shall serve as the state liaison with the federal bureau of census, shall coordinate his activities with federal demographic activities to the fullest extent possible, and shall aid the legislature in preparing a census data plan and form for each decennial census;

(7) Shall compile an annual study of population estimates on the basis of county, regional or other political or geographic divisions as necessary to carry out the purposes of this subdivision and section 116J.43;

(8) Shall, on or before January 1 of each year, issue a report to the legislature containing an analysis of the demographic implications of the annual population study and population projections;

(9) Shall cause to be prepared maps of all counties in the state, all municipalities with a population of 10,000 or more, and any other municipalities as deemed necessary for census purposes, according to scale and detail recommended by the federal bureau of the census, with the maps of cities showing boundaries of precincts; and

(10) Shall annually prepare a ~~population~~ *an estimate of population and of the number of households* for each governmental subdivision for which the metropolitan council does not prepare an annual ~~population~~ estimate, and shall communicate the ~~estimate~~ *estimates* to the governing body of each governmental subdivision by May 1 of each year.

Sec. 2. Minnesota Statutes 1982, section 477A.011, is amended by adding a subdivision to read:

Subd. 3a. [NUMBER OF HOUSEHOLDS.] Number of households means the number of households established by the most recent federal census, by a special census conducted under contract with the United States bureau of the census, by an estimate made by the metropolitan council, or by an estimate of the state demographer made pursuant to section 116J.42, subdivision 7, whichever is the most recent as to the stated date of the count or estimate.

Sec. 3. Minnesota Statutes 1982, section 477A.011, subdivision 6, is amended to read:

*Subd. 6. [CONSUMER PRICE INDEX IMPLICIT PRICE DEFLATOR INCREASE.] For any calendar year aid distribution, the ~~consumer price index implicit price deflator~~ increase means the percentage increase in the ~~revised consumer price index for all urban consumers for the Minneapolis - St. Paul metropolitan area implicit price deflator for government purchases of goods and services for state and local government~~ prepared by the bureau of economic analysis of the United States department of ~~labor~~ *commerce* for the*

12 month period ending in June of the previous year.

Sec. 4. Minnesota Statutes 1982, section 477A.011, subdivision 7, is amended to read:

Subd. 7. [LOCAL REVENUE BASE.] For the 1982 1984 aid distribution, a municipality's local revenue base means its ~~local revenue base~~ *for the sum of:*

(a) (1) in the case of a municipality which had a local revenue base for the 1981 aid distribution, the 1981 aid distribution base calculated pursuant to Minnesota Statutes 1980, Section 477A.01, less any amount added to the local revenue base for the costs of principal and interest on bonded debt incurred for the purpose of providing capital replacement for streets, curbs, gutters, storm sewers, and bridges, increased in the manner prescribed by clauses (a) and (b); and, for home rule charter and statutory cities but not towns, multiplied by a factor of 1.208, and multiplied by a factor equal to the estimated 1981 population divided by the 1980 census population, if the latter factor is greater than 1.0; or

For all subsequent calendar year aid distributions, a municipality's local revenue base means its local revenue base for the previous year aid distribution calculated pursuant to sections 477A.011 to 477A.014 increased by:

(a) a percentage equal to the consumer price index increase; and

(b) a percentage equal to the percentage increase in population over that used to compute the previous year aid distribution, if any.

The local revenue base for a statutory or home rule charter city or a town having the powers of a statutory city pursuant to section 368.01 or special law which has a population of 2,500 or more according to the most recent federal census and

(2) in the case of a municipality which ~~does did~~ not have a local revenue base for the previous year 1981 aid distribution shall be established by adding, the prior year's local government aid received certified for 1983 pursuant to Minnesota Statutes 1980, Section 477A.01 or sections 477A.011 to 477A.014, and plus the property tax levy, exclusive of levies for bonded indebtedness, in the preceding year and multiplying that sum by a percentage equal to the consumer price index increase; for taxes payable in 1983;

(b) except for the cities of Minneapolis and St. Paul, the amount received in calendar year 1983 pursuant to Minnesota Statutes 1982, section 273.138;

(c) the amount received in calendar year 1983 pursuant to Minnesota Statutes 1982, section 273.139, including any amount received by a district as defined in section 273.73, subdivision 9, which lies totally within the municipality; and

(d) the total amount of any revenues received from a gross earnings tax on privately owned public utilities in calendar year 1982.

For 1985 and all subsequent calendar year aid distributions the local revenue base means the adjusted local revenue base used in the previous year aid distribution.

Sec. 5. Minnesota Statutes 1982, section 477A.011, is amended by ad-

ding a subdivision to read:

Subd. 7a. [ADJUSTED LOCAL REVENUE BASE.] Adjusted local revenue base means the local revenue base increased by:

(a) a percentage equal to the implicit price deflator increase; and

(b) a percentage equal to the percentage increase in population over that used to compute the previous year aid distribution, if any, or a percentage equal to the percentage increase in number of households over that used to compute the previous year aid distribution, if any, whichever is higher.

For the purposes of the 1984 aid distribution, the 1981 estimates of population and number of households shall be considered as the estimates used in the previous year aid distribution.

Sec. 6. Minnesota Statutes 1982, section 477A.011, subdivision 10, is amended to read:

Subd. 10. [MAXIMUM INCREASE AID AMOUNT.] For any calendar year the 1984 aid distribution, a municipality's maximum increase aid amount shall mean the following percentage of its previous year aid:

(a) 12 percent if its previous year aid is greater than \$100 per capita;

(b) 15 percent if its previous year aid is greater than \$75 per capita but not greater than \$100 per capita;

(c) 17 percent if its previous year aid is greater than \$50 per capita but not greater than \$75 per capita;

(d) 20 percent if its previous year aid is not greater than \$50 per capita be 106 percent of the amount it was certified to receive in 1983 pursuant to sections 477A.011 to 477A.03, plus any amounts received in 1983 pursuant to Minnesota Statutes 1982, section 273.139, including any amount received by a district as defined in section 273.73, subdivision 9, which lies totally within the municipality; and, for all municipalities except the cities of Minneapolis and St. Paul, any amounts received in 1983 pursuant to Minnesota Statutes 1982, section 273.138.

For any subsequent calendar year aid distribution, a municipality's maximum aid amount shall be 106 percent of the amount received in the previous year pursuant to sections 477A.011 to 477A.03.

Sec. 7. Minnesota Statutes 1982, section 477A.012, is amended to read:

477A.012 [COUNTY GOVERNMENT DISTRIBUTIONS.]

In each calendar year 1984, every county government except that of a county containing a city of the first class shall receive a distribution equal to one-half of its previous year certified aid. In 1985, and thereafter, no aid will be distributed to counties pursuant to sections 477A.011 to 477A.03.

Sec. 8. Minnesota Statutes 1982, section 477A.013, subdivision 2, is amended to read:

Subd. 2. [MUNICIPALITIES OVER 2,500 POPULATION CITIES.] In each calendar year, each statutory and home rule charter city, and each town having the powers of a statutory city pursuant to section 368.01 or special law, which has a population of 2,500 or more according to the latest federal census

home rule charter or statutory city shall receive a distribution equal to the amount obtained by subtracting the product of 10 11 mills and multiplied by the municipality's city's equalized assessed value from the adjusted local revenue base.

This amount shall then be adjusted, so that it is neither less than the sum of its previous year aid and its minimum increase, nor greater than the sum of its previous year aid and its maximum increase.

Sec. 9. Minnesota Statutes 1982, section 477.013, is amended by adding a subdivision to read:

Subd. 3. [TOWNS.] In each calendar year, each town shall receive a distribution equal to the amount obtained by subtracting four mills multiplied by the town's equalized assessed value from the adjusted local revenue base.

Sec. 10. Minnesota Statutes 1982, section 477A.013 is amended by adding a subdivision to read:

Subd. 4. [AID LIMITATION.] The aid amount determined pursuant to subdivision 2 or 3 shall be limited so that it is not greater than the municipality's maximum aid amount.

Sec. 11. Minnesota Statutes 1982, section 477A.03, subdivision 2, is amended to read:

Subd. 2. [LIMITATION ON APPROPRIATION; PROPORTIONATE REDUCTION MUNICIPALITIES.] The amount appropriated under subdivision 1 for distributions to towns pursuant to section 477A.013 shall not exceed \$240,725,464 \$6,800,000 for calendar year 1982 and the amount appropriated for distribution to cities pursuant to section 477A.013 and section 12 shall not exceed \$270,561,978 \$244,000,000 for calendar year 1983 1984. If the limitations contained in this subdivision result in a reduction in the amounts determined pursuant to sections 477A.012 and section 477A.013, subdivision 2, each governmental unit home rule charter and statutory city receiving local government aid shall have its distribution proportionally reduced; but no local government unit shall receive less aid than its previous year aid in proportion to the amounts determined pursuant to section 477A.013, subdivision 2, before the limitation of section 477A.013, subdivision 4, is taken into account. If the limitations contained in this subdivision result in a reduction in the amounts determined pursuant to section 477A.013, subdivision 3, each town receiving local government aid shall have its distribution reduced in proportion to the amounts determined pursuant to section 477A.013, subdivision 3, before the limitation of section 477A.013, subdivision 4, is taken into account.

Sec. 12. [SUPPLEMENTAL APPROPRIATION.]

Subdivision 1. [MAXIMUM REDUCTION.] No home rule charter city or statutory city shall receive a distribution in calendar year 1984 pursuant to sections 477A.011 to 477A.03 that is less than the sum of the amounts received in 1983 pursuant to sections 477A.011 to 477A.03, 273.139, and 273.138, by more than an amount equal to one mill times the unit's equalized assessed value for the 1984 distribution.

No home rule charter city or statutory city shall receive a distribution in calendar year 1985 pursuant to sections 477A.011 to 477A.03 that is less

than the sum of the amounts received in 1984 pursuant to sections 477A.011 to 477A.03, 273.139, and 273.138, by more than an amount equal to one-half mill times the unit's equalized assessed value for the 1985 distribution.

No home rule charter city or statutory city shall receive a distribution in calendar year 1986 pursuant to sections 477A.011 to 477A.03 that is less than the sum of the amounts received in 1985 pursuant to sections 477A.011 to 477A.03, 273.139, and 273.138, by more than an amount equal to one-half mill times the unit's equalized assessed value for the 1986 distribution.

Subd. 2. [PAYMENTS.] Of the \$244,000,000 appropriated for distribution to cities, an amount not to exceed \$9,500,000 may be used for the purposes of this section. Payments shall be made in the manner prescribed in section 477A.015. In the event that this appropriation is not sufficient, all home rule charter or statutory cities receiving aid pursuant to this section shall have their aid proportionally reduced.

Sec. 13. [REPEALER.]

Minnesota Statutes 1982, sections 477A.011, subdivisions 4, 5, 8, and 9; and 477A.013, subdivision 1, are repealed.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 13 are effective January 1, 1984.

ARTICLE 4: PROPERTY TAX REFUND

Section 1. Minnesota Statutes 1982, section 290A.03, subdivision 8, is amended to read:

Subd. 8. [CLAIMANT.] "Claimant" means a person, other than a dependent, who filed a claim authorized by sections 290A.01 to 290A.20 and who was domiciled in this state during the calendar year for which the claim for relief was filed. In the case of a claim ~~relating to rent constituting property taxes~~ *under section 290A.04, subdivision 2e*, the claimant shall have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes, are payable at some time during the calendar year covered by the claim. "Claimant" shall not include a resident of a nursing home, intermediate care facility, or long term residential facility ~~whose rent constituting property taxes is for whom the facility's charges~~ *are paid pursuant to the supplemental security income program under Title XVI of the social security act, the Minnesota supplemental aid program under sections 256D.35 to 256D.41, the medical assistance program pursuant to Title XIX of the social security act, or the general assistance medical care program pursuant to section 256D.03, Subdivision 3. If only a portion of the rent constituting property taxes is charges are paid by these programs, the resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant to section 290A.04, subdivision 2e, shall be multiplied by a fraction, the numerator of which is income as defined in subdivision 3 reduced by the total amount of income from the above sources other than vendor payments under the medical assistance program or the general assistance medical care program and the denominator of which is income as defined in subdivision 3 plus vendor payments under the medical assistance program or the general assistance medical care program, to de-*

termine the allowable refund pursuant to this chapter. In the case of a claim ~~for rent constituting property taxes under section 290A.04, subdivision 2e,~~ of a part year resident, the income and rental reflected in this computation shall be for the period of Minnesota residency only. Any rental expenses paid which may be reflected in arriving at federal adjusted gross income cannot be utilized for this computation. When two individuals of a household are able to meet the qualifications for a claimant, they may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final. If a homestead property owner was a part year resident, the income reflected in the computation made pursuant to section 290A.04 shall be for the entire calendar year, including income not assignable to Minnesota.

If a homestead is occupied by two or more renters, who are not husband and wife, the rent shall be deemed to be paid equally by each, and separate claims shall be filed by each. The income of each shall be his household income for purposes of computing the amount of credit to be allowed.

Sec. 2. Minnesota Statutes 1982, section 290A.03, subdivision 12, is amended to read:

Subd. 12. [GROSS RENT.] "Gross rent" means rental *actually* paid in cash or its equivalent in any calendar year solely for the right of occupancy, at arms-length, of a *the claimant's Minnesota* homestead in the calendar year, exclusive of charges for any utilities, services, furniture, or furnishings furnished by the landlord as a part of the rental agreement, whether expressly set out in the rental agreement or not. If the landlord and tenant have not dealt with each other at arms-length and the commissioner determines that the gross rent charged was excessive, he may adjust the gross rent to a reasonable amount for purposes of sections 290A.01 to 290A.20.

If the landlord does not supply the charges for any utilities, furniture, or furnishings furnished by him, or if the charges appear to be incorrect the commissioner may apply a percentage determined from samples of similar gross rents paid solely for the right of occupancy.

Any amount paid by a claimant residing in property assessed pursuant to section 273.133 for occupancy in that property shall be excluded from gross rent for purposes of this chapter. However, property taxes imputed to the homestead of the claimant or the dwelling unit occupied by the claimant that qualifies for homestead treatment pursuant to section 273.133 shall be included within the term "property taxes payable" as defined in subdivision 13, notwithstanding the fact that ownership is not in the name of the claimant.

Sec. 3. Minnesota Statutes 1982, section 290A.04, subdivision 1, is amended to read:

Subdivision 1. [HOMEOWNERS.] (a) *Subject to the limitation in clause (b),* a credit shall be allowed each claimant ~~in,~~ *other than one who rents or leases his homestead,* equal to the amount ~~that~~ *by which* property taxes payable ~~or rent constituting property taxes~~ exceed the percentage of the household income of the claimant specified in subdivision 2 in the year for which the taxes were levied ~~or in the year in which the rent was paid.~~ The maximum credit for any claimant who was disabled on or before June 1 or who attained

the age of 65 prior to June 1 of the year following the year for which the taxes were levied ~~or in which the rent was paid~~ shall be \$200 above the maximum for which that claimant would otherwise be eligible according to his income.

(b) A claimant who is not disabled on or before June 1 and who had not attained the age of 65 prior to June 1 of the year following the year for which the taxes were levied shall receive a credit equal to 95 percent of the amount computed pursuant to clause (a) and subdivision 2.

Sec. 4. Minnesota Statutes 1982, section 290A.04, subdivision 2, is amended to read:

Subd. 2. The refund shall be paid to claimants whose property taxes payable exceed the following percentages of their income, up to the designated maximum credit amounts:

For claimants earning:

- \$0 to \$2,999, 0.5 percent, up to \$650;
- 3,000 to 3,999, 0.6 percent, up to \$650;
- 4,000 to 4,999, 0.7 percent, up to \$650;
- 5,000 to 5,999, 0.8 percent, up to \$650;
- 6,000 to 6,999, 0.9 percent, up to \$650;
- 7,000 to 7,999, 1.0 percent, up to \$650;
- 8,000 to 8,999, 1.1 percent, up to \$650;
- 9,000 to 9,999, 1.2 percent, up to \$650;
- 10,000 to 10,999, 1.3 percent, up to \$650;
- 11,000 to 11,999, 1.4 percent, up to \$650;
- 12,000 to 19,999, 1.5 percent, up to \$650;
- 20,000 to 22,999, 1.6 percent, up to \$650;
- 23,000 to 25,999, 1.8 percent, up to \$600;
- 26,000 to 30,999, 2.0 percent, up to \$550;
- 31,000 to 35,999, 2.2 percent, up to \$525;
- 36,000 to 40,999, 2.4 percent, up to \$500;
- 41,000 to 44,999, 2.6 percent, up to \$500;
- 45,000 to 52,999, 2.8 percent, up to \$500;
- 53,000 to 65,999, 3.0 percent, up to \$500;
- 66,000 to 81,999, 3.2 percent, up to \$500;
- 82,000 to 99,999, 3.5 percent, up to \$500;
- 100,000 and over, 4.0 percent, up to \$500;

provided that maximum credits for incomes above \$20,000 decline according to the following schedule:

between \$20,000 and \$26,000 decline \$16.67 per \$1,000; between \$26,000 and \$36,000 decline \$5 per \$1,000.

The payment made to a claimant shall be the amount of refund calculated pursuant to this subdivision, but not exceeding \$850, *and subdivisions 2a and 2b*, less the homestead credit given pursuant to section 273.13, subdivisions 6, 7 and 14a.

Sec. 5. Minnesota Statutes 1982, section 290A.04, subdivision 2a, is amended to read:

Subd. 2a. An additional refund shall be allowed each claimant who was not disabled or who had not attained the age of 65 by June 1 of the year in which the taxes were payable in an amount equal to 50 percent of the amount by which property taxes payable ~~or rent constituting property taxes~~ exceed the sum of (a) the refund calculated pursuant to subdivision 2 and (b) the percentage of the claimant's household income specified in subdivision 2. The sum of the refunds provided in subdivision 2 and this subdivision shall not exceed the maximum amounts provided below.

For claimants earning:

\$0 to 25,999, up to \$1,000;

26,000 to ~~35,999~~ 29,000, up to \$850;

29,000 to 30,000, up to \$790

30,000 to 31,000, up to \$790

31,000 to 32,000, up to \$790

32,000 to 33,000, up to \$790

33,000 to 34,000, up to \$744

34,000 to 35,000, up to \$744

35,000 to 36,000, up to \$700

36,000 to 37,000, up to \$660

37,000 to 38,000, up to \$620

38,000 to 39,000, up to \$590

~~39,000~~ 39,000 and over, up to \$550;

provided that maximum refunds for incomes ~~above~~ *between* \$20,000 and \$29,000 decline according to the following schedule:

between \$20,000 and \$26,000 decline \$25 per \$1,000; between \$26,000 and ~~\$36,000~~ \$29,000 decline \$30 per \$1,000. ~~A claimant who owns his own homestead part of the year and rents part of the year may add his rent constituting property taxes to the qualifying tax on his homestead and receive the additional refund provided in subdivision 2a.~~

Sec. 6. Minnesota Statutes 1982, section 290A.04, subdivision 2b, is amended to read:

Subd. 2b. An additional refund shall be allowed each claimant who is disabled or has attained the age of 65 by June 1 of the year in which the taxes

were payable in an amount equal to 50 percent of the amount by which property taxes payable ~~or rent constituting property taxes~~ exceed the sum of (a) the refund calculated pursuant to subdivision 2 and (b) the percentage of the claimant's household income specified in subdivision 2. The sum of the refunds provided in subdivision 2 and this subdivision shall not exceed the maximum amounts provided below.

For claimants earning:

\$0 to 22,999, up to \$1,000;

23,000 to 25,999, up to \$975;

26,000 to 35,999, up to \$950;

36,000 and over, up to \$750;

provided that maximum refunds for incomes above \$20,000 decline according to the following schedule:

between \$20,000 and \$26,000 decline \$8.33 per \$1,000; between \$26,000 and \$36,000 decline \$20 per \$1,000.

In the case of a claimant who was disabled on or before June 1 or who attained the age of 65 on the date specified in subdivision 1, the refund shall not be less than the refund which the claimant's household income as defined in section 290A.03 and property tax ~~or rent constituting property tax~~ would have entitled him to receive under Minnesota Statutes 1974, Section 290.0618.

Sec. 7. Minnesota Statutes 1982, section 290A.04, is amended by adding a subdivision to read:

Subd. 2e. [RENTERS.] A credit shall be allowed to each claimant who is a renter, equal to the following percentage of gross rent paid at the following levels of income. Disability and age shall be determined on or before June 1 of the year in which the rent was paid.

For incomes of:

	<i>Percentage of gross rent:</i>	
	<i>non-disabled, under 65</i>	<i>disabled or over 64</i>
<i>\$0 to 2,999</i>	<i>21</i>	<i>22</i>
<i>3,000 to 4,999</i>	<i>20</i>	<i>21</i>
<i>5,000 to 5,999</i>	<i>19.5</i>	<i>20</i>
<i>6,000 to 6,999</i>	<i>18.5</i>	<i>20</i>
<i>7,000 to 7,999</i>	<i>17.5</i>	<i>19</i>
<i>8,000 to 8,999</i>	<i>16.5</i>	<i>18.5</i>
<i>9,000 to 9,999</i>	<i>16</i>	<i>18</i>
<i>10,000 to 10,999</i>	<i>15</i>	<i>17</i>
<i>11,000 to 11,999</i>	<i>14</i>	<i>16</i>
<i>12,000 to 12,999</i>	<i>13.5</i>	<i>15</i>
<i>13,000 to 13,999</i>	<i>13</i>	<i>15</i>
<i>14,000 to 14,999</i>	<i>12.5</i>	<i>14.5</i>
<i>15,000 to 15,999</i>	<i>12</i>	<i>14</i>
<i>16,000 to 16,999</i>	<i>11.5</i>	<i>13.5</i>
<i>17,000 to 17,999</i>	<i>11</i>	<i>12.5</i>
<i>18,000 to 18,999</i>	<i>9.5</i>	<i>12</i>
<i>19,000 to 19,999</i>	<i>7</i>	<i>10.5</i>
<i>20,000 to 24,999</i>	<i>4</i>	<i>7</i>
<i>25,000 to 29,999</i>	<i>1</i>	<i>3</i>
<i>30,000 and over</i>	<i>0</i>	<i>0</i>

The maximum credit paid pursuant to this subdivision is \$400 for claimants who are not disabled and who are under the age of 65, and \$500 for claimants who are disabled or who are aged 65 or older.

Sec. 8. Minnesota Statutes 1982, section 290A.04, subdivision 3, as amended by Laws 1983, chapter 15, section 29, is amended to read:

Subd. 3. The commissioner of revenue shall construct and make available to taxpayers a comprehensive table showing the property taxes *or gross rent* to be paid and credit allowed at various levels of income and assessment. The table shall follow the schedule of income percentages, maximums and other provisions specified in subdivisions 2, 2a, ~~and 2b,~~ and 2e, except that the commissioner may graduate the transition between income brackets. All refunds shall be computed in accordance with tables prepared and issued by the commissioner of revenue.

For homestead property owners who are disabled or are 65 or older, as provided in subdivision 1, the commissioner shall base his determination of the credit on the gross qualifying tax reduced by the average statewide effective homestead credit percentage for taxes payable in 1975 calculated under section 273.13, subdivisions 6 and 7.

Sec. 9. Minnesota Statutes 1982, section 290A.04, is amended by adding a subdivision to read:

Subd. 2f. [ELECTION.] If an individual has both rented and owned homesteads during a year, he may elect to claim a credit under subdivision 1 or 2e, but may not claim both credits for the year.

Sec. 10. Minnesota Statutes 1982, section 290A.05, is amended to read:

290A.05 [COMBINED HOUSEHOLD INCOME.]

If a person occupies a homestead with another person or persons not related to the person as husband and wife, excluding dependents, roomers or boarders on contract, and has property tax payable with respect to the homestead, the household income of the claimant or claimants for the purpose of computing the refund allowed by section 290A.04 shall include the total income received by the other persons residing in the homestead. If a person occupies a homestead with another person or persons not related as husband and wife or as dependents, the property tax payable or *gross rent constituting property tax* shall be reduced as follows:

If the other person or persons are residing at the homestead under rental or lease agreement, the amount of property tax payable or *gross rent constituting property tax* shall be that portion not covered by the rental agreement.

Sec. 11. Minnesota Statutes 1982, section 290A.06, is amended to read:

290A.06 [FILING TIME LIMIT, LATE FILING.]

Any claim for property taxes payable shall be filed with the department of revenue on or before August 31 of the year in which the property taxes are due and payable. Any claim ~~for based on gross rent constituting property taxes~~ shall be filed with the department of revenue on or before August 31 of the year following the year in which the rent was paid. The commissioner may extend the time for filing these claims for a period not to exceed six months in the case of sickness, absence, or other disability, or when in his

judgment other good cause exists.

A claim filed after the original or extended due date shall be allowed, but the amount of credit shall be reduced by five percent of the amount otherwise allowable, plus an additional five percent for each month of delinquency, not exceeding a total reduction of 25 percent which may be cancelled or reduced by the commissioner in the case of sickness, absence, or other disability, or when in his judgment other good cause exists. In any event no claim shall be allowed if the initial claim is filed two years after the original due date for filing the claim.

The time limit on redetermination of claims for refund and examination of records shall be governed by sections 290.49, 290.50, and 290.56 and for purposes of computing the time limit as provided in these sections the due date of the property tax refund return shall be the same as the due date contained in section 290.42 for an income tax return covering the year in which the rent was paid or the year preceding the year in which the property taxes are payable.

Sec. 12. [REPEALER.]

Minnesota Statutes 1982, section 290A.03, subdivision 11, is repealed.

Sec. 13. [EFFECTIVE DATE.]

This article is effective for claims based on property taxes payable in 1984 and subsequent years and rent paid in 1983 and subsequent years.

ARTICLE 5: SALES TAX

Section 1. Minnesota Statutes 1982, section 297A.02, subdivision 1, as amended by Laws 1982, Third Special Session chapter 1, article VI, section 2, is amended to read:

297A.02 [IMPOSITION OF TAX.]

Subdivision 1. [GENERALLY.] Except as otherwise provided in this chapter, there is hereby imposed an excise tax of ~~five six~~ *six* percent of the gross receipts from sales at retail, ~~as hereinbefore defined,~~ made by any person in this state; ~~except that for sales at retail made after December 31, 1982 and prior to July 1, 1983 the rate shall be six percent.~~

Sec. 2. Minnesota Statutes 1982, section 297A.03, subdivision 2, as amended by Laws 1982, Third Special Session chapter 1, article VI, section 3, is amended to read:

Subd. 2. It shall be unlawful for any retailer to advertise or hold out or state to the public or any customer, directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the retailer, or that it will not be added to the sales price or that, if added, it or any part thereof will be refunded except that in computing the tax to be collected as the result of any transaction amounts of tax less than one-half of one cent may be disregarded and amounts of tax if one-half cent or more may be considered an additional cent. If the sales price of any sale at retail is nine cents or less, or if the sales price of any sale at retail made after December 31, 1982 ~~and prior to July 1, 1983,~~ is eight cents or less, no tax shall be collected. Any person violating this provision shall be guilty of a misdemeanor.

Sec. 3. Minnesota Statutes 1982, section 297A.14, as amended by Laws

1982, Third Special Session chapter 1, chapter VI, section 4, is amended to read:

297A.14 [USING, STORING OR CONSUMING TANGIBLE PERSONAL PROPERTY; ADMISSIONS; UTILITIES.]

For the privilege of using, storing or consuming in Minnesota tangible personal property, tickets or admissions to places of amusement and athletic events, electricity, gas, and local exchange telephone service purchased for use, storage or consumption in this state, there is hereby imposed on every person in this state a use tax at the rate of five percent of the sales price of sales at retail of any of the aforementioned items made to such person unless the tax imposed by section 297A.02 was paid on the sales price, except that for sales at retail of any of the aforementioned items made after December 31, 1982 and prior to July 1, 1983 the rate shall be six percent. Notwithstanding the provisions of this paragraph, the rate of the use tax imposed upon the sales price of sales of farm machinery shall be four percent.

Motor vehicles subject to tax under this section shall be taxed at the fair market value at the time of transport into Minnesota if such motor vehicles were acquired more than three months prior to its transport into this state.

Notwithstanding any other provisions of sections 297A.01 to 297A.44 to the contrary, the cost of paper and ink products exceeding \$100,000 in any calendar year, used or consumed in producing a publication as defined in section 297A.25, subdivision 1, clause (i) is subject to the tax imposed by this section.

Sec. 4. Minnesota Statutes 1982, section 297A.25, subdivision 1, is amended to read:

Subdivision 1. The following are specifically exempted from the taxes imposed by sections 297A.01 to 297A.44:

(a) The gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products, and food products which are not taxable pursuant to section 297A.01, subdivision 3, clause (c) and which are sold by a retailer, organized as a nonprofit corporation or association, within a place located on property owned by the state or an agency or instrumentality of the state, the entrance to which is subject to an admission charge. This exemption does not include the following:

(i) candy and candy products;

(ii) carbonated beverages, beverages commonly referred to as soft drinks containing less than 15 percent fruit juice, or bottled water other than non-carbonated and noneffervescent bottled water sold in individual containers of ~~one~~ one-half gallon or more in size;

(b) The gross receipts from the sale of prescribed drugs and medicine intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings and products consumed by humans for the preservation of health, including prescription glasses, ther-

apeutic and prosthetic devices, but not including cosmetics or toilet articles notwithstanding the presence of medicinal ingredients therein;

(c) The gross receipts from the sale of and the storage, use or other consumption in Minnesota of tangible personal property, tickets, or admissions, electricity, gas, or local exchange telephone service, which under the Constitution or laws of the United States or under the Constitution of Minnesota, the state of Minnesota is prohibited from taxing;

(d) The gross receipts from the sale of tangible personal property (i) which, without intermediate use, is shipped or transported outside Minnesota by the purchaser and thereafter used in a trade or business or is stored, processed, fabricated or manufactured into, attached to or incorporated into other tangible personal property transported or shipped outside Minnesota and thereafter used in a trade or business outside Minnesota, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce (storage shall not constitute intermediate use); provided that the property is not subject to tax in that state or country to which it is transported for storage or use, or, if subject to tax in that other state, that state allows a similar exemption for property purchased therein and transported to Minnesota for use in this state; except that sales of tangible personal property that is shipped or transported for use outside Minnesota shall be taxed at the rate of the use tax imposed by the state to which the property is shipped or transported, unless that state has no use tax, in which case the sale shall be taxed at the rate generally imposed by this state; and provided further that sales of tangible personal property to be used in other states or countries as part of a maintenance contract shall be specifically exempt; or (ii) which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(e) The gross receipts from the sale of packing materials used to pack and ship household goods, the ultimate destination of which is outside the state of Minnesota and which are not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(f) The gross receipts from the sale of and storage, use or consumption of petroleum products upon which a tax has been imposed under the provisions of chapter 296, whether or not any part of said tax may be subsequently refunded;

(g) The gross receipts from the sale of clothing and wearing apparel except the following:

(i) all articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semi-precious stones, and imitations thereof; articles made of, or ornamented, mounted or fitted with precious metals or imitations thereof; watches; clocks; cases and movements for watches and clocks; gold, gold-plated, silver, or sterling flatware or hollow ware and silver-plated hollow ware; opera glasses; lorgnettes; marine glasses; field glasses and binoculars.

(ii) articles made of fur on the hide or pelt, and articles of which such fur is

the component material or chief value, but only if such value is more than three times the value of the next most valuable component material.

(iii) perfume, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, aromatic cachous and toilet powders. The tax imposed by this act shall not apply to lotion, oil, powder, or other article intended to be used or applied only in the case of babies.

(iv) trunks, valises, traveling bags, suitcases, satchels, overnight bags, hat boxes for use by travelers, beach bags, bathing suit bags, brief cases made of leather or imitation leather, salesmen's sample and display cases, purses, handbags, pocketbooks, wallets, billfolds, card, pass, and key cases and toilet cases.

(h) The gross receipts from the sale of and the storage, use, or consumption of all materials, including chemicals, fuels, petroleum products, lubricants, packaging materials, including returnable containers used in packaging food and beverage products, feeds, seeds, fertilizers, electricity, gas and steam, used or consumed in agricultural or industrial production of personal property intended to be sold ultimately at retail, whether or not the item so used becomes an ingredient or constituent part of the property produced. Such production shall include, but is not limited to, research, development, design or production of any tangible personal property, manufacturing, processing (other than by restaurants and consumers) of agricultural products whether vegetable or animal, commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering, generating electricity and the production of road building materials. Such production shall not include painting, cleaning, repairing or similar processing of property except as part of the original manufacturing process. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures, used in such production and fuel, electricity, gas or steam used for space heating or lighting, are not included within this exemption; however, accessory tools, equipment and other short lived items, which are separate detachable units used in producing a direct effect upon the product, where such items have an ordinary useful life of less than 12 months, are included within the exemption provided herein;

(i) The gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property (except as provided in section 297A.14) which is used or consumed in producing any publication regularly issued at average intervals not exceeding three months, and any such publication. For purposes of this subsection, "publication" as used herein shall include, without limiting the foregoing, a legal newspaper as defined by Minnesota Statutes 1965, Section 331.02, and any supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall be deemed to be engaging in a service with respect to gross receipts realized from such newsgathering or publishing activities by them, including the sale of advertising. *The term "publication" shall not include magazines and periodicals sold over the counter.* Machinery, equipment, implements, tools, accessories, appliances, contrivances, fur-

niture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt;

(j) The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities or a state and its agencies, instrumentalities and political subdivisions;

(k) The gross receipts from the isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale;

(l) The gross receipts from sales of rolling stock and the storage, use or other consumption of such property by railroads, freight line companies, sleeping car companies and express companies taxed on the gross earnings basis in lieu of ad valorem taxes. For purposes of this clause "rolling stock" is defined as the portable or moving apparatus and machinery of any such company which moves on the road, and includes, but is not limited to, engines, cars, tenders, coaches, sleeping cars and parts necessary for the repair and maintenance of such rolling stock.

(m) The gross receipts from sales of airflight equipment and the storage, use or other consumption of such property by airline companies taxed under the provisions of sections 270.071 to 270.079. For purposes of this clause, "airflight equipment" includes airplanes and parts necessary for the repair and maintenance of such airflight equipment, and flight simulators.

(n) The gross receipts from the sale of telephone central office telephone equipment used in furnishing intrastate and interstate telephone service to the public.

(o) The gross receipts from the sale of and the storage, use or other consumption by persons taxed under the in lieu provisions of chapter 298, of mill liners, grinding rods and grinding balls which are substantially consumed in the production of taconite, the material of which primarily is added to and becomes a part of the material being processed.

(p) The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders;

(q) The gross receipts from the sale of caskets and burial vaults;

(r) The gross receipts from the sale of an automobile or other conveyance if the purchaser is assisted by a grant from the United States in accordance with 38 United States Code, Section 1901, as amended.

(s) The gross receipts from the sale to the licensed aircraft dealer of an aircraft for which a commercial use permit has been issued pursuant to section 360.654, if the aircraft is resold while the permit is in effect.

(t) The gross receipts from the sale of building materials to be used in the construction or remodeling of a residence when the construction or remodeling is financed in whole or in part by the United States in accordance with 38 United States Code, Sections 801 to 805, as amended. This exemption shall not be effective at time of sale of the materials to contractors, subcontractors, builders or owners, but shall be applicable only upon a claim for refund to the commissioner of revenue filed by recipients of the benefits provided in Title 38 United States Code, Chapter 21, as amended. The commissioner shall provide by regulation for the refund of taxes paid on sales exempt in accordance with this paragraph.

(u) The gross receipts from the sale of textbooks which are prescribed for use in conjunction with a course of study in a public or private school, college, university and business or trade school to students who are regularly enrolled at such institutions. For purposes of this clause a "public school" is defined as one that furnishes course of study, enrollment and staff that meets standards of the state board of education and a private school is one which under the standards of the state board of education, provides an education substantially equivalent to that furnished at a public school. Business and trade schools shall mean such schools licensed pursuant to section 141.25.

(v) The gross receipts from the sale of and the storage of material designed to advertise and promote the sale of merchandise or services, which material is purchased and stored for the purpose of subsequently shipping or otherwise transferring outside the state by the purchaser for use thereafter solely outside the state of Minnesota.

(w) The gross receipt from the sale of residential heating fuels in the following manner:

(i) all fuel oil, coal, wood, steam, propane gas, and L.P. gas sold to residential customers for residential use;

(ii) natural gas sold for residential use to customers who are metered and billed as residential users and who use natural gas for their primary source of residential heat, for the billing months of November, December, January, February, March and April;

(iii) electricity sold for residential use to customers who are metered and billed as residential users and who use electricity for their primary source of residential heat, for the billing months of November, December, January, February, March and April.

(x) The gross receipts from the sale or use of tickets or admissions to the premises of or events sponsored by an association, corporation or other group of persons which provides an opportunity for citizens of the state to participate in the creation, performance or appreciation of the arts and which qualifies as a tax-exempt organization within the meaning of section 290.05, subdivision 1, clause (i).

(y) The gross receipts from either the sales to or the storage, use or con-

sumption of tangible personal property by an organization of military service veterans or an auxiliary unit of an organization of military service veterans, provided that:

(i) the organization or auxiliary unit is organized within the state of Minnesota and is exempt from federal taxation pursuant to section 501(c), clause (19), of the Internal Revenue Code as amended through December 31, 1978; and

(ii) the tangible personal property which is sold to or stored, used or consumed by the organization or auxiliary unit is for charitable, civic, educational, or nonprofit uses and not for social, recreational, pleasure or profit uses.

(z) The gross receipts from the sale of sanitary napkins, tampons, or similar items used for feminine hygiene.

Sec. 5. Minnesota Statutes 1982, section 297B.01, subdivision 8, is amended to read:

Subd. 8. "Purchase price" means the total consideration valued in money for a sale, whether paid in money or otherwise, provided however, that when a motor vehicle is taken in trade as a credit or as part payment on a motor vehicle taxable under Laws 1971, Chapter 853, the credit or trade-in value allowed by the person selling the motor vehicle shall be deducted from the total selling price to establish the purchase price of the vehicle being sold and the trade-in allowance allowed by the seller shall constitute the purchase price of the motor vehicle accepted as a trade-in. The purchase price in those instances where the motor vehicle is acquired by gift or by any other transfer for a nominal or no monetary consideration shall also include the average value of similar motor vehicles, established by standards and guides as determined by the motor vehicle registrar. The purchase price in those instances where a motor vehicle is manufactured by a person who registers it under the laws of this state shall mean the manufactured cost of such motor vehicle and manufactured cost shall mean the amount expended for materials, labor and other properly allocable costs of manufacture, except that in the absence of actual expenditures for the manufacture of a part or all of the motor vehicle, manufactured costs shall mean the reasonable value of the completed motor vehicle. The term "purchase price" shall not include the transfer of a motor vehicle by way of gift between a husband and wife or parent and child, nor shall it include the transfer of a motor vehicle by a guardian to his ward when there is no monetary consideration and the title to such vehicle was registered in the name of the guardian, as guardian, only because the ward was a minor. *There shall not be included in "purchase price" the amount of any tax imposed by the United States upon or with respect to retail sales whether imposed upon the retailer or the consumer.*

Sec. 6. Minnesota Statutes 1982, section 297B.02, as amended by Laws 1982, Third Special Session chapter 1, article VI, section 5, is amended to read:

297B.02 [TAX IMPOSED.]

There is hereby imposed an excise tax at the rate of ~~five percent~~ *provided in chapter 297A* on the purchase price of any motor vehicle purchased or acquired, either in or outside of the state of Minnesota, which is required to be

registered under the laws of this state.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective for sales made after June 30, 1983.

ARTICLE 6: BUDGET RESERVE

Section 1. Minnesota Statutes 1982, section 16A.15, subdivision 1, is amended to read:

Subdivision 1. [REDUCTION.] In case the commissioner of finance shall discover at any time that the probable receipts from taxes or other sources for any appropriation, fund, or item will be less than was anticipated, and that consequently the amount available for the remainder of the biennium will be less than the amount estimated or allotted therefor, he shall *act to eliminate the deficit as provided in this subdivision. The commissioner shall transfer from the budget reserve account established in subdivision 6 to the undesignated balance in the general fund the amount necessary to balance revenue and expenditures until the amount remaining in the budget reserve account is equal to 1-1/2 percent of total current estimated biennial general fund expenditures and transfers less dedicated revenue expenditures. Any further deficit shall be made up as follows:*

The commissioner shall, with the approval of the governor, and after notice to the agency concerned and consultation with the legislative advisory commission created by section 3.30, either:

(a) ~~after consultation with the legislative advisory commission created by section 3.30, transfer from the budget reserve account established in section 16A.15, subdivision 6 to the general fund the amount necessary to balance revenue and expenditures; or~~

(b) reduce the amount allotted or to be allotted so as to prevent a deficit; or

(c) make any combination of transfers and reductions as provided by clauses (a) and (b).

In reducing allotments, the commissioner of finance may consider other sources of revenue available to recipients of state appropriations and apply allotment reductions based on all sources of revenue available. In addition, the commissioner may determine the appropriations not subject to allotment reduction and make transfers for those from the budget reserve account.

In like manner he shall request reduction of the amount allotted or to be allotted to any agency by the amount of any saving which can be effected upon previous spending plans through a reduction in prices or other cause.

Sec. 2. Minnesota Statutes 1982, section 16A.15, is amended by adding a subdivision to read:

Subd. 6. [BUDGET RESERVE ACCOUNT.] The commissioner of finance on July 1, 1983 shall transfer \$250,000,000 to a budget reserve account in the general fund in the state treasury.

Sec. 3. Minnesota Statutes 1982, section 16A.15, is amended by adding a subdivision to read:

Subd. 7. [DELAY IN PAYMENT.] The commissioner of finance may delay

payment of an amount up to 15 percent of an appropriation due to a city or town, county, special taxing district, school district, system of higher education, or other governmental or nongovernmental unit in that entity's fiscal year for up to 60 days after the commencement of its next fiscal year. The amount delayed is subject to allotment reduction under section 1.

Sec. 4. [REPEALER.]

Minnesota Statutes 1982, section 16A.153, is repealed.

Sec. 5. [EFFECTIVE DATE.]

This article is effective on the day following final enactment.

ARTICLE 7: ECONOMIC DEVELOPMENT

Section 1. Minnesota Statutes 1982, section 273.13, subdivision 9, is amended to read:

Subd. 9. [CLASS 4A, 4B, 4C, AND 4D.] (1) All property not included in the preceding classes shall constitute class 4a and shall be valued and assessed at 43 percent of the market value thereof, except as otherwise provided in this subdivision.

(2) Real property which is not improved with a structure and which is not utilized as part of a commercial or industrial activity shall constitute class 4b and shall be valued and assessed at 40 percent of market value.

(3) Commercial and industrial property, except as provided in this subdivision, shall constitute class 4c and shall be valued and assessed at 40 percent of the first \$50,000 of market value and 43 percent of the remainder, provided that in the case of state-assessed commercial or industrial property owned by one person or entity, only one parcel shall qualify for the 40 percent assessment, and in the case of other commercial or industrial property owned by one person or entity, only one parcel in each county shall qualify for the 40 percent assessment.

(4) ~~Industrial~~ Employment property defined in section 273.1313, during the period provided in section 273.1313, shall constitute class 4d and shall be valued and assessed at 20 percent of the first \$50,000 of market value and 21.5 percent of the remainder, *except that for employment property located in an enterprise zone designated pursuant to section 273.1312, subdivision 4, paragraph (c), clause (3), the first \$50,000 of market value shall be valued and assessed pursuant to paragraph (3) and the remainder shall be assessed and valued at 38.5 percent, unless the governing body of the city designated as an enterprise zone determines that a specific parcel shall be assessed pursuant to the first clause of this sentence. The governing body may provide for assessment under the first clause of the preceding sentence only for property which is located in an area which has been designated by the governing body for the receipt of tax reductions authorized by section 10, subdivision 9, paragraph (a).*

Sec. 2. Minnesota Statutes 1982, section 273.1312, subdivision 2, is amended to read:

Subd. 2. [DESIGNATION.] The commissioner shall designate an area as an enterprise zone if (+) (a) an application is made in the form and manner and containing the information as prescribed by the ~~commissioner's rules~~

commissioner; (ii) (b) the application is made or approved by the governing body of the area; and (iii) (c) the area is determined by the commissioner to be eligible for designation under subdivision 4; and (d) the zone is selected pursuant to the process provided by section 10.

Sec. 3. Minnesota Statutes 1982, section 273.1312, subdivision 3, is amended to read:

Subd. 3. [DURATION.] The designation of an area as an enterprise zone shall be effective ~~from~~ *for seven years after the date of designation to 12 years thereafter.*

Sec. 4. Minnesota Statutes 1982, section 273.1312, subdivision 4, is amended to read:

Subd. 4. [ELIGIBILITY REQUIREMENTS.] An area is eligible for designation if *the following requirements are met:*

(1) (a) Its boundary is continuous and includes, ~~if feasible, proximately located~~ *vacant or underutilized lands or buildings conveniently accessible to residents of the area.*

(2) Its population as determined under the most recent federal decennial census is at least (i) 4,000 if any of the area is located within an SMSA with a population of 50,000 or more, or (ii) 2,500 in any other case ~~unless the area is an Indian reservation, for which no minimum population is required.~~ (b) *The area of the zone is less than 400 acres and the total market value of the taxable property contained in the zone at the time of application is less than \$200,000 per acre, except that these restrictions shall not apply to areas designated pursuant to paragraph (c), clause (2) or (3).*

(3) (a) (c) (1) The proposed zone is located within an economic hardship area, as established by meeting ~~three~~ *two* or more of the following criteria:

(1) (A) ~~the percentage number of total residential housing units within the zone area which was constructed prior to 1950 is 70 are substandard is 15 percent or greater under criteria prescribed by the commissioner using data collected by the bureau of the census;~~

(2) (B) ~~the percentage of households within the zone area that fall below the poverty level, as determined by the United States census bureau, is 20 percent or greater;~~

(3) (C) (i) ~~the total number of persons residing within the zone has declined by ten percent or more over the ten years preceding application market value of commercial and industrial property in the area has declined over three of the preceding five years, or (ii) the total market value of all property in the area, as equalized by the sales ratio study, has declined or its growth has lagged three percentage points behind the statewide growth in total equalized market value in the state over the preceding three year period;~~

(4) (D) ~~for the last full year for which data is available, the percentage of the work force of the jurisdiction of the governing body of the area in which the zone is located engaged in manufacturing is less than the percentage of the work force of the state engaged in manufacturing nonfarm per capita income in the area was 90 percent or less of the median for the state, excluding standard metropolitan statistical areas, or for the standard metropolitan statistical~~

area if the area is located in a standard metropolitan statistical area;

(5) the jurisdiction of the governing body of the area in which the zone is located has recently experienced a significant employment reduction at a federal military installation within the SMSA in which it is located (E) (i) the current rate of unemployment in the area is 120 percent of the statewide average unemployment for the previous year, or (ii) the total number of employment positions has declined by ten percent during the last 18 months; or

(b) (2) The area is so designated under federal legislation providing for federal tax benefits to investors, employers or employees in enterprise zones similar to the state tax benefits set forth in Laws 1982, Chapter 523; and

(4) The governing body of the area seeking to be designated as an enterprise zone, by resolution, agrees to follow a course of action, during the period for which the designation is effective, designed to promote economic development in the area. The program may be implemented by governmental action, by private entities, or both, and may include but is not limited to:

(a) Reduction or abatement of real property taxes of industrial land and facilities according to section 273.1313;

(b) Issuance of revenue bonds or use of federal funds available to finance loans for private industrial and housing facilities;

(c) Issuance of bonds and use of taxes, tax increments, and available federal funds to finance public facilities in the area;

(d) Increase in the level or efficiency of governmental services;

(e) Commitments from public or private entities in the area to provide jobs, job training, and technical, financial, or other assistance to employees and residents of the area; or

(3) The area consists of a statutory or home rule charter city with a contiguous border with a city in another state or with a contiguous border with a city in Minnesota which has a contiguous border with a city in another state and the area is determined by the commissioner to be economically or fiscally distressed.

For purposes of this subdivision, an economic hardship area must have a population under the most recent federal decennial census of at least (i) 4,000 if any of the area is located wholly or partly within a standard metropolitan statistical area, or (ii) 2,500 for an area located outside of a standard metropolitan statistical area, or (iii) no minimum in the case of an area located in an Indian reservation.

Sec. 5. Minnesota Statutes 1982, section 273.1312, subdivision 5, is amended to read:

Subd. 5. [LIMITATION.] No area shall may be designated as an enterprise zone after December 31, 1996 1986.

Sec. 6. Minnesota Statutes 1982, section 273.1313, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (1) Terms (a) As used in this section, the following terms have the meanings given them in this subdivision.

(2) (b) "Commissioner" means the commissioner of revenue.

(3) ~~“Industrial~~ (c) “Employment property” means taxable property, excluding land but including buildings, structures, fixtures, and improvements that satisfy each of the following conditions:

(a) (1) The property is located within an enterprise zone designated according to section 273.1312.

(b) (2) The primary purpose and prospective use of the property is (i) the manufacture or processing of goods or materials by physical or chemical change, or (ii) the provision of office, engineering, research and development, warehousing, parts distribution, or other facilities that are related to a manufacturing or processing operation conducted by the user commercial or industrial property which is not used in a trade or business which either is described in section 103(b)(6)(O) of the Internal Revenue Code of 1954, as amended through January 15, 1983, or is a public utility.

(c) The user will own the property or occupy it under a lease requiring the user to pay property taxes on it as if the user were the owner.

(d) The property is classified as industrial employment property by the procedure and subject to the conditions provided in this section, before it is first placed in use.

(4) (d) “Market value”, as applied to industrial of a parcel of employment property on any particular parcel of land, means the value of all the taxable property situated there except the land, as annually determined pursuant to section 273.12, less (i) the market value of all property existing at the time of application for classification, as last assessed prior to the time of application, and (ii) any increase in the market value of the property referred to in clause (i) as assessed in each year after the industrial employment property is first placed in service. In each year, any change in the values of the industrial employment property and the other property on the land shall be deemed to be proportionate unless caused by a capital improvement or loss.

(5) (e) “Municipality” means any home rule charter or statutory city or county, but a county may not exercise the powers granted in this section with reference to property situated within a city.

(f) Notwithstanding the provisions of clauses (c) and (d) “employment property” and “market value” includes in the case of taxable real property located in an enterprise zone designated under section 273.1312, subdivision 4, paragraph (c), clause (3), the entire value of the commercial and industrial property used in a trade or business which is not used in a trade or business which either is described in section 103(b)(6)(O) of the Internal Revenue Code of 1954, as amended through January 15, 1983, or is a public utility; provided that the provisions of this paragraph shall not apply to employment property located in an enterprise zone designated pursuant to section 273.1312, subdivision 4, paragraph (c), clause (3), that is assessed pursuant to the first clause of the first sentence of section 273.13, subdivision 9, paragraph (4).

Sec. 7. Minnesota Statutes 1982, section 273.1313, subdivision 2, is amended to read:

Subd. 2. [PROGRAM.] (4) (a) The governing body of any municipality which contains a designated enterprise zone as provided by section

273.1312 ~~may~~ shall by resolution establish a program for classification of new industrial property or improvements to existing property as industrial employment property pursuant to the provisions of this section; ~~if it finds that the program is needed to facilitate and encourage the renewal or addition of industrial facilities to provide or preserve employment opportunities for its citizens.~~ Applications for classification under the program shall be filed with the municipal clerk or auditor in a form prescribed by the commissioner, with additions as may be prescribed by the municipal governing body. The application shall contain, *where appropriate*, a legal description of the parcel of land on which the facility is to be situated or improved; a general description of the facility or improvement and its proposed use, ~~the equipment proposed to be used in connection with it (including equipment exempt from taxation under existing law);~~ the probable time schedule for undertaking the construction or improvement, and information regarding the matters referred to in paragraph (4) (d); the market value and the assessed value of the land and of all other taxable property then situated on it, according to the most recent assessment; and an estimate of the probable cost of the new construction or improvement and the market value of the new or improved facility (excluding land) when completed.

(2) (b) Upon receipt of an application the municipal clerk or auditor, subject to any prior approval required by the resolution establishing the program, shall furnish a copy to the assessor for the property and to the governing body of each school district and other public body authorized to levy taxes on the property, and shall publish a notice in the official newspaper of the time and place of a hearing to be held by the governing body on the application, not less than 30 days after the notice is published, stating that the applicant, the assessor, representatives of the affected taxing authorities, and any taxpayer of the municipality may be heard or may present their views in writing at or before the hearing. The hearing may be adjourned from time to time, but the governing body shall take action on the application by resolution within 30 days after the hearing. If disapproved, the reasons shall be set forth in the resolution, and the applicant may appeal to the commissioner within 30 days thereafter, but only on the ground that the determination is arbitrary, in relation to prior determinations as to classification under the program, or based upon a mistake of law. If approved, the resolution shall include determinations as to the matters set forth in paragraph (4) (d), and the clerk or auditor shall transmit it to the commissioner.

(3) (c) Within 60 days after receipt of an approved application or an appeal from the disapproval of an application, the commissioner shall take action on it. The commissioner shall approve each application approved by the governing body if he finds that it complies with the provisions of this section. If he disapproves the application, or finds grounds exist for appeal of a disapproved application, he shall transmit the finding to the governing body and the applicant. When grounds for appeal have been determined to exist, the governing body shall reconsider and take further action on the application within 30 days after receipt of the commissioner's notice and serve written notice of the action upon the applicant. The applicant, within 30 days after receipt of notice of final disapproval by the commissioner or the governing body, may appeal from the disapproval to a court of competent jurisdiction.

(4) (d) *In the case of enterprise zones qualifying pursuant to section 273.1312, subdivision 4, paragraph (c), clause (1),* an application shall not

be approved unless the governing body finds and determines that the construction or improvement of the facility:

(a) (1) Is reasonably likely to create new employment or prevent a loss of employment in the municipality;

(b) (2) Is not likely to have the effect of transferring existing employment from one or more other municipalities within the state;

(c) (3) Is not likely to cause the total market value of industrial employment property within the municipality to exceed five percent of the total market value of all taxable property within the municipality; or if it will, the resulting limitation upon the increase of the assessed value of all taxable property within the municipality, considering the amount of additional municipal services likely to be required for the industrial employment property, is not likely to substantially impede the operation or the financial integrity of the municipality or any other public body levying taxes on property in the municipality; and

(d) (4) Will not result in the reduction of the assessed value of existing property within the municipality owned by the applicant, through abandonment, demolition, or otherwise, without provision for the restoration of the existing property within a reasonable time in a manner sufficient to restore the assessed valuation.

Sec. 8. Minnesota Statutes 1982, section 273.1313, subdivision 3, is amended to read:

Subd. 3. [CLASSIFICATION.] Property shall be classified as industrial employment property and assessed as provided for class 4d property in section 273.13, subdivision 9, ~~clause paragraph~~ (4), for taxes levied in the year in which the classification is approved and in each year thereafter to and including the 12th year after the industrial employment property is completed for the four succeeding years after the approval. If the classification is revoked, the revocation is effective for taxes levied in the next year after revocation.

Sec. 9. Minnesota Statutes 1982, section 273.1313, subdivision 5, is amended to read:

Subd. 5. [HEARING.] Upon receipt of the request, the commissioner shall notify the applicant and the governing body by certified mail of a time and place, not less than 30 days after receipt, at which the applicant may be heard and. *The hearing must be held within 30 days after receipt of the request. Within 30 days after the hearing, the commissioner will shall determine whether the facts and circumstances are grounds for revocation as recommended by the governing body. If the commissioner revokes the classification, the applicant may appeal from the commissioner's order to a court of competent jurisdiction at any time within 30 days after revocation.*

Sec. 10. [273.1314] [SELECTION OF ENTERPRISE ZONES.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given.

(a) "City" means a statutory or home rule charter city.

(b) "Commissioner" means the commissioner of energy, planning, and

development or its successor agency.

(c) "Legislative advisory commission" means the legislative advisory commission established under section 3.30.

(d) "Municipality" means a city or a county for an area located outside the boundaries of a city. If an area lies in two or more cities or in both incorporated and unincorporated areas, municipality shall include an entity formed pursuant to section 471.59 by the governing bodies of the cities with jurisdiction over the incorporated area and the counties with jurisdiction over the unincorporated area.

Subd. 2. [SUBMISSION OF APPLICATIONS.] On or before July 31 of each year, a municipality seeking designation of an area as an enterprise zone shall submit an application to the commissioner. The commissioner shall establish procedures and forms for the submission of applications for enterprise zone designation.

Subd. 3. [APPLICATIONS; CONTENTS.] The applications for designation as an enterprise zone shall contain, at a minimum:

(a) verification that the area is eligible for designation pursuant to section 273.1312;

(b) a development plan, outlining the types of investment and development within the zone that the municipality expects to take place if the incentives and tax reductions specified under paragraphs (d) and (e) are provided, including specific investment or development reasonably expected to take place and any commitments obtained from businesses;

(c) the municipality's proposed means of assessing the effectiveness of the development plan once it has been implemented;

(d) the specific form of tax reductions, authorized by subdivision 9, proposed to be granted to businesses making new investment in the zones, the duration of the tax reductions, an estimate of the total state taxes likely to be foregone as a result, and a statement of the relationship between the proposed tax reductions and the type of investment or development sought or expected to be attracted to the area if it is designated as a zone;

(e) the municipality's contribution to the zone as required by subdivision 6;

(f) any additional information required by the commissioner; and

(g) any additional information which the municipality considers relevant to the designation of the area as an enterprise zone.

Paragraph (b) does not apply to an application for designation under section 273.1312, subdivision 4, paragraph (c), clause (3).

Subd. 4. [EVALUATION OF APPLICATIONS.] The commissioner shall review and evaluate the applications submitted pursuant to subdivision 3 and shall determine whether each area is eligible for designation as an enterprise zone. If the department of energy, planning, and development no longer exists as presently constituted, the commissioner shall consult with the successor to the responsibilities of the planning division of that department in making this determination. In determining whether an area is eligible under section 273.1312, subdivision 4, paragraph (c), if unemployment, employ-

ment, income or other necessary data are not available for the area from the federal departments of labor or commerce or the state demographer, the commissioner may rely upon other data submitted by the municipality if he determines it is statistically reliable or accurate. The commissioner, in conjunction with the commissioner of revenue, shall prepare an estimate of the amount of state tax revenue which will be foregone for each application if the area is designated as a zone.

On or before September 1 of each year, the commissioner shall submit to the legislative advisory commission a list of the areas eligible for designation as enterprise zones, along with his recommendations for designation and supporting documentation. In making recommendations for designation, the commissioner shall consider and evaluate the applications pursuant to the following criteria:

(a) the pervasiveness of poverty, unemployment, and general distress in the area;

(b) the extent of chronic abandonment, deterioration or reduction in value of commercial, industrial or residential structures in the area and the extent of property tax arrearages in the area;

(c) the prospects for new investment and economic development in the area with the tax reductions proposed in the application relative to the state and local tax revenue which would be foregone;

(d) the competing needs of other areas of the state;

(e) the municipality's proposed use of other state and federal development funds or programs to increase the probability of new investment and development occurring;

(f) the extent to which the projected development in the zone will provide employment to residents of the economic hardship area;

(g) the funds available pursuant to subdivision 8; and

(h) other relevant factors which he specifies in his recommendations.

The commissioner shall submit a separate list of the areas entitled to designation as enterprise zones under section 273.1312, subdivision 4, paragraph (c), clauses (2) and (3), along with his recommendations for the amount of funds to be allocated to each area.

Subd. 5. [LAC RECOMMENDATIONS.] On or before September 15, the legislative advisory commission shall submit to the commissioner its advisory recommendations regarding the designation of enterprise zones. By September 30 of each year the commissioner shall make the final designation of the areas as enterprise zones, pursuant to section 273.1312, subdivision 2. In making the designation, the commissioner may make modifications in the design of or limitations on the tax reductions contained in the application necessary because of the funding limitations under subdivision 8.

Subd. 6. [LOCAL CONTRIBUTION.] No area may be designated as an enterprise zone unless the municipality agrees to make a qualifying local contribution in the form of (a) a property tax reduction for employment property as provided by section 273.1313 for any business qualifying for a state tax reduction pursuant to this section, or (b) an equivalent local con-

tribution or investment out of other municipal funds, but excluding any special federal grants or loans. If the local contribution is to be used to fund additional reductions in state taxes, the commissioner and the governing body of the municipality shall enter an agreement for timely payment to the state to reimburse the state for the amount of tax revenue foregone as a result.

Subd. 7. [LIMITATIONS; NUMBER OF DESIGNATIONS.] (a) In each of the years 1983 and 1984, the commissioner shall designate at least three but not more than six areas as enterprise zones. No designations shall be made after December 31, 1984.

(b) No more than one area may be designated as an enterprise zone in any county, except that two areas may be designated in a county containing a city of the first class.

(c) No more than one area in a congressional district may be designated as an enterprise zone in any calendar year.

This subdivision shall not apply to enterprise zones designated pursuant to section 273.1312, subdivision 4, paragraph (c), clauses (2) or (3).

Subd. 8. [FUNDING LIMITATIONS.] (a) \$35,000,000 is appropriated to the commissioner of revenue from the general fund for the purpose of funding the tax reductions authorized pursuant to designations of enterprise zones under section 273.1312 and this section. \$10,000,000 of the total appropriation is the maximum amount which may be authorized by the commissioner for tax reductions pursuant to subdivision 9 that will reduce tax revenues which otherwise would have been received during fiscal years 1984 and 1985. The commissioner shall allocate to enterprise zones designated under section 273.1312, subdivision 4, paragraph (c), clause (3), an amount not less than the total appropriation multiplied by .9 and multiplied by a fraction, the numerator of which is the number of zones designated under section 273.1312, subdivision 4, paragraph (c), clause (3), and the denominator of which is the maximum number of enterprise zones which may be designated for the year including those designated under section 273.1312, subdivision 4, paragraph (c), clause (3) during any year and the funds shall be allocated among such zones on a per capita basis. Upon designation of an enterprise zone the commissioner shall certify the total amount available for tax reductions in the zone for its duration. The amount certified shall reduce the amount available for tax reductions in other enterprise zones. If subsequent estimates indicate or actual experience shows that the approved tax reductions will result in amounts of tax reductions in excess of the amount certified, the commissioner shall implement a plan to reduce the available tax reductions in the zone to an amount within the sum certified. If subsequent estimates indicate or actual experience shows that the approved tax reductions will result in amounts of tax reductions below the amount certified, the difference shall be available for certification in other zones or used in connection with an amended plan of tax reductions for the zone as the commissioner determines appropriate. If the tax reductions authorized result in reduced revenues for a dedicated fund, the commissioner of finance shall transfer equivalent amounts to the dedicated fund from the general fund as necessary.

(b) The appropriation pursuant to paragraph (a) shall not cancel. The

commissioner of finance shall reduce the amount of the appropriation based upon information supplied by the commissioner of revenue that the tax reductions authorized for enterprise zones have or are estimated to have resulted in reduced state tax collections.

Subd. 9. [AUTHORIZED FORMS OF STATE TAX REDUCTIONS.] (a) The following types of tax reductions may be approved by the commissioner for businesses located in an enterprise zone:

(1) An exemption from the general sales tax imposed by chapter 297A for purchases of construction materials or equipment for use in the zone;

(2) A refundable credit against the income tax of an employer for workers employed in the zone, other than workers employed in construction, up to a maximum of \$1,500 per employee;

(3) An income tax credit for a percentage of the cost of debt financing to construct new facilities in the zone;

(4) A state paid property tax credit for a portion of the property taxes paid by a new commercial or industrial facility or the additional property taxes paid by an expansion of an existing commercial or industrial facility in the zone.

(b) The municipality shall specify in its application for designation the types of tax reductions it seeks to be made available in the zone and the percentage rates and other appropriate limitations on the reductions.

(c) Upon designation of an enterprise zone and approval by the commissioner of the tax reductions to be made available therein, the commissioner of revenue shall take the steps necessary to implement the tax reductions.

(d) The tax reductions provided by this subdivision shall not apply to any facility described in section 103(b)(6)(O) of the Internal Revenue Code of 1954, as amended through January 15, 1983, or to any regulated public utility.

(e) The commissioner shall approve tax reductions authorized by paragraph (a) within an enterprise zone designated pursuant to section 273.1312, subdivision 4, paragraph (c), clause (3), only after the governing body of a city designated as an enterprise zone has designated a specific portion or the city not in excess of 400 acres in which the tax reductions may be provided.

(f) In addition to the tax reductions authorized by paragraph (a), for an enterprise zone designated under section 273.1312, subdivision 4, paragraph (c), clause (3), the following types of tax reductions may be approved:

(1) A credit against income tax for workers employed in the zone up to a maximum of \$1,000 per employee; or

(2) A state paid property tax credit for a portion of the property taxes paid by a commercial or industrial facility located in the zone.

(g) Each tax reduction provided to a business pursuant to this subdivision shall terminate not longer than five years after the effective date of the tax reduction for the business.

Subd. 10. [RECAPTURE.] Any business which receives tax reductions authorized by subdivision 9 and which ceases to operate its facility located

within the enterprise zone within two years after the expiration of the tax reductions shall repay the amount of the tax reduction pursuant to the following schedule:

Termination of operations	Repayment Portion
Less than 6 months	100 percent
6 months or more but less than 12 months	75 percent
12 months or more but less than 18 months	50 percent
18 months or more but less than 24 months	25 percent

Subd. 11. [DEVELOPMENT AND REDEVELOPMENT POWERS.] Notwithstanding any contrary provision of law or charter, any city which contains an enterprise zone or which has been designated as an enterprise zone may, in addition to its other powers and without limiting them, exercise the powers granted to a governmental subdivision by chapters 458, 462, and 472. Section 458.192, subdivision 14, shall apply to the city in the exercise of the powers granted pursuant to this section. It may exercise the powers assigned to redevelopment agencies pursuant to chapter 474, without limitation to further the purposes of sections 458.09 to 458.1991, 462.411 to 462.705, and chapters 472 and 472A. It may exercise the powers set forth in sections 458.09 to 458.1991, 462.411 to 462.705, and chapters 472 and 472A, without limitation to further the purposes and policies set forth in chapter 474. It may exercise the powers granted by this subdivision and any other development or redevelopment powers authorized by other laws, including chapters 472A and 474, independently or in conjunction with each other as though all the powers had been granted to a single entity. Any project undertaken to accomplish the purposes of chapter 462 that qualifies as single-family housing under section 462C.02, subdivision 4, shall be subject to the provisions of chapter 462C.

The authorization for a city to exercise powers pursuant to this subdivision shall terminate upon the expiration of the designation of the enterprise zone provided that the powers granted by this subdivision may be exercised after that date with respect to any project, program, or activity commenced or established prior to that date.

Subd. 12. [TECHNICAL ASSISTANCE.] The commissioner shall establish a mechanism for providing and shall provide technical assistance to small municipalities seeking designation of an area as an enterprise zone under this section and section 273.1312. For purposes of this subdivision, a small municipality means a municipality with a population of 10,000 or less.

Subd. 13. [ADMINISTRATIVE PROCEDURES ACT.] The provisions of chapter 14 shall not apply to designation of enterprise zones pursuant to this section or section 273.1312.

Subd. 14. [FEDERAL DESIGNATIONS.] The commissioner may accept applications and may at any time grant a contingent designation of area as an enterprise zone for purposes of seeking a designation of the area as a federal enterprise zone. For purposes of the designations, the commissioner may waive any of the requirements or limitations on designations contained in this section. If the contingent designation would require funding in excess of the amount available pursuant to subdivision 8, the commissioner shall inform the members of the legislative advisory commission and shall submit a re-

quest for the necessary funding to the tax and appropriations committees of the legislature.

Subd. 15. [REPEALER.] *This section is repealed effective December 31, 1991.*

Sec. 11. [INSTRUCTION TO REVISOR.]

If the department of energy, planning, and development no longer exists as presently constituted, "commissioner" as defined in section 273.1312 and section 10 means the successor to the responsibilities of the economic development division of that department. The revisor of statutes shall change the definition as appropriate in Minnesota Statutes 1984, and subsequent editions.

Sec. 12. Minnesota Statutes 1982, section 290.01, subdivision 20b, as amended by Laws 1982, Third Special Session chapter 1, article 5, section 2, is amended to read:

Subd. 20b. [MODIFICATIONS REDUCING FEDERAL ADJUSTED GROSS INCOME.] There shall be subtracted from federal adjusted gross income:

(1) Interest income on obligations of any authority, commission or instrumentality of the United States to the extent includible in gross income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes, that does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to 40 per centum of the portion of the gain. This modification shall not be applicable if the difference in basis is due to disallowance of depreciation pursuant to section 290.101.

(3) Income from the performance of personal or professional services which is subject to the reciprocity exclusion contained in section 290.081, clause (a);

(4) Losses, not otherwise reducing federal adjusted gross income assignable to Minnesota, arising from events or transactions which are assignable to Minnesota under the provisions of sections 290.17 to 290.20, including any capital loss or net operating loss carryforwards or carrybacks or out of state loss carryforwards resulting from the losses, and including any farm loss carryforwards or carrybacks;

(5) If included in federal adjusted gross income, the amount of any credit received, whether received as a refund or credit to another taxable year's income tax liability, pursuant to chapter 290A, and the amount of any overpayment of income tax to Minnesota, or any other state, for any previous taxable year, whether the amount is received as a refund or credited to another taxable year's income tax liability;

(6) To the extent included in federal adjusted gross income, or the amount reflected as the ordinary income portion of a lump sum distribution under section 402(e) of the Internal Revenue Code of 1954, notwithstanding any other law to the contrary, the amount received by any person (i) from the

United States, its agencies or instrumentalities, the Federal Reserve Bank or from the state of Minnesota or any of its political or governmental subdivisions or from any other state or its political or governmental subdivisions, or a Minnesota volunteer firefighter's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or (ii) as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the Internal Revenue Code of 1954. The maximum amount of this subtraction shall be \$11,000 less the amount by which the individual's federal adjusted gross income, plus the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, exceeds \$17,000. In the case of a volunteer firefighter who receives an involuntary lump sum distribution of his pension or retirement benefits, the maximum amount of this subtraction shall be \$11,000; this subtraction shall not be reduced by the amount of the individual's federal adjusted gross income in excess of \$17,000;

(7) The amount of any credit to the taxpayer's federal tax liability under section 38 of the Internal Revenue Code of 1954 but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

(8) To the extent included in the taxpayer's federal adjusted gross income for the taxable year, gain recognized upon a transfer of property to the spouse or former spouse of the taxpayer in exchange for the release of the spouse's marital rights;

(9) The amount of any distribution from a qualified pension or profit sharing plan included in federal adjusted gross income in the year of receipt to the extent of any contribution not previously allowed as a deduction by reason of a change in federal law which was not adopted by Minnesota law for a taxable year beginning in 1974 or later;

(10) Interest, including payment adjustment to the extent that it is applied to interest, earned by the seller of the property on a family farm security loan executed before January 1, 1986 that is guaranteed by the commissioner of agriculture as provided in sections 41.51 to 41.60;

(11) The first \$3,000 of compensation for personal services in the armed forces of the United States or the United Nations, and the next \$2,000 of compensation for personal services in the armed forces of the United States or the United Nations wholly performed outside the state of Minnesota. This modification does not apply to compensation defined in subdivision 20b, clause (6);

(12) The amount of any income earned for personal services rendered outside of Minnesota prior to the date when the taxpayer became a resident of Minnesota. This modification does not apply to compensation defined in subdivision 20b, clause (6);

(13) In the case of wages or salaries paid or incurred on or after January 1, 1977, the amount of any credit for employment of certain new employees under sections 44B and 51 to 53 of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the

production or receipt of income included in the measure of the tax imposed by this chapter;

(14) In the case of work incentive program expenses paid or incurred on or after January 1, 1979, the amount of any credit for expenses of work incentive programs under sections 40, 50A and 50B of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

(15) Unemployment compensation to the extent includible in gross income for federal income tax purposes under section 85 of the Internal Revenue Code of 1954;

(16) To the extent included in federal adjusted gross income, severance pay that may be treated as a lump sum distribution under the provisions of section 290.032, subdivision 5;

(17) The amount of any income or gain which is not assignable to Minnesota under the provisions of section 290.17;

(18) Minnesota exempt-interest dividends as provided by subdivision 27;

(19) A business casualty loss which the taxpayer elected to deduct on the current year's Minnesota income tax return but did not deduct on the current year's federal income tax return;

(20) To the extent included in federal adjusted gross income, in the case of a city manager or city administrator who elects to be excluded from the public employees retirement association and who makes contributions to a deferred compensation program pursuant to section 353.028, the amount of payments from the deferred compensation program equivalent to the amount of contributions taxed under subdivision 20a, clause (20);

(21) Contributions to and interest earned on an individual housing account as provided by section 290.08, subdivision 25;

(22) Interest earned on a contract for deed entered into for the sale of property for agricultural use if the rate of interest set in the contract is no more than nine percent per year for the duration of the term of the contract. This exclusion shall be available only if (1) the purchaser is an individual who, together with his spouse and dependents, has a total net worth valued at less than \$150,000 and (2) the property sold under the contract is farm land as defined in section 41.52, subdivision 6 of no more than 1,000 acres that the purchaser intends to use for agricultural purposes. Compliance with these requirements shall be stated in an affidavit to be filed with the first income tax return on which the taxpayer claims the exclusion provided in this clause. Upon request accompanied by the information necessary to make the determination, the commissioner shall determine whether interest to be paid on a proposed transaction will qualify for this exclusion; the determination shall be provided within 30 days of receipt of the request, unless the commissioner finds it necessary to obtain additional information, or verification of the information provided, in which case the determination shall be provided within 30 days of receipt of the final item of information or verification. The exclusion provided in this clause shall apply to interest

earned on contracts for deed entered into after December 31, 1981 and before July 1, 1983;

(23) The penalty on the early withdrawal of an all-savers certificate as provided in section 128(e) of the Internal Revenue Code of 1954 to the extent that the interest was included in income under subdivision 20a, clause (22);

(24) Income from the business of mining as defined in section 290.05, subdivision 1, clause (a) which is not subject to the Minnesota income tax; ~~and~~

(25) To the extent included in federal adjusted gross income, distributions from a qualified governmental pension plan which represent a return of designated employee contributions to the plan and which contributions were included in gross income pursuant to subdivision 20a, clause (27); *and*

(26) *Amounts paid to the taxpayer as interest, and amounts paid to the taxpayer as a share of earnings, on a small business participating debenture, to the extent allowed in section 290.08, subdivision 26.*

Sec. 13. Minnesota Statutes 1982, section 290.01, is amended by adding a subdivision to read:

Subd. 28. [QUALIFIED SMALL BUSINESS.] "Qualified small business" means a business entity organized for profit if the entity:

(1) Has 20 or fewer employees and has less than \$1,000,000 in gross annual receipts;

(2) Is not a subsidiary or an affiliate of a business which employs more than 20 employees or has total gross receipts for the previous year of more than \$1,000,000, computed by aggregating all of the employees and gross receipts of the business entities affiliated with the business;

(3) Has its commercial domicile in this state;

(4) Does not derive more than 20 percent of its gross receipts from royalties, rents, dividends, interest, annuities, and sales or exchanges of stock or securities;

(5) Is not engaged in a trade or business, the primary purpose of which is described in section 103(b)(6)(O) of the Internal Revenue Code of 1954, as amended through January 15, 1983; and

(6) Is certified by the commissioner of energy, planning and development that it satisfies the requirements of clauses (1) to (5).

Sec. 14. Minnesota Statutes 1982, section 290.01, is amended by adding a subdivision to read:

Subd. 29. [SMALL BUSINESS PARTICIPATING DEBENTURE.] "Small business participating debenture" means a written debt instrument issued by a qualified small business which:

(a) is a general obligation of the qualified small business;

(b) bears a stated fixed rate of interest;

(c) has a fixed maturity; and

(d) grants no voting or conversion rights in the qualified small business to the purchaser.

Sec. 15. Minnesota Statutes 1982, section 290.06, subdivision 1, as amended by Laws 1983, chapter 15, section 4, is amended to read:

Subdivision 1. [COMPUTATION, CORPORATIONS.] The privilege and income taxes imposed by this chapter upon corporations shall be computed by applying to their taxable net income in excess of the applicable deductions allowed under section 290.21 the following rates:

~~(1) (a) On the first \$25,000, for the first taxable year beginning after December 31, 1981 and before January 1, 1983 nine percent and, for taxable years beginning after December 31, 1982, \$50,000, six percent; provided that, in the case of a corporation having taxable net income allocated to this state pursuant to the provisions of section 290.19, 290.20, 290.35, or 290.36, the amount of income subject to this rate shall be that proportion of \$25,000 which its income allocable to this state bears to its total taxable net income;~~

(b) On the next \$25,000, eight percent;

(c) On the next \$25,000, ten percent; provided that, in the case of a corporation having taxable net income allocated to this state pursuant to the provisions of section 290.19, 290.20, 290.35, or 290.36, the amount of income subject to the rates in paragraphs (a), (b), and (c) shall be that proportion of the income subject to each of those rates which its income allocable to this state bears to its total taxable net income; and

~~(2) (d) On the remainder, 12 percent.~~

Sec. 16. [290.069] [SMALL BUSINESS INVESTMENT CREDITS.]

Subdivision 1. [DEFINITIONS.] (a) "Small business assistance office" means a nonprofit corporation which is formed under chapter 317, is an exempt organization under section 501(c)(3) of the Internal Revenue Code, and satisfies the following conditions:

(1) The primary purpose of the corporation is to aid in the formation of new businesses which create jobs in the state by training or providing other direct assistance to entrepreneurs, managers, inventors, and other individuals in the development, financing, and operation of qualified small businesses.

(2) The corporation provides audited financial statements to all contributors and the commissioner of energy, planning, and development within 90 days following the close of the corporation's fiscal year.

(3) The corporation employs, at least, two full-time professional employees or the equivalent.

(4) The corporation is not engaged in providing financing or primarily engaged in arranging financing for businesses.

(5) The commissioner of energy, planning and development certifies that the corporation satisfies the requirements of this paragraph for the calendar year.

(b) "Technology" means a proprietary process, formula, pattern, device, or compilation of scientific or technical information unless it

(1) is in the public domain; or

(2) cannot be accurately valued.

(c) "Controlled group of corporations" means the controlled group of corporations as defined in section 1563 of the Internal Revenue Code, and if the corporation is part of a unitary business, includes the corporations or entities constituting the unitary business which are not in the controlled group of corporations as defined in section 1563.

(d) An "innovation center public corporation" is a non-profit public corporation located at a state university in Minnesota that has the purpose of assisting, encouraging, developing, and advancing the high technology small business prosperity and economic welfare of the state.

(e) The "Internal Revenue Code" means the Internal Revenue Code of 1954, as amended through January 15, 1983.

Subd. 2. [TECHNOLOGY TRANSFER CREDIT.] A credit may be claimed against the taxes imposed by this chapter in an amount equal to 30 percent of the net value of the technology transferred to a qualified small business if the following conditions are satisfied:

(a) The commissioner certifies that the technology has the value claimed by the transferor taxpayer.

(b) The transferor taxpayer is the exclusive and undisputed owner of the technology at the time the transfer is made.

(c) Except as provided in paragraph (h), the transferor retains no proprietary or financial interest in the technology subsequent to its transfer to the qualified small business and no credit is claimed for the transfer of the technology in a prior or subsequent taxable year, except pursuant to the carryover provisions of subdivision 5.

(d) The credit shall apply only to the first \$1,000,000 of the net value of the technology transferred during the taxable year. The value of the technology shall not exceed the total qualified research expenses, as defined in section 290.068, subdivision 2, expended by the transferor to create or develop the technology. For purposes of this clause, "net value" means the total value of the technology less any payments received from the transferee and less the value of any equity interest in the transferee received by the transferor in exchange for the technology. For purposes of determining the value of the equity interest, the total value of the transferee shall be deemed to be not less than the value of the technology transferred, less any cash payment made to the transferor.

(e) The taxpayer has not deducted the value of the transferred property from income under any other provisions of this chapter, except that the costs of developing the technology may have been deducted as a business expense or depreciated.

(f) The transferee business entity may not be a subsidiary or affiliate of the transferor taxpayer.

(g) The transferee makes a substantial investment in acquiring or developing the technology. The requirements of this clause are satisfied if (1) transferee pays the transferor an amount equal to 20 percent of the value of the technology in return for acquisition of the rights to the technology, or if (2)

the transferee expends an equivalent amount for equipment, materials, wages, or other direct costs to develop, produce, or otherwise use the technology. The requirements of this paragraph may not be satisfied by granting the transferor an equity interest as provided by paragraph (h).

(h) The transferor may receive in exchange for the transfer of the technology an equity interest in the transferee, but this interest may not exceed 25 percent of the capital interest, if the transferee is a partnership, or 25 percent in value of the outstanding stock, if the transferee is a corporation. The transferor's basis in the equity interest shall be reduced by the amount of the credits received pursuant to this subdivision. The transferor may not deduct any loss realized on the sale or exchange of the equity interest.

The commissioner may require that the taxpayer obtain an appraisal of the value of the transferred technology by a reliable, expert third party. The commissioner may promulgate administrative rules for appraising the value of transferred technology.

Subd. 3. [CONTRIBUTION CREDIT.] A credit shall be allowed against the taxes imposed by this chapter in an amount equal to 50 percent of the first \$50,000 of contributions made during the taxable year to a small business assistance office or to an innovation center public corporation. No credit shall be allowed for any contributions deducted pursuant to any other provision of this chapter.

Subd. 4. [EQUITY INVESTMENT CREDIT.] (a) A credit shall be allowed against the tax imposed by this chapter for the taxable year in an amount equal to 30 percent of the net investment in excess of \$25,000 in the equity stock of a qualified small business. The maximum amount of the credit for a taxable year may not exceed \$75,000. For purposes of this credit the following limitations apply:

(1) Equity stock shall not include any security which provides for fixed or variable interest payments.

(2) The taxpayer and any related persons may not own more than 49 percent of the value of any class of stock. For purposes of this paragraph, a person is a related person to another person if (i) the relationship between the persons would result in a disallowance of losses under section 267 or 707(b) of the Internal Revenue Code of 1954 or (ii) the persons are members of the same controlled group of corporations. The restrictions provided by this subdivision shall apply for a three year period beginning on the date the stock is purchased. If the taxpayer or a related person acquires more than 49 percent of the value of any class of stock after the allowance of a credit under this subdivision and prior to the end of the three year period, the taxpayer's tax for the taxable year in which the credit was allowed shall be increased by the amount of the credit previously claimed.

(3) The credit shall not exceed 75 percent of the taxpayer's tax liability computed after the subtraction of all credits, other than the credit provided in this subdivision.

(b) If the principal place of business of the qualified small business is located in an enterprise zone designated pursuant to section 273.1312, \$10,000 shall be substituted for \$25,000 and \$100,000 for \$75,000 in paragraph (a).

Subd. 5. [LIMITATIONS; OTHER CONDITIONS.] The provisions of section 290.068, subdivisions 3, clause (a); 4; and 5 shall apply to the sum of the credits which this section allows, except that no carryback shall be allowed. The carryover provisions of section 290.068, subdivision 3, clause (b), shall apply to the sum of the credits allowed by this section except that the term "research credit" or "research and experimental expenditure credit" shall include the credits authorized by subdivisions 2 to 4 of this section. The credits allowed by subdivisions 2 and 3 shall only be available to corporations and banks whose tax is computed pursuant to section 290.06, subdivision 1.

The maximum limitations on the amount of credits pursuant to subdivisions 2 and 3 shall be determined by aggregating together the credits of all the corporations in the controlled group of corporations with the taxpayer. In order to facilitate compliance with and enforcement of this provision the commissioner may require the taxpayer to claim the credit on a combined report of the unitary business or to file a copy of the consolidated federal return with the state return or both.

Subd. 6. [REPEALER.] This section is repealed effective for contributions made to a small business office or to an innovation center public corporation as provided in subdivision 3 and for technology transferred as described in subdivision 2 in taxable years beginning after December 31, 1985, and for investments made as described in subdivision 4 in taxable years beginning after December 31, 1986.

Sec. 17. Minnesota Statutes 1982, section 290.08, is amended by adding a subdivision to read:

Subd. 26. [SMALL BUSINESS PARTICIPATING DEBENTURE INTEREST.] Gross income does not include up to \$5,000 of amounts paid to the taxpayer as interest and amounts paid to the taxpayer as a share of earnings on a small business participating debenture, as defined in section 14, during a taxable year, except that only the following percentages of the amounts paid as the distribution of a share of earnings are deductible:

(1) 100 percent of amounts paid not more than one year after issuance of the small business participating debenture;

(2) 75 percent of amounts paid more than one year but not more than five years after issuance of the small business participating debenture; and

(3) 50 percent of amounts paid more than five years but not more than ten years after issuance of the small business participating debenture.

Sec. 18. Minnesota Statutes 1982, section 290.09, subdivision 4, is amended to read:

Subd. 4. [TAXES.] Taxes paid or accrued within the taxable year, except (a) income or franchise taxes imposed by this chapter and income or franchise taxes paid to any other state or to any province or territory of Canada for which a credit is allowed under section 290.081; (b) taxes assessed against local benefits of a kind deemed in law to increase the value of the property assessed; (c) inheritance, gift and estate taxes except as provided in section 290.077, subdivision 4; (d) cigarette and tobacco products excise tax imposed on the consumer; (e) that part of Minnesota property taxes for

which a credit or refund is claimed and allowed under chapter 290A; (f) federal income taxes (including the windfall profit tax on domestic crude oil), by corporations, national and state banks; (g) mortgage registry tax; (h) real estate transfer tax; (i) federal telephone tax; (j) federal transportation tax; ~~and (k) income or franchise taxes paid by a corporation to another state, to a political subdivision of another state, or to the District of Columbia; and (l) tax paid by any corporation or national or state bank to any foreign country or possession of the United States to the extent that a credit against federal income taxes is allowed under the provisions of the Internal Revenue Code of 1954, as amended through December 31, 1981. If the taxpayer's foreign tax credit consists of both foreign taxes deemed paid and foreign taxes actually paid or withheld, it will be conclusively presumed that foreign taxes deemed paid were first used by the taxpayer in its foreign tax credit. Minnesota gross income shall include the amount of foreign tax paid which had been allowed as a deduction in a previous year, provided such foreign tax is later allowed as a credit against federal income tax.~~

Taxes imposed upon a shareholder's interest in a corporation which are paid by the corporation without reimbursement from the shareholder shall be deductible only by such corporation.

Property taxes shall be allowed as a deduction to the same taxpayer and in the same manner as provided in section 164 of the Internal Revenue Code of 1954, as amended through December 31, 1981, notwithstanding the provisions of section 272.31.

Sec. 19. Minnesota Statutes 1982, section 290.09, subdivision 28, is amended to read:

Subd. 28. [REAL ESTATE INVESTMENT TRUSTS; DEDUCTIBLE DIVIDENDS.] A "real estate investment trust," as defined in section 856 of the Internal Revenue Code of 1954, as amended through December 31, 1981, and to which sections 856 to 860 of the Code apply for the taxable year, may deduct its dividends paid to the extent permitted by section 857(b) (2) (B) of the Code. Such a trust and its shareholders and beneficiaries shall be subject to all of the provisions of sections 857 and 858 of the Code which are applicable under this chapter, in determining their respective taxable net incomes, provided that the amount determined and available for the alternative tax under section 857(b) (3) (A) (ii) of the Code shall be included in gross income ~~subject to the deduction provided by section 290.16, subdivision 4.~~

Sec. 20. Minnesota Statutes 1982, section 290.091, is amended to read:

290.091 [MINIMUM TAX ON PREFERENCE ITEMS.]

In addition to all other taxes imposed by this chapter there is hereby imposed, a tax which, in the case of a resident individual, shall be equal to 40 percent of the amount of the taxpayer's minimum tax liability for tax preference items pursuant to the provisions of sections 55 to 58 and 443(d) of the Internal Revenue Code of 1954 as amended through December 31, 1981. For purposes of the tax imposed by this section, the following modifications shall be made:

(1) Capital gain as defined in section 57(a) of the Internal Revenue Code shall not include that portion of any gain occasioned by sale, transfer or the

granting of a perpetual easement pursuant to any eminent domain proceeding or threat thereof as described in section 290.13, subdivision 5. This modification shall apply to the years in which the gain or reduction in loss is actually included in federal adjusted gross income even though amounts received pursuant to the eminent domain proceedings were received in prior years.

(2) In the case of a corporate taxpayer, percentage depletion shall not be a preference item.

(3) In the case of a corporate taxpayer, ~~the capital gain gains shall not be a preference item shall not include the timber preference income defined in section 57(e)(1) of the Internal Revenue Code.~~

(4) The preference item of reserves for losses on bad debts shall not include reserves allowable under section 593 of the Internal Revenue Code, but which are not allowable under section 290.09, subdivision 6, clause (c).

(5) In the case of an individual, the preference item of adjusted itemized deductions does not include any deduction for charitable contributions in excess of the limitations contained in section 290.21, subdivision 3, including any carryover amount allowed for federal purposes.

(6) The capital gain preference item shall be reduced where the gain would be modified because some or all of the assets have a higher basis for Minnesota purposes than for federal purposes.

(7) In the case of a nonresident individual, or an estate or trust, with a net operating loss that is a larger amount for Minnesota than for federal, the capital gain preference item shall be reduced to the extent it was reduced in the allowance of the net operating loss.

In the case of a resident individual, having preference items which could not be taken to reduce income from sources outside the state pursuant to section 290.17, subdivision 1, or any other taxpayer the tax shall equal 40 percent of that federal liability, multiplied by a fraction the numerator of which is the amount of the taxpayer's preference item income allocated to this state pursuant to the provisions of sections 290.17 to 290.20, and the denominator of which is the taxpayer's total preference item income for federal purposes.

The tax benefit rule contained in section 58(h) of the Internal Revenue Code is applied to the Minnesota minimum tax only to the extent that it determines if there is a federal minimum tax. No separate tax benefit rule is allowable for the Minnesota minimum tax.

For property placed in service after December 31, 1980, the preference items contained in section 57 (a)(12) of the Internal Revenue Code of 1954, as amended through December 31, 1981, shall not apply.

Sec. 21. Minnesota Statutes 1982, section 290.16, subdivision 4, is amended to read:

Subd. 4. [DEDUCTIONS FOR CAPITAL GAINS.] If for any taxable year the net long-term capital gain exceeds the net short-term capital loss, 60 percent of the amount of ~~such~~ the excess shall be a deduction from gross income. *The deduction provided by this subdivision shall be allowed only if*

the taxpayer has long term capital gain derived from the sale or exchange of qualified securities equal to at least the amount of the excess of net long term capital gain over net short term capital loss. For purposes of this subdivision, "qualified security" means a security as defined in section 165(g)(2) of the Internal Revenue Code of 1954, as amended through January 15, 1983, if (a) the security represents or is convertible to an equity interest in the issuing corporation or business entity, (b) the security or other securities issued by the same corporation or entity were not listed on the New York Stock Exchange, the American Stock Exchange, or the National Association of Securities Dealers Automated Quotation system within a one year period of the date on which the taxpayer acquired the security, and (c) the security was not issued by a corporation or entity in which the taxpayer owned more than 60 percent of the combined voting power of all classes of stock entitled to vote.

Sec. 22. Minnesota Statutes 1982, section 340.47, subdivision 1, is amended to read:

Subdivision 1. [ON INTOXICATING LIQUORS.] There shall be levied and collected on all intoxicating liquors manufactured, imported, sold or in possession of any person in this state, except as herein provided by sections 340.50 and 340.601, and except the natural fermentation of fruit juices in the home for family use the following excise tax:

(1) On all table wine containing 14 percent or less of alcohol by volume, the sum of 27 cents per gallon;

(2) On all wines containing more than 14 percent and not exceeding 21 percent of alcohol by volume, the sum of 79 cents per gallon;

(3) On all wines containing more than 21 percent and not exceeding 24 percent of alcohol by volume, the sum of \$1.58 per gallon;

(4) On all wines containing more than 24 percent of alcohol by volume, the sum of \$3.08 per gallon;

(5) On all natural and artificial sparkling wines containing alcohol, the sum of \$1.50 per gallon;

(6) *Except as provided in subdivision 1b*, on all other distilled spirituous liquors, liqueurs, cordials, and liquors designated as specialties regardless of alcoholic content, the sum of \$4.39 per gallon, but not including ethyl alcohol; provided, that in computing the tax on any package of spirits a proportional tax at a like rate on all fractional parts of a gallon shall be paid except that all fractional parts of a gallon less than 1/16 shall be taxed at the same rate as shall be taxed for 1/16 of a gallon; provided, however, that the contents of miniatures containing two fluid ounces or less shall be taxed 12 cents.

Sec. 23. Minnesota Statutes 1982, section 340.47, subdivision 1a, is amended to read:

Subd. 1a. [METRIC CONTAINERS.] In lieu of the tax imposed by subdivision 1, there shall be levied and collected on all intoxicating liquors manufactured, imported, sold or in possession of any person in this state when packaged in containers where the net contents is stated in metric units of measure, except as herein provided by sections 340.50 and 340.601, and

except the natural fermentation of fruit juices in the home for family use the following excise tax:

(1) On all table wine containing 14 percent or less of alcohol by volume, the sum of seven cents per liter;

(2) On all wines containing more than 14 percent and not exceeding 21 percent of alcohol by volume, the sum of 21 cents per liter;

(3) On all wines containing more than 21 percent and not exceeding 24 percent of alcohol by volume, the sum of 42 cents per liter;

(4) On all wines containing more than 24 percent of alcohol by volume, the sum of 81 cents per liter;

(5) On all natural and artificial sparkling wines containing alcohol, the sum of 40 cents per liter;

(6) *Except as provided in subdivision 1b*, on all other distilled spirituous liquors, liqueurs, cordials, and liquors designated as specialties regardless of alcoholic content, the sum of \$1.16 per liter, but not including ethyl alcohol; provided, that in computing the tax on any package of intoxicating liquors where the net contents is stated in metric units of measure, a proportional tax at a like rate on all fractional or multiple parts of a liter shall be paid, provided, however, that the contents of miniatures containing 50 milliliters or less shall be taxed 12 cents.

Sec. 24. Minnesota Statutes 1982, section 340.47, is amended by adding a subdivision to read:

Subd. 1b. [MINNESOTA-PRODUCED LIQUOR.] The tax on distilled spirituous liquors, liqueurs, cordials and liquors designated as specialties regardless of alcoholic content, but not including ethyl alcohol, distilled in Minnesota with a majority of the ingredients grown or produced in Minnesota, shall be imposed at a rate of \$2.20 per gallon or six cents per miniature containing two fluid ounces or less or, when the liquor is packaged in containers with the net contents stated in metric units of measure, at the rate of 58 cents per liter or six cents per miniature containing 50 milliliters or less.

Sec. 25. Minnesota Statutes 1982, section 340.485, is amended by adding a subdivision to read:

Subd. 4. [RECORDS REGARDING MINNESOTA PRODUCTS; SEPARATION OF MINNESOTA PRODUCTS.] Licensed Minnesota manufacturers shall maintain a record of all ingredients grown or produced in Minnesota received on the licensed premises for use in the production of distilled spirits and other products enumerated in section 340.47, subdivision 1b, showing the date of receipt, the name of the person from whom received and the kind and quantity of each material received. Where commercial invoices, bills of lading, or prescribed forms contain the required information, a separate record is not required. The records, commercial invoices, or bills of lading shall be kept available for inspection as provided in section 340.51.

On all premises of any licensed Minnesota manufacturer, all distilled spirits enumerated in section 340.47, subdivision 1b, distilled in Minnesota with a majority of the ingredients grown or produced in Minnesota, shall be kept separate from distilled spirits manufactured elsewhere or containing

non-Minnesota grown products.

Sec. 26. Minnesota Statutes 1982, section 471.59, is amended by adding a subdivision to read:

Subd. 11. [JOINT POWERS BOARD.] Two or more governmental units, through action of their governing bodies, may establish a joint board to issue bonds or obligations pursuant to any law by which any of the governmental units establishing the joint board may independently issue bonds or obligations and may use the proceeds of the bonds or obligations to carry out the purposes of the law under which the bonds or obligations are issued. A joint board created pursuant to this section may issue obligations and other forms of indebtedness only pursuant to authority granted by the action of the governing bodies of the governmental units which established the joint board. The joint board established pursuant to this subdivision shall be composed solely of members of the governing bodies of the governmental unit which established the joint board, and the joint board may not pledge the full faith and credit or taxing power of any of the governmental units which established the joint board. The obligations or other forms of indebtedness shall be obligations of the joint board and may be secured by the full faith and credit of the joint board. The obligations or other forms of indebtedness shall be issued in the same manner and subject to the same conditions and limitations which would apply if the obligations were issued or indebtedness incurred by one of the governmental units which established the joint board provided that any reference to a governmental unit in the statute, law, or charter provision authorizing the issuance of the bonds or the incurring of the indebtedness shall be considered a reference to the joint board.

Sec. 27. Laws 1981, Third Special Session chapter 2, article III, section 22, as amended by Laws 1982, chapters 523, article XXIX, section 5, and 641, article II, section 7, is amended to read:

Sec. 22. [EFFECTIVE DATE.]

Sections 1 and 19 to 21 are effective February 1, 1982. The provision of section 2 relating to commodity tax straddles and section 7 are effective for taxable years beginning after December 31, 1980. The provisions of section 2 relating to the exclusion of dividend and interest income are effective for taxable years beginning after December 31, 1981. Section 2, clauses (a)(22), (b)(24), the portion of clause (a)(16) relating to recovery property, (b)(25), and sections 8, 11, and 12 are effective for property placed in service after December 31, 1980 in taxable years ending after that date. Section 2, clauses (a)(17), (b)(2), the portion of clause (a)(16) relating to gain from the sale or disposition of property and section 9 are effective for taxable years beginning after December 31, 1982. Section 6 is effective for taxable years beginning after December 31, 1981. Section 10 is effective for ~~the sale or other disposition of property~~ taxable years beginning after December 31, 1982. For taxpayers subject to tax under Minnesota Statutes, chapter 290, sections 13, 14, and 15 are effective for taxable years beginning after June 30, 1981. Section 16 is effective for taxable years beginning after December 31, 1981. Sections 17 and 18 are effective for petitions filed after January 31, 1982.

Sec. 28. [EFFECTIVE DATE.]

Sections 1 to 11 and 26 are effective the day following final enactment.

Sections 12 to 14 and 17 are effective for small business participating debentures issued after December 31, 1983 and before December 31, 1984. Sections 15, 18 to 21, and 27 are effective for taxable years beginning after December 31, 1982. Section 16 is effective for taxable years beginning after December 31, 1983. Sections 22 to 25 are effective for liquor produced after July 31, 1983 and before August 1, 1993.

ARTICLE 8: JOBS

Section 1. [268.60] [CITATION.]

Sections 1 to 14 may be cited as the "Minnesota Emergency Employment Development (MEED) Act."

Sec. 2. [268.61] [PURPOSE.]

The prolonged recession has caused hardship for thousands of people in the state and has undermined the strength of Minnesota's economy. To address the social consequences of long-term unemployment and resulting poverty, the Minnesota emergency employment development act seeks to create meaningful employment opportunities that provide workers income sufficient to meet basic needs. To address the economic consequences, the program seeks to provide for work that creates lasting benefits to the state as well as economic development through incentives for new job creation in the private sector. The Minnesota emergency employment development act seeks to offer short-term employment to individuals presently outside the work force and to enhance their chances of permanent re-entry upon economic recovery.

Sec. 3. [268.62] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 1 to 14, the following terms have the meanings given them.

Subd. 2. [COORDINATOR.] "Coordinator" means the Minnesota emergency employment development coordinator appointed under section 4.

Subd. 3. [ECONOMICALLY DISADVANTAGED PERSON.] "Economically disadvantaged person" means a person who is economically disadvantaged as defined in section 4 of the job training partnership act.

Subd. 4. [ELIGIBLE BUSINESS.] "Eligible business" means a for-profit business whose primary place of business is in Minnesota.

Subd. 5. [ELIGIBLE EMPLOYER.] "Eligible employer" means an eligible government agency, an eligible nonprofit agency, or an eligible business.

Subd. 6. [ELIGIBLE GOVERNMENT AGENCY.] "Eligible government agency" means a county, municipality, school district or other local governmental subdivision, a state agency, or a federal agency office in Minnesota.

Subd. 7. [ELIGIBLE JOB APPLICANT.] (a) "Eligible job applicant" means a person who (1) is a resident of this state, (2) is unemployed, (3) is not receiving unemployment compensation or workers' compensation, (4) is determined by the employment administrator to be likely to remain employed by an eligible employer for the duration of the job, and (5) is not eligible to

receive any income maintenance public assistance benefits except general assistance under chapter 256D, and except as provided in section 14; or

(b) If the coordinator determines that sufficient funds are available to provide employment for persons in addition to those defined in paragraph (a), "eligible job applicant" means an economically disadvantaged person as defined in subdivision 3 who meets the requirements of paragraph (a), clauses (1) and (4).

Subd. 8. [ELIGIBLE NONPROFIT AGENCY.] "Eligible nonprofit agency" means an organization exempt from taxation under the Internal Revenue Code of 1954, section 501(c)(3), as amended through December 31, 1982.

Subd. 9. [EMPLOYMENT ADMINISTRATOR.] "Employment administrator" means the administrative entity designated by the coordinator to administer the provisions of this act in each service delivery area. Wherever possible, that entity must be an administrative entity authorized under the job training partnership act or its predecessor administrative entity authorized under United States Code, title 29, section 801, et seq..

Subd. 10. [HOUSEHOLD.] "Household" means a group of persons living at the same residence consisting of, at a maximum, spouses and the minor children of each.

Subd. 11. [JOB TRAINING PARTNERSHIP ACT.] "Job training partnership act" means the federal job training partnership act of 1982 (JTPA), Statutes at Large, volume 92, page 1322.

Subd. 12. [PROGRAM.] "Program" means the Minnesota emergency employment development program created by sections 1 to 14.

Subd. 13. [SERVICE DELIVERY AREA.] "Service delivery area" means an area designated as a service delivery area by the coordinator.

Sec. 4. [268.64] [MINNESOTA EMERGENCY EMPLOYMENT DEVELOPMENT COORDINATOR.]

Subdivision 1. [APPOINTMENT.] The governor shall appoint a Minnesota emergency employment development coordinator to administer the provisions of sections 1 to 14 pursuant to section 15.06. The coordinator shall have the powers necessary to carry out the purposes of the program.

Subd. 2. [INVENTORY OF NEEDS.] The coordinator shall obtain an inventory of needs from each local governmental subdivision and compile a statewide inventory of needs within 30 days after his appointment.

Subd. 3. [CONTRACTS.] The coordinator shall enter into a contract with an employment administrator in each service delivery area.

Subd. 4. [EMPLOYMENT PLANS.] The coordinator shall review the emergency employment development plan submitted by the employment administrator of each service delivery area and shall approve satisfactory plans. If an employment administrator submits an unsatisfactory plan, the coordinator shall assist the employment administrator in developing a satisfactory one.

Subd. 5. [ENFORCEMENT.] (a) [GENERALLY.] The coordinator shall

ensure that all eligible employers and employment administrators comply with sections 1 to 14 and all other applicable state and federal laws, including those relating to (1) affirmative action; (2) occupational health and safety standards; (3) environmental standards; and (4) fair labor practices.

(b) [INVESTIGATIONS.] *The coordinator may:*

(1) *make public or private investigations within or without this state necessary to determine whether any person has violated or is about to violate sections 1 to 14, a contract entered into under them, or any rule or order adopted under them, or to aid in the enforcement of sections 1 to 14 or in rules and forms adopted under them;*

(2) *require or permit any person to file a written statement under oath or otherwise, as the commissioner determines, as to all the facts and circumstances concerning the matter being investigated;*

(3) *publish information contained in any order issued by the coordinator;*

(4) *hold hearings, upon reasonable notice, on any matter arising out of the administration of sections 1 to 14; and*

(5) *conduct investigations and hold hearings for the purpose of compiling information with a view to recommending changes in sections 1 to 14 to the legislature.*

(c) [OATHS; SUBPOENAS.] *For the purpose of any investigation, hearing, or proceeding under sections 1 to 14, the coordinator or any officer designated by him may administer oaths, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, agreements, or other documents or records the coordinator deems relevant or material to the inquiry. In case of contumacy by, or refusal to obey a subpoena issued to, any person, the district court, upon application by the coordinator, may issue to the person an order directing him to appear before the coordinator, or the officer designated by him, to produce documentary evidence if so ordered or to give evidence touching the matter in question. Failure to obey the order of the court may be punished by the court as a contempt of court.*

(d) [PRIVILEGE AGAINST SELF INCRIMINATION.] *No person is excused from attending and testifying or from producing any document or record before the coordinator, or in obedience to the subpoena of the coordinator or any officer designated by him, or in any proceeding instituted by the coordinator, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture. No individual may be prosecuted or subjected to any penalty or forfeiture for or on account of a matter concerning which he is compelled, after claiming his privilege against self incrimination, to testify or produce evidence, except that the individual testifying is not exempt from prosecution and punishment for perjury or contempt committed in testifying.*

(e) [ATTORNEY GENERAL.] *The attorney general shall assign from his staff one or more assistant attorneys general to the coordinator and shall conduct all proceedings involving the violation of sections 1 to 14 and all other enforcement proceedings.*

(f) [CEASE AND DESIST ORDERS; INJUNCTIONS.] *Whenever it ap-*

pears to the coordinator that any person has violated a provision of sections 1 to 14, a contract entered into under them, or a rule or order adopted under them:

(1) He may issue and cause to be served upon the person an order requiring the person to cease and desist from the violation. The order must be calculated to give reasonable notice of the rights of the person to request a hearing on it and must state the reasons for the entry of the order. A hearing must be held not later than seven days after the request for the hearing is received by the coordinator after which and within 20 days of the date of the hearing the coordinator shall issue a further order vacating the cease and desist order or making it permanent as the facts require. If no hearing is requested within 30 days of service of the order, the order becomes final and remains in effect until it is modified or vacated by the coordinator. All hearings must be conducted in accordance with the provisions of chapter 14. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person shall be deemed in default, and the proceeding may be determined against him upon consideration of the cease and desist order, the allegations of which may be deemed to be true;

(2) He may bring an action in the district court of the appropriate county to enjoin the violation and to enforce compliance with the provisions of sections 1 to 14, a contract entered into under them, or any rule or order adopted under them, and he may refer the matter to the attorney general. Upon a proper showing, a permanent or temporary injunction, restraining order, or writ of mandamus shall be granted. The court may not require the coordinator to post a bond.

Any injunction proceeding under the provisions of sections 1 to 14 may be brought on for hearing and disposition upon an order to show cause returnable upon not more than eight days notice to the defendant. The case has precedence over other cases upon the court calendar and may not be continued without the consent of the state of Minnesota, except upon good cause shown to the court, and then only for a reasonable length of time necessary in the opinion of the court to protect the rights of the defendant.

Subd. 6. [REPORT TO GOVERNOR AND LEGISLATURE.] The coordinator shall report to the legislative advisory commission and the governor on a quarterly basis (1) the number of persons employed; (2) the number and type of employers under the program; (3) the amount of money spent in each service delivery area for wages for each type of employment and each type of other expense; (4) the number of persons who have completed participation in the program and their current employment, educational, or training status; and (5) any other information requested by the commission or the governor or deemed pertinent by the coordinator.

Sec. 5. [268.65] [MINNESOTA EMERGENCY EMPLOYMENT DEVELOPMENT ADVISORY COUNCIL.]

Subdivision 1. [CREATION.] There is created a Minnesota emergency employment development advisory council to advise the coordinator in the administration of sections 1 to 14.

Subd. 2. [MEMBERSHIP.] The council shall consist of eight members as follows: the commissioner of commerce, the commissioner of economic se-

curity, the commissioner of energy, planning, and development, the commissioner of labor and industry, the commissioner of public welfare, a representative of labor, a representative of business, and an employment administrator. The coordinator shall appoint the noncommissioner members.

Subd. 3. [TERMS; COMPENSATION; REMOVAL.] The terms, compensation, and removal of the noncommissioner members are governed by section 15.0575.

Subd. 4. [CHAIRMAN; MEETINGS.] The council members shall elect a chairman and any other necessary officers from among its members. The council shall meet at the call of the chairman or the coordinator.

Sec. 6. [268.66] [ALLOCATION AMONG SERVICE DELIVERY AREAS.]

The coordinator shall allocate funds among service delivery areas each fiscal year according to the number of unemployed persons in each area as a percentage of the statewide total. Funds shall be disbursed to the employment administrator of the service delivery area. The coordinator shall not disburse funds until the employment administrator has submitted documentation to the coordinator establishing that the funds will be used in the manner required by sections 1 to 14.

Sec. 7. [268.67] [ALLOCATION WITHIN SERVICE DELIVERY AREAS.]

Subdivision 1. [AMONG JOB APPLICANTS.] Allocation of funds among eligible job applicants within a service delivery area shall be determined by the employment administrator in each service delivery area. The employment administrator shall give priority to:

- (1) applicants living in households with no other income source; and*
- (2) applicants who would otherwise be eligible to receive general assistance under Minnesota Statutes 1980, section 256D.05.*

Subd. 2. [AMONG EMPLOYERS.] Allocation of funds among eligible employers within a service area shall be determined by the employment administrator within each service delivery area according to the priorities set forth in sections 11 and 12. No more than 70 percent of the funds may be allocated for jobs with eligible government and nonprofit agencies during the biennium.

Sec. 8. [268.68] [USE OF FUNDS.]

Funds appropriated for the purposes of sections 1 to 14 may be used as follows:

(a) To provide a state contribution for wages for eligible job applicants for a maximum of 1,040 hours over a maximum period of 26 weeks per job applicant. For eligible job applicants participating in a job training program, the state contribution for wages may be used for a maximum period of 52 weeks per job applicant. The state contribution for wages paid by eligible employers shall be \$4 per hour for each eligible job applicant employed. However, the employer may use funds from other sources to provide increased wages to the applicants it employs. At least 80 percent of the funds

must be used to pay wages for eligible job applicants.

(b) To reimburse the coordinator and the employment administrators in an amount not to exceed one-half of one percent of the funds appropriated for their actual cost of administering sections 1 to 14. The coordinator and the employment administrators shall reallocate funds from other sources to cover the administrative costs of this program whenever possible.

(c) To provide child care services to applicants employed under sections 1 to 14.

(d) To provide workers' compensation coverage and fringe benefits to applicants employed by government or nonprofit agencies under sections 1 to 14.

(e) To provide job search assistance, classroom training, labor market orientation, job seeking skills, and referral for other services.

(f) To purchase supplies and materials for projects creating permanent improvements to public property.

Sec. 9. [268.69] [EMPLOYMENT ADMINISTRATORS; POWERS AND DUTIES.]

Subdivision 1. [IN GENERAL.] The employment administrator for each service delivery area has the powers and duties given in this section and any additional duties given by the coordinator.

Subd. 2. [EMPLOYMENT PLAN.] Each employment administrator shall develop an emergency employment development plan for his service delivery area and submit it to the coordinator within the period allowed by the coordinator. To the extent feasible, the employment administrator shall seek input from potential eligible employers and the public.

Subd. 3. [OUTREACH.] Each employment administrator shall publicize the program within his service delivery area to seek maximum participation by eligible job applicants and employers.

Subd. 4. [CONTRACTS.] Each employment administrator shall enter into contracts with eligible employers setting forth the terms of their participation in the program as required by sections 1 to 14.

Subd. 5. [SCREENING AND COORDINATION.] Each employment administrator shall screen job applicants and employers to achieve the best possible placement of eligible job applicants with eligible employers.

Subd. 6. [ELIGIBLE JOB APPLICANT PRIORITY LISTS.] Each employment administrator shall maintain a list of eligible job applicants unable to secure employment under the program at the time of application. The list shall prioritize eligible job applicants and shall be used to fill jobs with eligible employers as they become available.

Subd. 7. [COORDINATION OF EDUCATION AND TRAINING PROGRAMS.] Each employment administrator shall cooperate with local educational and training institutions to coordinate and publicize the availability of their resources to assure that applicants may receive training needed before or while employed in jobs which are available under the program.

Subd. 8. [MATERIALS.] Each employment administrator may allocate

any available funds within his service delivery area for the purchase of supplies and materials for projects creating permanent improvements to public property.

Sec. 10. [268.70] [DUTIES OF OTHER AGENCIES.]

Subdivision 1. [SMALL BUSINESS FINANCE AGENCY.] The small business finance agency shall publicize the Minnesota emergency employment development program and shall provide staff assistance as requested by employment administrators in the screening of businesses and the collection of data to the extent feasible under its existing budget and staff complement.

Subd. 2. [EDUCATION AGENCIES.] The state board for vocational education shall review its policies for post-secondary vocational education to ensure that the programs serve the training needs of economically disadvantaged persons. Education programs shall attempt to provide training that will help individuals to obtain and retain employment. The training may include customized short-term training, basic skills training, programs to develop work habits, and other services designed for eligible job applicants and persons employed under sections 1 to 14. Examples of education programs include, but are not limited to adult vocational programs, adult basic/continuing education, area vocational-technical institutes, colleges, secondary education programs, and private and proprietary schools.

Subd. 3. [DEPARTMENT OF PUBLIC WELFARE.] The department of public welfare shall provide to each employment administrator lists of currently licensed local day care facilities, updated quarterly, to be available to all persons employed under sections 1 to 14.

Subd. 4. [DEPARTMENT OF ECONOMIC SECURITY.] The commissioner of economic security shall establish a pilot program to provide a reliable continuously updated child care information and referral services to job service registrants at selected job service sites. The program shall be operational by January 1, 1984, and shall operate for a trial period until June 30, 1985.

By January 15, 1985, the commissioner of economic security shall report to the legislature on the implementation of the pilot program established by this section. That report shall include specific information on the number of clients who received child care information services, the work status of clients both prior to and after receiving child care information, and the number of actual child care placements that resulted. The report shall also include a specific recommendation as to the feasibility of continuing the program and expanding child care information and referral to job service sites statewide.

Sec. 11. [268.71] [ELIGIBLE GOVERNMENT AND NONPROFIT AGENCY EMPLOYMENT.]

A government or nonprofit agency is an eligible employer with respect to jobs that are determined by the employment administrator to have long-term benefit to the community including, but not limited to, jobs in permanent public improvement projects, residential or public building weatherization projects, reforestation projects, mineland reclamation projects, planting or tree trimming projects, soil conservation projects, natural resource development projects, and community social service programs such as child care

and home health care.

Sec. 12. [268.72] [BUSINESS EMPLOYMENT.]

Subdivision 1. [ELIGIBLE BUSINESSES.] A business employer is an eligible employer if it enters into a written contract with the employment administrator in its service delivery area containing assurances that:

(a) funds received by a business shall be used only as permitted under sections 1 to 14;

(b) the business has submitted a plan to the employment administrator (1) describing the duties and proposed compensation of each employee proposed to be hired under the program; and (2) demonstrating that, with the funds provided under sections 1 to 14, the business is likely to succeed and continue to employ persons hired under the program;

(c) the business will use funds exclusively for compensation of persons from the pool of applicants referred by the job applicant administrator and will provide employees hired with these funds with fringe benefits and other terms and conditions of employment comparable to those provided to other employees of the business who do comparable work;

(d) the funds are necessary to allow the business to begin, or to employ additional people, but not to fill positions which would be filled even in the absence of funds from this program;

(e) the business will cooperate with the coordinator and the employment administrator in collecting data to assess the result of the program; and

(f) the business is in compliance with all applicable affirmative action, fair labor, health, safety, and environmental standards.

Subd. 2. [PRIORITIES.] In allocating funds among eligible businesses, the employment administrator shall give priority to businesses which best satisfy the following criteria:

(a) have a high potential for growth and long term job creation;

(b) make high use of local and Minnesota resources;

(c) are under ownership of women and minorities;

(d) make high use of new technology; and

(e) produce energy conserving materials or services or are involved in development of renewable sources of energy.

Subd. 3. [PAYBACK.] A business receiving funds under this program shall repay 70 percent of the amount initially received for each eligible job applicant employed, if the employee does not continue in the employment of the business beyond the six-month subsidized period. If the employee continues in the employment of the business for one year or longer after the six-month subsidized period, or if the employee is terminated for inadequate job performance within six weeks after he began work, the business need not repay any of the funds received for that employee's wages. If the employee continues in the employment of the business for a period of less than one year after the expiration of the six-month subsidized period, the business shall receive a proportional reduction in the amount it must repay.

A repayment schedule shall be negotiated and agreed to by the employment administrator and the business prior to the disbursement of the funds and is subject to renegotiation. The employment administrator shall forward payments received under this subdivision to the coordinator on a monthly basis. The coordinator shall deposit these payments in the Minnesota emergency employment development account created by subdivision 4.

Subd. 4. [MINNESOTA EMERGENCY EMPLOYMENT DEVELOPMENT ACCOUNT.] The Minnesota emergency employment development account is created in the state treasury. All payments from businesses pursuant to subdivision 3 shall be deposited in this account, and all funds in the account are appropriated to the coordinator for the purpose of making disbursements pursuant to section 6.

Sec. 13. [268.73] [WORKER DISPLACEMENT PROHIBITED.]

Subdivision 1. [LAYOFFS; WORK REDUCTIONS.] An eligible employer may not terminate, layoff, or reduce the working hours of an employee for the purpose of hiring an individual with funds available under sections 1 to 14.

Subd. 2. [HIRING DURING LAYOFFS.] An eligible employer may not hire an individual with funds available under sections 1 to 14 if any other person is on layoff from the same or a substantially equivalent job.

Subd. 3. [EMPLOYER CERTIFICATION.] In order to qualify as an eligible employer, a government or nonprofit agency or business must certify to the employment administrator that each job created and funded under sections 1 to 14:

(1) will result in an increase in employment opportunities over those which would otherwise be available;

(2) will not result in the displacement of currently employed workers, including partial displacement such as reduction in hours of nonovertime work, wages, or employment benefits; and

(3) will not impair existing contracts for service or result in the substitution of program funds for other funds in connection with work that would otherwise be performed.

Sec. 14. [268.74] [RELATION TO AFDC.]

In order to maximize the opportunity for recipients of aid to families with dependent children (AFDC) to take full advantage of the jobs created by businesses under sections 1 to 14, the commissioner of public welfare may establish a work incentive (WIN) demonstration project as part of the Minnesota emergency employment development program. All AFDC recipients may participate. Persons who participate in the WIN demonstration project will be required to participate in the WIN demonstration orientation. Those WIN demonstration participants not covered by employer medical plans will continue to be eligible for medical assistance, and all participants will continue to be eligible for other benefits provided under the AFDC program. The commissioner of public welfare may adopt temporary rules necessary for implementation of this subdivision. These rules are not subject to the provisions of the administrative procedure act, sections 14.05 to 14.70.

Sec. 15. Minnesota Statutes 1982, section 15.61, is amended to read:

15.61 [UNEMPLOYED AND UNDEREMPLOYED; EMPLOYMENT BY STATE AND OTHER GOVERNMENTAL UNITS.]

Subdivision 1. The state of Minnesota, its departments, agencies and instrumentalities, and any county, city, town, school district or other body corporate and politic, may employ unemployed and underemployed persons as defined in the federal Emergency Employment Act of 1971, as amended, ~~and~~ Comprehensive Employment and Training Act of 1973, as amended, *and eligible job applicants under sections 1 to 14* pursuant to the terms of those acts.

Subd. 2. The provisions of Minnesota Statutes 1969, Sections 197.455 to 197.48 and 43A.11 and any other law or ordinance relating to preference in employment and promotion of persons having served in the armed services, the provisions of any law, rule or regulation, the provisions of any city charter or any ordinance or resolution, or the provisions of any other law or statute in conflict with the provisions of the federal Emergency Employment Act of 1971, as amended, ~~and~~ Comprehensive Employment and Training Act of 1973, as amended, *and eligible job applicants under sections 1 to 14* shall not be applicable to the employment of the persons specified in subdivision 1.

Sec. 16. [APPROPRIATION.]

The sum of \$126,000,000 is appropriated from the general fund to the Minnesota emergency employment development coordinator for purposes of sections 1 to 14. Of the amount appropriated \$63,000,000 shall be available for expenditures during the fiscal year beginning July 1, 1983, and the remaining \$63,000,000, together with any part of the appropriation for the 1984 fiscal year that has not been expended, shall be available for expenditure during the fiscal year beginning July 1, 1984. This sum shall be available until June 30, 1985. To the extent permissible under federal and state law, the coordinator shall use funds available from the federal government and the private sector to fund the Minnesota emergency employment development program.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 16 are effective the day after final enactment.

ARTICLE 9: AUSTIN

Section 1. [CITY OF AUSTIN; PROPERTY HELD FOR DEVELOPMENT.]

Notwithstanding the time limitation provided in Minnesota Statutes, section 272.02, subdivision 5, the holding of property by the city of Austin for later resale for economic development purposes shall be considered a public purpose in accordance with Minnesota Statutes, section 272.02, subdivision 1, clause (7) for a period not to exceed six years. This section shall not operate to create an exemption from sections 272.01, subdivision 2; 272.68; 273.19; or 462.575, subdivision 3, or other provisions of law providing for the taxation of or for payments in lieu of taxes for publicly held property which is leased, loaned, or otherwise made available and used by a private person.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for taxes levied in 1983, payable in 1984 and thereafter.

ARTICLE 10: I.S.D. No. 692''

Page 1, line 17, after "2" insert "prior to the leasing or renting of the property from the nonprofit organization to a tenant"

Page 1, after line 21, insert:

''ARTICLE 11: LIQUOR TAX

Section 1. Minnesota Statutes 1982, section 340.986, is amended to read:

340.986 [~~ON-SALE~~ LIQUOR TAX.]

In addition to the taxes imposed by section 297A.02 and chapter 340, a tax is imposed in the amount of ~~five~~ 2.5 percent on the gross receipts from all retail ~~on-sales~~ sales of intoxicating liquor and fermented malt beverages when sold at a licensed ~~on-sale~~ retail liquor establishment or municipal liquor store within the state. The tax shall be reported and paid to the commissioner of revenue with and as part of the state sales and use taxes, and shall be subject to the same penalties, interest, and enforcement provisions. The tax collected pursuant to this section shall be deposited in the general fund.

Sec. 2. [EFFECTIVE DATE.]

This article is effective July 1, 1983.

ARTICLE 12: CITY LODGING TAX

Section 1. [477A.018] [CITY LODGING TAX.]

Subdivision 1. [AUTHORIZATION.] Notwithstanding section 477A.016 or any other law, a statutory or home rule charter city may by ordinance impose a tax of up to three percent on the gross receipts from the furnishing for consideration of lodging at a hotel, motel, rooming house, tourist court, or other use of space by a transient, other than the renting or leasing of it for a continuous period of 30 days or more.

Subd. 2. [EXISTING TAXES.] Except as provided in subdivision 4, no statutory or home rule charter city may impose a tax under this section upon transient lodging that, when combined with any tax authorized by special law or enacted prior to 1972, exceeds a rate of three percent.

Subd. 3. [DISPOSITION OF PROCEEDS.] Ninety-five percent of the gross proceeds from any tax imposed under subdivision 1 shall be used by the statutory or home rule charter city to fund a local convention or tourism bureau for the purpose of marketing and promoting the city as a tourist or convention center. This subdivision shall not apply to any statutory or home rule charter city that has a lodging tax authorized by special law or enacted prior to 1972 at the time of enactment of this section, except to the extent that a city imposes a tax pursuant to subdivision 4.

Subd. 4. [ADDITIONAL TAXES.] Any statutory or home rule charter city that has a city lodging tax in effect on July 1, 1983, at a rate of three percent or greater may impose an additional tax at a rate not to exceed three percent pursuant to this section. The tax imposed under this section by those cities

shall be subject to the requirement of the first sentence of subdivision 3.

Sec. 2. [COLLECTION.]

The statutory or home rule charter city may agree with the commissioner of revenue that a tax imposed pursuant to section 1 shall be collected by the commissioner together with the tax imposed by Minnesota Statutes, chapter 297A, and subject to the same interest, penalties and other rules and that its proceeds, less the cost of collection, shall be remitted to the city.

Sec. 3. [EFFECTIVE DATE.]

This article is effective July 1, 1983.

ARTICLE 13: SATELLITE BROADCASTING

Section 1. Minnesota Statutes 1982, section 272.02, subdivision 1, is amended to read:

Subdivision 1. Except as provided in other subdivisions of this section or in section 272.025 or section 273.13, subdivisions 17, 17b, 17c or 17d, all property described in this section to the extent herein limited shall be exempt from taxation:

- (1) All public burying grounds;
- (2) All public schoolhouses;
- (3) All public hospitals;
- (4) All academies, colleges, and universities, and all seminaries of learning;
- (5) All churches, church property, and houses of worship;
- (6) Institutions of purely public charity except property assessed pursuant to section 273.13, subdivisions 17, 17b, 17c or 17d;
- (7) All public property exclusively used for any public purpose;
- (8) (a) Class 2 property of every household of the value of \$100, maintained in the principal place of residence of the owner thereof. The county auditor shall deduct such exemption from the total valuation of such property as equalized by the revenue commissioner assessed to such household, and extend the levy of taxes upon the remainder only. The term "household" as used in this section is defined to be a domestic establishment maintained either (1) by two or more persons living together within the same house or place of abode, subsisting in common and constituting a domestic or family relationship, or (2) by one person.

(b) During the period of his active service and for six months after his discharge therefrom, no member of the armed forces of the United States shall lose status of a householder under paragraph (a) which he had immediately prior to becoming a member of the armed forces.

In case there is an assessment against more than one member of a household the \$100 exemption shall be divided among the members assessed in the proportion that the assessed value of the Class 2 property of each bears to the total assessed value of the Class 2 property of all the members assessed. The Class 2 property of each household claimed to be exempt shall

be limited to property in one taxing district, except in those cases where a single domestic establishment is maintained in two or more adjoining districts.

Bonds and certificates of indebtedness hereafter issued by the state of Minnesota, or by any county or city of the state, or any town, or any common or independent school district of the state, or any governmental board of the state, or any county or city thereof, shall hereafter be exempt from taxation; provided, that nothing herein contained shall be construed as exempting such bonds from the payment of a tax thereon, as provided for by section 291.01, when any of such bonds constitute, in whole or in part, any inheritance or bequest, taken or received by any person or corporation.

(9) Farm machinery manufactured prior to 1930, which is used only for display purposes as a collectors item;

(10) The taxpayer shall be exempted with respect to, all agricultural products, inventories, stocks of merchandise of all sorts, all materials, parts and supplies, furniture and equipment, manufacturers material, manufactured articles including the inventories of manufacturers, wholesalers, retailers and contractors; and the furnishings of a room or apartment in a hotel, rooming house, tourist court, motel or trailer camp, tools and machinery which by law are considered as personal property, and the property described in section 272.03, subdivision 1, clause (c), except personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures. Railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80 are not exempt.

(11) Containers of a kind customarily in the possession of the consumer during the consumption of commodities, the sale of which are subject to tax under the provisions of the excise tax imposed by Extra Session Laws 1967, Chapter 32;

(12) All livestock, poultry, all horses, mules and other animals used exclusively for agricultural purposes;

(13) All agricultural tools, implements and machinery used by the owners in any agricultural pursuit.

(14) Real and personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, other than real property used primarily as a solid waste disposal site.

Any taxpayer requesting exemption of all or a portion of any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. Any such equipment or device shall meet standards, regulations or criteria prescribed by the Minnesota Pollution Control Agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota Pollution Control Agency shall upon request of the commissioner furnish information or advice to the commissioner. If the commissioner determines that property qualifies for exemption, he shall issue an order exempting such property from taxation. Any such equipment

or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota Pollution Control Agency remains in effect.

(15) Wetlands. For purposes of this subdivision, "wetlands" means land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes. "Wetlands" shall be land preserved in its natural condition, drainage of which would be feasible and practical and would provide land suitable for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice. "Wetlands" shall include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(16) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause and section 273.116. Upon receipt of an application for the exemption and credit provided in this clause and section 273.116 for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of his decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

(17) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1954, as amended through December 31, 1980, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(18) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(19) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydroelectric or hydro-mechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of section 105.482, subdivisions 1, 8 and 9.

(20) *A direct satellite broadcasting facility or fixed satellite regional or national program service facility, construction of which is commenced after*

June 30, 1983, for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. As used in this clause, a "direct satellite broadcasting facility" is a facility operated by a corporation licensed by the federal communications commission to provide direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band and a "fixed satellite regional or national program service facility" is a facility operated by a corporation licensed by the federal communications commission to provide fixed satellite-transmitted regularly scheduled broadcasting services using satellites operating in the 6-ghz. band.

Sec. 2. [297A.253] [SATELLITE BROADCASTING FACILITY MATERIALS; EXEMPTIONS.]

Notwithstanding the provisions of this chapter, there shall be exempt from the tax imposed therein all materials and supplies or equipment used or consumed in constructing, or incorporated into the construction of, a new facility in Minnesota for providing federal communications commission licensed direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band or fixed satellite regional or national program services, as defined in section 272.02, subdivision 1, clause (20), construction of which was commenced after June 30, 1983, and all machinery, equipment, tools, accessories, appliances, contrivances, furniture, fixtures, and all technical equipment or tangible personal property of any other nature or description necessary to the construction and equipping of that facility in order to provide those services.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective for taxes levied in 1983 and thereafter, payable in 1984 and thereafter. Section 2 is effective for sales made after June 30, 1983, and before July 1, 1988.

ARTICLE 14: LIMITED EQUITY COOPERATIVES

Section 1. Minnesota Statutes 1982, section 273.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Except as provided in subdivisions 6 and 7, and 8 or section 273.17, subdivision 1, all property shall be valued at its market value. The market value as determined pursuant to this section shall be stated such that any amount under \$100 is rounded up to \$100 and any amount exceeding \$100 shall be rounded to the nearest \$100. In estimating and determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall he adopt as a criterion of value the price for which such property would sell at auction or at a forced sale, or in the aggregate with all the property in the town or district; but he shall value each article or description of property by itself, and at such sum or price as he believes the same to be fairly worth in money. In assessing any tract or lot of real property, the value of the land, exclusive of structures and improvements, shall be determined, and also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real property upon which there is a mine or quarry, it shall be valued at such price as such

property, including the mine or quarry, would sell for a fair, voluntary sale, for cash. In valuing real property which is vacant, the fact that such property is platted shall not be taken into account. An individual lot of such platted property shall not be assessed in excess of the assessment of the land as if it were unplatted until the lot is improved with a permanent improvement all or a portion of which is located upon the lot, or for a period of three years after final approval of said plat whichever is shorter. When a lot is sold or construction begun, the assessed value of that lot or any single contiguous lot fronting on the same street shall be eligible for reassessment. All property, or the use thereof, which is taxable under sections 272.01, subdivision 2, or 273.19, shall be valued at the market value of such property and not at the value of a leasehold estate in such property, or at some lesser value than its market value.

Sec. 2. Minnesota Statutes 1982, section 273.11, is amended by adding a subdivision to read:

Subd. 8. [LIMITED EQUITY COOPERATIVE APARTMENTS.] For the purposes of this subdivision, the terms defined in this subdivision have the meanings given them.

A "limited equity cooperative" is a corporation organized under Minnesota Statutes, chapter 308, which has as its primary purpose the provision of housing and related services to its members and which meets the following requirements:

(a) The articles of incorporation set the sale price of occupancy entitling cooperative shares or memberships at no more than a transfer value determined as provided in the articles. That value may not exceed the sum of the following:

(1) the consideration paid for the membership or shares by the first occupant of the unit, as shown in the records of the corporation;

(2) the fair market value, as shown in the records of the corporation, of any improvements to the real property that were installed at the sole expense of the member with the prior approval of the board of directors;

(3) accumulated interest, or an inflation allowance not to exceed the greater of a ten percent annual noncompounded increase on the consideration paid for the membership or share by the first occupant of the unit, or the amount that would have been paid on that consideration if interest had been paid on it at the rate of the percentage increase in the revised consumer price index for all urban consumers for the Minneapolis-St. Paul metropolitan area prepared by the United States Department of Labor, provided that the amount determined pursuant to this clause may not exceed \$500 for each year or fraction of a year the membership or share was owned; plus

(4) real property capital contributions shown in the records of the corporation to have been paid by the transferor member and previous holders of the same membership, or of separate memberships that had entitled occupancy to the unit of the member involved. These contributions include contributions to a corporate reserve account the use of which is restricted to real property improvements or acquisitions, contributions to the corporation which are used for real property improvements or acquisitions, and the amount of principal amortized by the corporation on its indebtedness due to

the financing of real property acquisition or improvement or the averaging of principal paid by the corporation over the term of its real property related indebtedness.

(b) The articles of incorporation require that the board of directors limit the purchase price of stock or membership interests for new member-occupants or resident shareholders to an amount which does not exceed the transfer value for the membership or stock as defined in clause (a).

(c) The articles of incorporation require that the total distribution out of capital to a member shall not exceed that transfer value.

(d) The articles of incorporation require that upon liquidation of the corporation any assets remaining after retirement of corporate debts and distribution to members will be conveyed to a charitable organization described in section 501 (c)(3) of the Internal Revenue Code of 1954, as amended through December 31, 1982, or a public agency.

(e) The articles of incorporation stipulate that the charitable organization or public agency has an irrevocable right to enforce the provisions of clauses (a) to (d).

A "limited equity cooperative apartment" is a dwelling unit owned or leased by a limited equity cooperative. If the dwelling unit is leased by the cooperative the lease agreement must meet the conditions for a cooperative lease stated in Minnesota Statutes, section 273.133, subdivision 3.

"Occupancy entitling cooperative share or membership" is the ownership interest in a cooperative organization which entitles the holder to an exclusive right to occupy a dwelling unit owned or leased by the cooperative.

The value of a limited equity cooperative apartment shall be set at the lesser of its market value or the value determined on the basis of income of a comparable apartment operated on a rental basis. When determining value on the basis of income, the assessor shall use a capitalization rate equal to the maximum FHA interest rate for multifamily mortgage loans current at the time of assessment. If a cooperative fails to operate in accordance with the provisions of clauses (a) to (d), the property shall be subject to additional property taxes in the amount of the difference between the taxes determined in accordance with this subdivision for the last ten years that the property had been assessed pursuant to this subdivision and the amount that would have been paid if the provisions of this subdivision had not applied to it. The additional taxes, plus interest at the rate specified in section 549.09, shall be extended against the property on the tax list for the current year.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective for taxes levied in 1983, payable in 1984 and thereafter.

ARTICLE 15: AVIATION GASOLINE

Section 1. Minnesota Statutes 1982, section 296.02, subdivision 2, is amended to read:

Subd. 2. [GASOLINE TAX IMPOSED FOR AVIATION USE.] Subject to the provisions of section 296.18, subdivision 4, there is hereby imposed an excise tax, at the same rate per gallon as the gasoline excise tax, of five cents

per gallon on all aviation gasoline received, sold, stored, or withdrawn from storage in this state. This tax shall be payable at the times, in the manner, and by persons specified in sections 296.01 to 296.27.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for aviation gasoline sold on or after July 1, 1983.

ARTICLE 16: AGGREGATE TAX

Section 1. [AGGREGATE REMOVAL PRODUCTION TAXES; BECKER, CLAY, KITTSOON, MARSHALL, NORMAN, POLK, TRAVERSE, BIG STONE, MAHNOMEN, AND WILKIN COUNTIES.]

Subdivision 1. [DEFINITIONS.] Except as may otherwise be provided, the following words, when used in this section, shall have the meanings given to them in this subdivision.

(1) "County" means the county of Norman, Marshall, Kittson, Becker, Clay, Polk, Traverse, Big Stone, Mahnomen, or Wilkin.

(2) "Aggregate material" shall mean non-metallic natural mineral aggregate including, but not limited to sand, silica sand, gravel, building stone, crushed rock, limestone, and granite. Aggregate material shall not include dimension stone and dimension granite.

(3) "Person" shall mean any individual, firm, partnership, corporation, organization, trustee, association, or other entity.

(4) "Operator" shall mean any person engaged in the business of removing aggregate material from the surface or subsurface of the soil in the county which imposes the tax, for the purpose of sale, either directly or indirectly, through the use of the aggregate material in a marketable product or service.

(5) "Extraction site" shall mean a pit, quarry, or deposit containing aggregate material and any contiguous property to the pit, quarry, or deposit which is used by the operator for stockpiling the aggregate material.

Subd. 2. A county may impose upon every operator, a production tax equal to ten cents per cubic yard or seven cents per ton of aggregate material removed.

Subd. 3. By the 14th day following the last day of each calendar quarter, every operator shall make and file with the county auditor of the county in which the aggregate material is removed, a correct report under oath, in the form and containing the information as the auditor shall require relative to the quantity of aggregate material removed during the preceding calendar quarter. The report shall be accompanied by a remittance of the amount of tax due.

The county auditor shall notify his county treasurer of the amount of the tax and the county to which it is due. The county treasurer shall remit the tax to the appropriate county within 30 days.

Subd. 4. If any operator fails to make the report required by subdivision 3 or files an erroneous report, the county auditor shall, by the fifth working day after the date the report became due, determine the amount of tax due and notify the operator by registered mail of the amount of tax so determined.

An operator may, within 30 days from the date of mailing the notice, file in the office of the county auditor a written statement of objections to the amount of taxes determined to be due. The statement of objections shall be deemed to be a petition within the meaning of chapter 278, and shall be governed by sections 278.02 to 278.13.

Subd. 5. Failure to file the report shall result in a penalty of \$5 for each of the first 30 days, beginning on the 14th day after the date when the county auditor has sent notice to the operator as provided in subdivision 4, during which the report is overdue and no statement of objection has been filed. For each subsequent day during which the report is overdue and no statement of objection has been filed, a penalty of \$10 shall be assessed against the operator who is required to file the report. The penalties imposed by this subdivision shall be collected as part of the tax. If neither the report nor a statement of objection has been filed after more than 60 days have elapsed from the date when the notice was sent, the operator who is required to file the report is guilty of a misdemeanor.

Subd. 6. It is a misdemeanor for any operator to remove aggregate material from a pit, quarry, or deposit unless all taxes due for the previous reporting period have been paid or objections thereto have been filed pursuant to subdivision 4.

Subd. 7. All moneys collected as taxes under this section shall be deposited in the county treasury and credited as follows, for expenditure by the county board:

(a) Sixty percent to the county road and bridge fund for expenditure for the maintenance, construction and reconstruction of roads, highways, and bridges;

(b) Thirty percent to the road and bridge fund of those towns as determined by the county board and to the general fund or other designated fund of those cities as determined by the county board, to be expended for maintenance, construction and reconstruction of roads, highways, and bridges; and

(c) Ten percent to a special reserve fund which is hereby established, for expenditure for the restoration of abandoned pits, quarries, or deposits located upon public and tax forfeited lands within the county.

In the event that there are no abandoned pits, quarries or deposits located upon public or tax forfeited lands within the county, this portion of the tax shall be deposited in the county road and bridge fund for expenditure for the maintenance, construction and reconstruction of roads, highways, and bridges.

Sec. 2. [APPLICABILITY.]

On its effective date, section 1 applies individually to the counties of Becker, Clay, Kittson, Marshall, Norman, Polk, Traverse, Big Stone, Mahanomen, and Wilkin.

Sec. 3. [REPEALER.]

(a) Minnesota Statutes 1982, section 298.75 is repealed.

(b) Laws 1961, chapter 605; Laws 1963, chapter 475; Laws 1965, chapter 163; Laws 1977, chapters 112 and 117; and Laws 1979, chapter 273 are

repealed.

Sec. 4. [LOCAL APPROVAL; EFFECTIVE DATE.]

Sections 1 and 2 are effective for aggregate material removed after the date set by the county board in any of the counties named in section 2, upon approval by the county board and upon compliance with Minnesota Statutes, section 645.021, subdivision 3, but only for the county which approved it. Section 3, paragraph (a), is effective for aggregate material removed after June 30, 1983. Section 3, paragraph (b), is effective January 1, 1983.

ARTICLE 17: ROCHESTER SALES TAX

Section 1. [SALES TAX.]

Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Rochester may, by ordinance, impose an additional sales tax of up to one percent on sales transactions taxable pursuant to Minnesota Statutes, chapter 297A that occur within the city.

Sec. 2. [EXCISE TAX.]

Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Rochester may, by ordinance, impose an excise tax of up to \$20 per motor vehicle, as defined by ordinance, purchased or acquired from any person engaged within the city in the business of selling motor vehicles at retail.

Sec. 3. [COLLECTION.]

The commissioner of revenue may enter into appropriate agreements with the city of Rochester to provide for collection by the state on behalf of the city of a tax imposed by the city of Rochester pursuant to section 1. The commissioner may charge the city of Rochester from the proceeds of any tax a reasonable fee for its collection.

Sec. 4. [ALLOCATION OF REVENUES.]

Revenues received from taxes authorized by sections 1 and 2 shall be used to pay the costs of collecting the taxes, capital and administrative costs of improvements to the city park and recreation system and flood control improvements for which the city voters at a special election held on November 2, 1982, approved the issuance of general obligation bonds, and to pay debt service on the bonds. The total capital and administrative expenditures payable from bond proceeds and revenues received from the taxes authorized by sections 1 and 2, excluding investment earnings thereon, shall not exceed \$16,000,000 for improvements to the city park and recreation system and \$16,000,000 for flood control improvements.

Sec. 5. [TERMINATION OF TAXES.]

The taxes imposed pursuant to sections 1 and 2 shall terminate on the first day of the second month next succeeding a determination by the city council that sufficient funds have been received from the taxes and bond proceeds to finance capital and administrative costs of \$16,000,000 for improvements to the city park and recreation system and \$16,000,000 for flood control improvements and to prepay or retire at maturity the principal, interest, and

premium due on any bonds issued for the improvements. Any funds remaining after completion of the improvements and retirement or redemption of the bonds may be placed in the general fund of the city.

Sec. 6. [BONDS.]

The city of Rochester, pursuant to the approval of the city voters at a special election held on November 2, 1982, may issue general obligation bonds of the city in an amount not to exceed \$16,000,000 for improvements to the city park and recreation system and \$16,000,000 for flood control improvements. The debt represented by the bonds shall not be included in computing any debt limitation applicable to the city, and the levy of taxes required by Minnesota Statutes, section 475.61 to pay the principal of and interest on the bonds shall not be subject to any levy limitation or be included in computing or applying any levy limitation applicable to the city. The amount of any special levy for debt service imposed pursuant to Minnesota Statutes, section 275.50, subdivision 5, clause (e), for payment of principal and interest on the bonds shall not include the amount of estimated collection of revenues from the taxes imposed pursuant to sections 1 and 2 that are pledged for the payment of those obligations.

Sec. 7. [EFFECTIVE DATE.]

This article is effective the day after compliance by the governing body of the city of Rochester with Minnesota Statutes, section 645.021, subdivision 3."

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "providing for conformity with certain federal income tax deductions and income recognition for payments in kind; extending the income tax surtax; restricting the operation of indexing; providing an additional research and development credit; clarifying unitary tax provisions; providing a deduction for joint filers; eliminating credits for gasoline excise tax paid on motorboats, and pollution control and feedlot pollution control; establishing new payment schedule for payment of state aids to education; altering computation of agricultural property tax credit; restricting definition of "wetlands" and reducing rate of wetlands credit; reducing rate of homestead credit; reducing assessment ratio on commercial and industrial property; restricting future application of reduced assessments and eliminating reimbursements; reducing attached machinery aids; revising levy limitations; advancing property tax payment dates; establishing a method of computing local government aids; establishing a rent credit; reducing the amount of property tax refunds and increasing co-insurance payments; establishing a permanent six percent sales tax rate and extending it to motor vehicles; exempting certain bottled water from the sales tax; imposing the sales tax on certain periodicals; excluding certain taxes from purchase price; establishing a budget reserve account; defining duties with respect to state payments; providing for the establishment of enterprise zones; providing business tax incentives; reducing the corporate income tax rate; prohibiting corporate deduction for taxes paid to other states; eliminating the corporate capital gain deduction except in certain circumstances; reducing the excise tax rate on Minnesota-produced liquor; authorizing joint exercise of bonding authority; establishing a jobs program; providing a tax exemption for property held by the city of Austin;"

Page 1, line 4, after "tax" insert "; imposing a tax on retail liquor sales; authorizing cities to impose lodging taxes; providing tax incentives for satellite broadcasters; providing for the valuation of limited equity cooperatives; establishing the rate of tax on aviation gasoline; abolishing the statewide aggregate materials tax; authorizing Becker, Clay, Kittson, Marshall, Norman, Polk, Traverse, Big Stone, Mahnomen, and Wilkin counties to impose a tax on aggregate materials; authorizing the city of Rochester to impose a sales tax; appropriating money; amending Minnesota Statutes 1982, sections 15.61; 16A.15, subdivision 1, and by adding subdivisions; 116J.42, subdivision 7; 124.11, subdivisions 2a and 2b; 124.2137, subdivision 1; 272.02, subdivision 1; 273.11, subdivision 1, and by adding a subdivision; 273.115, subdivision 1; 273.13, subdivisions 6, 7, 9, 14a, 17, 17b, and 17c; 273.1312, subdivisions 2, 3, 4, and 5; 273.1313, subdivisions 1, 2, 3, and 5; 273.1392; 273.1392; 273.138, subdivisions 2, 3, and 6; 275.50, subdivisions 2 and 5, and by adding a subdivision; 275.51, by adding subdivisions; 275.53, by adding a subdivision; 276.09; 276.10; 276.11; 278.01, subdivisions 1 and 2; 278.03; 278.05, subdivision 5; 279.01, subdivision 1; 290.01, subdivisions 19, 20, 20a, as amended, 20b, as amended, and by adding subdivisions; 290.06, subdivisions 1, as amended, 2d, 2e, as amended, 11, and 13; 290.068, by adding a subdivision; 290.07, subdivision 1; 290.08, by adding a subdivision; 290.09, subdivisions 1, 2, 3, as amended, 4, 5, and 28; 290.091; 290.095, subdivision 4; 290.14; 290.16, subdivisions 4 and 9; 290.17, subdivision 2; 290.18, subdivisions 1 and 4; 290.21, subdivisions 1 and 3; 290.23, subdivision 5; 290.31, subdivisions 2 and 3; 290.34, subdivision 2; 290.39, subdivision 2; 290.46; 290.92, subdivision 2a; 290A.03, subdivisions 3, 8, and 12; 290A.04, subdivisions 1, 2, 2a, 2b, 3, as amended, and by adding subdivisions; 290A.05; 290A.06; 290A.16; 296.02, subdivision 2; 296.18, subdivision 1; 296.421, subdivision 5; 297A.02, subdivision 1, as amended; 297A.03, subdivision 2, as amended; 297A.14, as amended; 297A.25, subdivision 1; 297B.01, subdivision 8; 297B.02, as amended; 340.47, subdivisions 1 and 1a, and by adding a subdivision; 340.485, by adding a subdivision; 340.986; 471.59, by adding a subdivision; 473F.08, subdivision 7a; 477A.011, subdivisions 6, 7, 10, and by adding subdivisions; 477A.012; 477A.013, subdivision 2, and by adding subdivisions; 477A.03, subdivision 2; and Laws 1981, Third Special Session chapter 2, article III, section 22, as amended; proposing new law coded in Minnesota Statutes 1982, chapters 124, 268, 273, 290, 297A, and 477A; repealing Minnesota Statutes 1982, sections 16A.153; 273.13, subdivision 15b; 273.138, subdivisions 1 and 4; 273.139; 275.09, subdivision 3; 275.51, subdivisions 3e and 5; 290.01, subdivision 23; 290.06, subdivisions 9 and 9a; 290.077, subdivision 2; 290.09, subdivisions 10, 15, 22, and 27; 290.21, subdivision 3a; 290.501; 290A.03, subdivision 11; 298.75; 477A.011, subdivisions 4, 5, 8, and 9; 477A.013, subdivision 1; Laws 1961, chapter 605; Laws 1963, chapter 475; Laws 1965, chapter 163; Laws 1977, chapters 112 and 117; and Laws 1979, chapter 273''

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

SECOND READING OF SENATE BILLS

S.F. Nos. 883, 695 and 11 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 102 was read the second time.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

MOTIONS AND RESOLUTIONS

Mr. Spear moved that S.F. No. 398 be taken from the table. The motion prevailed.

S.F. No. 398: A bill for an act relating to vulnerable adults; refining the Vulnerable Adults Reporting Act; specifying reporting requirements; specifying access to reports; preventing record destruction; amending Minnesota Statutes 1982, section 626.557, subdivisions 2, 3, 4, 10, 12, 14, and by adding a subdivision; repealing Minnesota Statutes 1982, section 626.557, subdivision 12a.

Mr. Spear moved that the Senate do not concur in the amendments by the House to S.F. No. 398, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Special Orders Calendar. The motion prevailed.

SPECIAL ORDER

H.F. No. 270: A bill for an act relating to agriculture; providing that certain agricultural operations are not private or public nuisances; amending Minnesota Statutes 1982, section 561.19, subdivision 2; repealing Minnesota Statutes 1982, section 561.19, subdivision 5.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 6, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dieterich
Lantry

Luther

Peterson, R. W.

Petty

Spear

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1146: A bill for an act relating to statutes; conforming certain laws to judicial decisions of unconstitutionality; amending Minnesota Statutes 1982, sections 65B.51, subdivision 1; 154.03; 570.02, subdivision 2; and 573.01.

Mr. Jude moved to amend S.F. No. 1146 as follows:

Page 2, lines 31 to 35, reinstate the stricken language and delete the new language

Page 3, lines 3 to 9, reinstate the stricken language

The motion prevailed. So the amendment was adopted.

Mr. Jude then moved to amend S.F. No. 1146 as follows:

Page 3, line 9, after "if" insert "*the court, after notice and opportunity for hearing, determines*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1146 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

H.F. No. 419: A bill for an act relating to insurance; fire; hail; requiring the insured, in case of loss, to show the damaged property and related records to the company and consent to be examined under oath; providing for the exchange of information on losses or potential losses between companies and authorized persons; providing for the appraisal of losses; specifying the procedure to be used in selecting appraisers; amending Minnesota Statutes 1982, sections 65A.01, subdivision 3; 65A.26; 65A.29; and 299F.054,

subdivisions 1, 2, 4, and by adding a subdivision.

Mr. Dahl moved to amend H.F. No. 419 as follows:

Page 5, line 31, after "shall" insert ", within a reasonable period after demand by this company,"

The motion prevailed. So the amendment was adopted.

Mr. Dahl then moved to amend H.F. No. 419 as follows:

Page 2, lines 9 and 10, strike "Noon" and insert "12:01 a.m."

The motion prevailed. So the amendment was adopted.

H.F. No. 419 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

H.F. No. 375: A bill for an act relating to public welfare; authorizing the establishment of community work experience programs on a pilot demonstration basis; proposing new law coded in Minnesota Statutes, chapter 256.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 114: A bill for an act relating to crimes; prohibiting promotion of minors to engage in sexual performance; prohibiting dissemination and possession of works depicting minors in sexual performance; providing penalties; amending Minnesota Statutes 1982, sections 609.342; 609.343; 609.344; 609.345; 609.364, subdivision 2; 609.3641, subdivision 2; 609.3642, subdivision 2; 609.3643, subdivision 2; 609.3644, subdivision 2; 617.241; 617.246; repealing Minnesota Statutes 1982, section 617.247.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1189: A bill for an act relating to employment; exempting search firms from employment agency licensing; subjecting certain search firms to fee and bond requirements; requiring certain statements, fees, and bonds to be submitted at the time a search firm is established; amending Minnesota Statutes 1982, sections 184.22, subdivision 2, and by adding subdivisions; 184.29; 184.30, subdivision 1; and 184.41.

Mr. Freeman moved to amend S.F. No. 1189 as follows:

Page 1, line 16, after "partnership" insert a comma

Page 3, line 8, before "Any" insert "*Before starting business in this state,*"

Page 3, line 9, after "shall" insert "(1)"

Page 3, line 9, delete ", within ten days of its"

Page 3, line 10, delete "establishment,"

Page 3, line 13, delete ". All exempt firms"

Page 3, line 14, delete "are subject to the provisions of" and insert "(2) pay the registration fee required by"

Page 3, line 14, after "184.29" insert a comma

Page 3, line 14, after "and" insert "(3) furnish"

Page 3, line 15, delete "*provisions of*" and insert "*required by*"

Page 3, line 15, delete everything after the period

Page 3, delete lines 16 and 17 and insert "*A search firm registration may not be transferred to another search firm, unless written notice of the transfer is given to the commissioner.*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1189 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 52 and nays 10, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Kronebusch	Olson	Solon
Anderson	Frederick	Laidig	Peterson,C.C.	Storm
Belanger	Frederickson	Langseth	Peterson,D.C.	Stumpf
Benson	Freeman	Lantry	Peterson,D.L.	Taylor
Berg	Hughes	Lessard	Peterson,R.W.	Ulland
Bernhagen	Isackson	Luther	Purfeerst	Vega
Brataas	Johnson, D.E.	McQuaid	Ramstad	Waldorf
Chmielewski	Jude	Mehrkens	Reichgott	Wegscheid
Davis	Kamrath	Moe, D. M.	Renneke	
DeCramer	Knaak	Moe, R. D.	Samuelson	
Diessner	Kroening	Novak	Schmitz	

Those who voted in the negative were:

Berglin	Dicklich	Johnson, D.J.	Petty	Spear
Dahl	Frank	Merriam	Pogemiller	Willet

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

SPECIAL ORDER

H.F. No. 218: A bill for an act relating to crimes; expanding the rights of victims of crime; affirming the right of victims to bring civil actions against offenders; establishing the right of a victim to request restitution; providing for implementation of victim and witness rights by law; providing penal sanctions and judicial mechanisms to deter intimidation of witnesses; requiring development of a plan for notifying crime victims about available financial assistance and social services; providing for victim participation in the criminal process; providing penalties; amending Minnesota Statutes 1982, sections 241.26, subdivisions 5 and 6; 243.23, subdivision 3; 571.55, by adding a subdivision; 609.115, subdivision 1; 609.498; and 631.425, subdivision 5; proposing new law coded as Minnesota Statutes, chapter 611A.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 521: A bill for an act relating to financial institutions; providing for the payment of hearing costs on contested applications; including credit union share insurance corporations and industrial loan and thrift guarantee issuers in the group of organizations permitted to receive examination reports; removing the requirement that a financial institution's board of directors hold qualifying shares; clarifying limitations on junior mortgage loans by banks; establishing application fees; removing a certain filing requirement; reducing the number of savings association incorporators; clarifying the notice requirements for savings association conversions; clarifying the industrial loan and thrift company lending limit and increasing the capital to deposit limitation; providing first installment requirements for regulated lenders and motor vehicle sales finance companies; providing credit insurance disclosure requirements for regulated lenders; clarifying financial corporation organizational requirements; providing that no employee, officer, director, or shareholder of a banking institution, or a corporation, partnership, or association in which these persons have an interest, may retain income from the sale of credit insurance in connection with a loan made by the banking institution; providing that the income must be turned over to the banking institution; amending Minnesota Statutes 1982, sections 45.04, subdivision 1; 46.07, subdivision 2; 47.54, subdivision 1; 48.06; 48.19, subdivision 1; 48.68; 49.36, subdivision 1; 49.37; 51A.03, subdivisions 1 and 4; 51A.065, subdivision 4; 51A.13, subdivisions 2 and 2a; 51A.51, subdivisions 2 and 3a; 52.203; 53.01; 53.03, subdivisions 1, 5, and 6; 53.04, subdivision 3a; 53.05; 53.06; 56.001, subdivision 3; 56.131, subdivision 1; 56.155, subdivision 1; 168.72, subdivision 1; 300.025; and 300.20; proposing new law coded in Minnesota Statutes, chapter 48.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1171: A bill for an act relating to taxation; clarifying the income tax treatment of certain debt obligations of state and local governments; amending Minnesota Statutes 1982, sections 80A.09, subdivision 1; 115A.69, subdivision 6; 116A.25; 116J.89, subdivision 6; 136.32; 136A.179; 136A.39; 193.146, subdivision 4; 272.02, subdivision 1; 362A.07; 447.35; 447.49; 458.193, subdivision 6; 458A.05, subdivision 6; 458A.09; 462.191, subdivision 3; 462.551; 462A.19, subdivision 1; 472.09, subdivision 4; 473.436, subdivision 6; 473.448; 473.545; and 473.666; repealing Minnesota Statutes 1982, sections 116J.89, subdivision 7; 462A.19, subdivision 2; and 474.12.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 36 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Lessard	Peterson, D.C.	Spear
Berglin	Freeman	Luther	Peterson, R.W.	Stumpf
Chmielewski	Hughes	Merriam	Petty	Vega
Dahl	Johnson, D.J.	Moe, D. M.	Pogemiller	Willet
Davis	Jude	Nelson	Reichgott	
DeCramer	Kroening	Novak	Samuelson	
Dicklich	Langseth	Pehler	Schmitz	
Diessner	Lantry	Peterson, C.C.	Solon	

Those who voted in the negative were:

Anderson	Brataas	Knaak	Olson	Wegscheid
Belanger	Frederick	Kronebusch	Purfeerst	
Berg	Frederickson	Laidig	Renneke	
Bernhagen	Johnson, D.E.	McQuaid	Storm	
Bertram	Kamrath	Mehrkens	Ulland	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1111: A bill for an act relating to local government; regulating town levies in Crow Wing County; repealing Laws 1941, chapter 451.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kamrath	Merriam	Samuelson
Anderson	Dicklich	Knaak	Novak	Schmitz
Belanger	Diessner	Kroening	Olson	Spear
Berg	Dieterich	Kronebusch	Peterson, C. C.	Storm
Berglin	Frederick	Laidig	Peterson, D. C.	Stumpf
Bernhagen	Frederickson	Langseth	Peterson, R. W.	Ulland
Bertram	Freeman	Lantry	Petty	Vega
Brataas	Hughes	Lessard	Pogemiller	Waldorf
Chmielewski	Johnson, D. E.	Luther	Purfeerst	Wegscheid
Dahl	Johnson, D. J.	McQuaid	Reichgott	Willet
Davis	Jude	Mehrrens	Renneke	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 375: A bill for an act relating to the city of Bloomington; providing authority for the city to establish and maintain district heating systems.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 409: A bill for an act relating to liquor; restrictions upon joint purchases and volume discounts at wholesale; amending Minnesota Statutes 1982, sections 340.408; and 340.983.

Mr. Bertram moved to amend H.F. No. 409 as follows:

Page 1, after line 6, insert:

“Section 1. Minnesota Statutes 1982, section 340.11, subdivision 21, is amended to read:

Subd. 21. [LIABILITY INSURANCE.] Every person licensed to sell at retail intoxicating liquor or non-intoxicating malt liquor at on-sale or off-sale shall, after ~~March~~ + August 1, 1983, demonstrate proof of financial

responsibility with regard to liability imposed by section 340.95, to the commissioner of public safety as a condition of the issuance or renewal of his license, provided this subdivision does not apply to non-intoxicating malt liquor licensees with sales of less than ~~\$10,000~~ \$30,000 of non-intoxicating malt liquor ~~per for the preceding year~~, nor to holders of on-sale wine licenses under subdivision 20, with sales of less than \$10,000 of wine per year. Proof of financial responsibility may be given by filing:

(a) A certificate that there is in effect an insurance policy or pool providing the following minimum coverages;

(1) \$50,000 because of bodily injury to any one person in any one occurrence, and, subject to the limit for one person, in the amount of \$100,000 because of bodily injury to two or more persons in any one occurrence, and in the amount of \$10,000 because of injury to or destruction of property of others in any one occurrence.

(2) \$50,000 for loss of means of support of any one person in any one occurrence, and, subject to the limit for one person, \$100,000 for loss of means of support of two or more persons in any one occurrence; or

(b) A bond of a surety company with minimum coverages as provided in clause (a), or

(c) A certificate of the state treasurer that the licensee has deposited with him \$100,000 in cash or securities which may legally be purchased by savings banks or for trust funds having a market value of \$100,000.

This subdivision does not prohibit a local governing unit from requiring higher insurance or bond coverages, or a larger deposit of cash or securities than is required hereunder, as a condition of issuance or renewal of a retail intoxicating liquor or non-intoxicating malt liquor on-sale or off-sale license.

The commissioner of insurance shall advise licensees and municipalities subject to the financial responsibility requirements of this subdivision of those persons offering insurance coverage. The commissioner of insurance ~~may, if necessary, shall establish an assigned risk pool by rule adopted under the administrative procedure act, sections 14.01 to 14.70.~~ *a program to assist licensees in obtaining insurance coverage. The program shall include a committee appointed by the commissioner of insurance of a representative group of insurance carriers and producers. The commissioner of insurance shall serve as an ex officio member of the committee. The committee shall review and act upon all properly executed applications requesting liquor liability market assistance. The market assistance program shall be established by the commissioner of insurance by August 1, 1983, and shall continue to function so long as its services are deemed by the commissioner of insurance to be necessary to relieve perceived availability problems in the liquor liability insurance market. If the committee finds that it cannot assist in securing insurance coverage it shall notify the applicant in writing with a full explanation and recommendation for enhancing its ability to secure insurance. The commissioner of insurance shall, if necessary, establish an assigned risk plan pursuant to subdivision 22.*

Sec. 2. Minnesota Statutes 1982, section 340.11, is amended by adding a subdivision to read:

Subd. 22. [ASSIGNED RISK PLAN.] (1) The purpose of the assigned risk plan is to provide coverage required by subdivision 21 to persons rejected pursuant to this subdivision.

(2) An insurer that refuses to write the coverage required by subdivision 21 shall furnish the applicant with a written notice of refusal. The rejected applicant shall file a copy of the notice of refusal with the commissioner of public safety and with the assigned risk plan at the time of application for coverage under the plan.

(3) The commissioner of insurance may enter into service contracts as necessary or beneficial to accomplish the purposes of the assigned risk plan including servicing of policies or contracts of coverage, data management, and assessment collections. Services related to the administration of policies or contracts of coverages shall be performed by one or more qualified insurance companies licensed pursuant to section 60A.06, subdivision 1, clause (13) or a qualified vendor of risk management services. A qualified insurer or vendor of risk management services shall possess sufficient financial, professional, administrative, and personnel resources to provide the services required for operation of the plan. The cost of all services contracted for shall be an obligation of the assigned risk plan.

(4) The commissioner of insurance may assess all insurers licensed pursuant to section 60A.06, subdivision 1, clause (13) an amount sufficient to fully fund the obligations of the assigned risk plan, if the commissioner of insurance determines that the assets of the assigned risk plan are insufficient to meet its obligations. The assessment of each insurer shall be in a proportion equal to the proportion which the amount of insurance written as reported on page 14 of the annual statement under line 5, commercial multi-peril, and line 17, other liability, during the preceding calendar year by that insurer bears to the total written by all such carriers for such lines.

(5) Policies and contracts of coverage issued pursuant to this subdivision shall contain the usual and customary provisions of liability insurance policies, and shall contain the minimum coverage required by subdivision 21 or the local governing unit.

(6) Assigned risk policies and contracts of coverage shall be subject to premium tax pursuant to section 60A.15.

(7) Insureds served by the assigned risk plan shall be charged premiums based upon a rating plan approved by the commissioner of insurance. Assigned risk premiums shall not be lower than rates generally charged by insurers for the business. The commissioner of insurance shall fix the compensation received by the agent of record.

(8) The commissioner of insurance shall adopt rules, including temporary rules, as may be necessary to implement this subdivision. The rules may include:

(a) appeal procedures from actions of the assigned risk plan;

(b) formation of an advisory committee composed of insurers, vendors of risk management services and licensees, to advise the commissioner of insurance regarding operation of the plan; and

(c) applicable rating plans and rating standards.

Sec. 3. Minnesota Statutes 1982, section 340.353, subdivision 8, is amended to read:

Subd. 8. [FINANCIAL RESPONSIBILITY.] Every municipal liquor store operated pursuant to subdivision 1 shall, prior to commencement or continuation of operation after ~~March 4~~ August 1, 1983, demonstrate proof of financial responsibility by compliance with the requirements of section 340.11, subdivision 21."

Page 2, after line 18, insert:

"Sec. 6. Laws 1982, chapter 528, section 9, is amended to read:

Sec. 9. [EFFECTIVE DATE.]

Sections 2 to 4 are effective ~~March 4~~ August 1, 1983. Sections 1, 5, 6, 7 and 8 are effective the day following final enactment and apply to all causes of action arising on and after that day, except that any changes in notice requirements in section 8 are not effective until 30 days following final enactment.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 3 and 6 are effective the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "extending the date for requiring dram shop insurance; requiring an assigned risk plan and specifying rule making authority of the commissioner of insurance in regard thereto;"

Page 1, line 4, after "sections" insert "340.11, subdivision 21, and by adding a subdivision; 340.353, subdivision 8;"

Page 1, line 4, before the period, insert "; and Laws 1982, chapter 528, section 9"

Mr. Peterson, C.C. moved to amend the Bertram amendment to H.F. No. 409 as follows:

Page 1, line 13, delete "\$30,000" and insert "\$50,000"

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

The roll was called, and there were yeas 41 and nays 21, as follows:

Those who voted in the affirmative were:

Anderson	Dicklich	Laidig	Peterson,D.L.	Ulland
Benson	Frederick	Langseth	Purfeerst	Vega
Berg	Frederickson	Lessard	Reichgott	Waldorf
Bernhagen	Isackson	Mehrkens	Renneke	Wegscheid
Bertram	Johnson, D.E.	Moe, R. D.	Schmitz	Willet
Brataas	Johnson, D.J.	Novak	Solon	
Chmielewski	Kamrath	Olson	Storm	
Davis	Knutson	Pebler	Stumpf	
DeCramer	Kronebusch	Peterson,C.C.	Taylor	

Those who voted in the negative were:

Adkins	Frank	Kroening	Peterson,D.C.	Spear
Berglin	Freeman	Lantry	Peterson,R.W.	
Dahl	Hughes	Luther	Petty	
Diessner	Jude	McQuaid	Pogemiller	
Dieterich	Knaak	Moe, D. M.	Ramstad	

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

The question recurred on the Bertram amendment, as amended.

The roll was called, and there were yeas 40 and nays 21, as follows:

Those who voted in the affirmative were:

Anderson	Dicklich	Knutson	Olson	Schmitz
Benson	Diessner	Kronebusch	Pehler	Solon
Berg	Frederickson	Laidig	Peterson, C. C.	Storm
Bernhagen	Freeman	Langseth	Peterson, D. L.	Stumpf
Bertram	Isackson	Lessard	Purfeerst	Taylor
Chmielewski	Johnson, D. E.	McQuaid	Reichgott	Ulland
Davis	Johnson, D. J.	Mehrkens	Renneke	Vega
DeCramer	Kamrath	Novak	Samuelson	Willet

Those who voted in the negative were:

Adkins	Hughes	Luther	Petty	Wegscheid
Berglin	Jude	Moe, D. M.	Pogemiller	
Dahl	Knaak	Moe, R. D.	Ramstad	
Dieterich	Kroening	Peterson, D. C.	Spear	
Frank	Lantry	Peterson, R. W.	Waldorf	

The motion prevailed. So the amendment, as amended, was adopted.

H.F. No. 409 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 44 and nays 17, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Moe, R. D.	Solon
Anderson	Dicklich	Kamrath	Novak	Storm
Benson	Diessner	Knutson	Pehler	Stumpf
Berg	Frederickson	Kronebusch	Peterson, D. L.	Taylor
Bernhagen	Freeman	Laidig	Purfeerst	Ulland
Bertram	Hughes	Langseth	Reichgott	Vega
Chmielewski	Isackson	Lessard	Renneke	Waldorf
Dahl	Johnson, D. E.	McQuaid	Samuelson	Willet
Davis	Johnson, D. J.	Mehrkens	Schmitz	

Those who voted in the negative were:

Berglin	Kroening	Olson	Petty	Wegscheid
Dieterich	Lantry	Peterson, C. C.	Pogemiller	
Frank	Luther	Peterson, D. C.	Ramstad	
Knaak	Moe, D. M.	Peterson, R. W.	Spear	

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

MEMBERS EXCUSED

Ms. Berglin was excused from the Session of today until 9:35 a.m. Mr. Merriam was excused from the Session of today until 10:10 a.m. and from 11:40 to 11:55 a.m. Mr. Bertram was excused from the Session of today from 10:00 to 10:55 a.m. Messrs. Dicklich; Johnson, D.E.; Knutson; Renneke; Samuelson; Spear; Solon; Willet and Mrs. Lantry were excused from the Session of today from 9:00 to 9:45 a.m. Mr. Frank was excused from the Session of today at 11:00 a.m. Mr. Nelson was excused from the Session of

today from 9:00 to 11:00 a.m. Mr. Pehler was excused from the Session of today from 9:45 a.m. to 11:10 a.m. and 11:15 to 11:50 a.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Tuesday, May 10, 1983. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTIETH DAY

St. Paul, Minnesota, Tuesday, May 10, 1983

The Senate met at 9:00 a.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Robert Dickson.

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

May 9, 1983

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 322, 332, 372, 464, 530, 659, 827, 833, 854, 936 and 972.

Sincerely,
Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 672.

H.F. No. 672: A bill for an act relating to taxation; sales and use; clarifying the taxability or exempt status of certain items or transactions; providing penalties for certain operators or misuse of exemption certificates; clarifying filing dates and penalties for not timely filing or paying the tax; authorizing the filing of security and the use of sampling; providing restrictions on refunds; clarifying payments required before appeal; eliminating the fee for permits; amending Minnesota Statutes 1982, sections 297A.01, subdivisions 3 and 4; 297A.25, subdivision 1; 297A.27, subdivision 1; 297A.275; 297A.28; 297A.31, subdivision 1; 297A.35, subdivision 1, and by adding a subdivision; 297A.391; and 297B.03; proposing new law coded in Minnesota Statutes, chapter 297A; repealing Minnesota Statutes 1982, sections 297A.05 and 297A.251.

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

Minne; Anderson, G. and Evans have been appointed as such committee on the part of the House.

House File No. 672 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 9, 1983

Mr. Merriam moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 672, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 92:

H.F. No. 92: A bill for an act relating to education; providing for aids to education, aids to libraries, aids for teacher retirement contributions, tax levies, and the distribution of tax revenues; granting certain duties and powers to school boards, school districts, the state board of education, and the state board for vocational education; providing for revenue equity; modifying the computation of the transportation aid, summer school, and community education aids and levies; establishing an average-cost funding formula for AVTIs; authorizing intermediate school districts to offer non-post-secondary academic courses; establishing programs for improvement of schools; providing incentives for school districts to utilize technology in instruction; appropriating money; amending Minnesota Statutes 1982, sections 6.54; 6.62, subdivision 1; 16A.15, subdivision 1; 120.075, subdivision 4, and by adding a subdivision; 120.10, subdivision 2; 120.17, subdivision 3; 120.64, subdivisions 2 and 4; 121.908; 121.911, by adding a

subdivision; 121.912, subdivision 3; 122.23, subdivisions 2 and 3; 122.41; 122.43; 122.44; 122.531, subdivision 2, and by adding subdivisions; 123.33, subdivisions 10 and 14; 123.34, subdivision 9; 123.351, subdivision 4; 123.36, subdivisions 9, 13, and by adding a subdivision; 123.37, subdivision 1b; 123.39, subdivision 4; 123.705; 124.11, subdivisions 2a and 2b; 124.14, subdivision 1; 124.15, subdivision 5; 124.17, subdivisions 1 and 2d; 124.19, subdivisions 1 and 3; 124.201, subdivisions 2, 3, and by adding subdivisions; 124.2122, subdivisions 1 and 2; 124.2126, subdivision 3; 124.2128, subdivision 1; 124.2132, subdivision 4; 124.225; 124.245, by adding a subdivision; 124.246, subdivision 2; 124.247, subdivision 3; 124.26, subdivision 1; 124.271, subdivisions 2a, 6, and by adding a subdivision; 124.273, subdivisions 1b, 2b, and 4; 124.32, subdivisions 1b, 1d, 2, 3a, 5, and 5a; 124.572, subdivision 2; 124.573, subdivision 2; 124.574, subdivisions 2b and 3; 124.646, subdivision 1; 125.60, subdivision 7; 125.611, subdivision 8; 129B.02; 129B.04; 129B.05; 129B.09, subdivision 12; 134.07; 134.08; 134.09; 134.10; 134.11; 134.12; 134.13; 134.14; 134.15; 134.30; 134.32, subdivisions 1 and 7; 134.351, subdivisions 3 and 7; 134.353; 134.36; 275.125, subdivisions 2d, 2e, 2i, 5, 5b, 6d, 8, 11a, 11b, and by adding subdivisions; 354.66, subdivision 9; 354A.094, subdivision 9; 375.335; 466.01, subdivision 1; 475.61, subdivision 3; and 648.39, subdivision 1; amending Laws 1967, chapter 822, section 4; Laws 1969, chapter 775, section 3, subdivision 2, as amended; Laws 1969, chapter 1060, section 4; Laws 1981, chapter 358, article 7, section 29, as amended; and Laws 1982, chapter 548, article 3, sections 27 and 28; proposing new law coded in Minnesota Statutes, chapters 3, 120, 121, 122, 123, 124, 126, 129B, and 134; repealing Minnesota Statutes 1982, sections 121.501 to 121.507; 122.542; 124.11, subdivision 1; 124.24; 124.251; 124.26, subdivision 4; 124.271, subdivision 5; 124.273, subdivisions 1 and 2; 124.32, subdivisions 1 and 9; 124.561; 124.562; 124.5621; 124.5622; 124.5623; 124.5624; 124.5625; 124.5626; 124.5627; 124.572, subdivision 8; 124.573, subdivision 5; 124.574, subdivision 2; 124.611; 125.611, subdivision 9; 129B.06 to 129B.09; 134.03; 134.06; 134.16; 134.19; 134.352; and 375.33.

And the House respectfully requests that a Conference Committee of five members be appointed thereon.

Nelson, K.; McEachern; Kostohryz; Anderson, B. and Levi have been appointed as such committee on the part of the House.

House File No. 92 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 9, 1983

Mr. Nelson moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 92, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the

Senate amendments to House File No. 218.

H.F. No. 218: A bill for an act relating to crimes; expanding the rights of victims of crime; affirming the right of victims to bring civil actions against offenders; establishing the right of a victim to request restitution; providing for implementation of victim and witness rights by law; providing penal sanctions and judicial mechanisms to deter intimidation of witnesses; requiring development of a plan for notifying crime victims about available financial assistance and social services; providing for victim participation in the criminal process; providing penalties; amending Minnesota Statutes 1982, sections 241.26, subdivisions 5 and 6; 243.23, subdivision 3; 571.55, by adding a subdivision; 609.115, subdivision 1; 609.498; and 631.425, subdivision 5; proposing new law coded as Minnesota Statutes, chapter 611A.

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

Kelly, Cohen and Bishop have been appointed as such committee on the part of the House.

House File No. 218 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 9, 1983

Mr. Dicklich moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 218, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the adoption by the House of the following House Concurrent Resolution, herewith transmitted: House Concurrent Resolution No. 5.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 9, 1983

House Concurrent Resolution No. 5: A House concurrent resolution commending the University of Minnesota Department of Civil and Mineral Engineering for receipt of the 1983 National Award for Outstanding Civil Engineering Achievement from the American Society of Civil Engineers.

WHEREAS, the American Society for Civil Engineers is one of the largest and most prestigious national professional organizations; and

WHEREAS, that Society specifically stated in the award citation the special significance of the close working relationship between the Department of Civil and Mineral Engineering and the Minnesota Legislature in developing the proposal and securing financing for the new building; and

WHEREAS, the same building earned the national Owens-Corning Fiberglass Award for Energy Conservation Through Efficient Building De-

sign; and

WHEREAS, the role of the Underground Space Center in the Department of Civil and Mineral Engineering was unique in facilitating the design and engineering of the building as an example of contractor-contractee cooperation; and

WHEREAS, the building represents a nationally significant technical advancement in the use of underground space; and

WHEREAS, because of these national awards the earth sheltered Civil and Mineral Engineering building is recognized as a nationally outstanding example of excellence for both energy conservation and design; NOW, THEREFORE

BE IT RESOLVED by the House of Representatives of the State of Minnesota, the Senate concurring, that the Legislature of the State of Minnesota congratulates Dr. Charles Fairhurst and the faculty and staff of the Department of Civil and Mineral Engineering of the University of Minnesota, and Mr. David Bennett and the architectural firm of Bennett, Ringrose, Walsfeld (BRW) and their associated contractors, for their outstanding achievements in the design and construction of this new building.

BE IT FURTHER RESOLVED that the Legislature of the State of Minnesota congratulates the Department of Civil and Mineral Engineering faculty and staff for developing such a good working relationship with key legislative groups.

BE IT FURTHER RESOLVED, that the Chief Clerk of the House of Representatives is instructed to prepare enrolled copies of this resolution, to be authenticated by his signature and those of the Speaker of the House, the President of the Senate, and the Secretary of the Senate and present them to the head of the Department of Civil and Mineral Engineering, to the BRW firm, and to the President and each member of the Board of Regents of the University of Minnesota.

Mr. Willet moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 521.

H.F. No. 521: A bill for an act relating to financial institutions; providing for the payment of hearing costs on contested applications; including credit union share insurance corporations and industrial loan and thrift guarantee issuers in the group of organizations permitted to receive examination reports; removing the requirement that a financial institution's board of directors hold qualifying shares; clarifying limitations on junior mortgage loans by banks; establishing application fees; removing a certain filing requirement; reducing the number of savings association incorporators; clarifying the notice requirements for savings association conversions; clarifying the industrial loan and thrift company lending limit and increasing the capital to deposit limitation; providing first installment requirements for regulated lenders and motor vehicle sales finance companies; providing credit insurance disclosure requirements for regulated lenders; clarifying financial cor-

poration organizational requirements; amending Minnesota Statutes 1982, sections 45.04, subdivision 1; 46.07, subdivision 2; 47.54, subdivision 1; 48.06; 48.19, subdivision 1; 48.68; 49.36, subdivision 1; 49.37; 51A.03, subdivisions 1 and 4; 51A.065, subdivision 4; 51A.13, subdivisions 2 and 2a; 51A.23, subdivisions 6 and 7; 51A.51, subdivisions 2 and 3a; 52.203; 53.01; 53.03, subdivisions 1, 5, and 6; 53.04, subdivision 3a; 53.05; 53.06; 56.001, subdivision 3; 56.131, subdivision 1; 56.155, subdivision 1; 168.72, subdivision 1; 300.025; and 300.20; proposing new law coded in Minnesota Statutes, chapter 47.

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

Berkelman, Wynia and Kvam have been appointed as such committee on the part of the House.

House File No. 521 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 9, 1983

Mr. Solon moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 521, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

REPORTS OF COMMITTEES

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

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

H.F. No. 916 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
916	906				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 916 be amended as follows:

Page 2, line 1, delete the second "or" and insert "and"

Page 2, line 31, after "(b)" insert a comma

Page 3, line 2, delete the comma

Page 3, line 4, delete everything after "Minnesota" and insert a semicolon

Page 3, delete lines 5 and 6

And when so amended H.F. No. 916 will be identical to S.F. No. 906, and further recommends that H.F. No. 916 be given its second reading and substituted for S.F. No. 906, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 636 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
636	472				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 636 be amended as follows:

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

Page 3, line 29, delete "*audited*"

Page 3, line 31, delete everything after "*be*"

Page 3, line 32, delete everything before "*filed*"

Page 3, line 32, delete "*within six months after the close*" and insert "*when available*"

Page 3, line 33, delete "*of the fiscal year*"

Page 3, line 35, delete "*instead of by a*"

Page 3, line 36, delete "*certified public accountant*"

Page 3, line 36, before the period insert "*instead of by a public accountant*"

Page 4, delete sections 2 and 3

Amend the title as follows:

Page 1, delete line 4

And when so amended H.F. No. 636 will be identical to S.F. No. 472, and further recommends that H.F. No. 636 be given its second reading and substituted for S.F. No. 472, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 360 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
360	289				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 360 be amended as follows:

Page 1, line 15, after "governor" insert "*, with the advice and consent of the senate,*"

Page 2, delete lines 10 and 11

And when so amended H.F. No. 360 will be identical to S.F. No. 289, and further recommends that H.F. No. 360 be given its second reading and substituted for S.F. No. 289, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 973 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
973	722				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 973 be amended as follows:

Page 3, line 27, delete "*as are*"

Page 5, line 25, reinstate the stricken "*the*"

Page 6, line 5, delete "*shall be*" and insert "*is*"

Page 6, line 9, delete "*shall be*" and insert "*is*"

Page 6, line 19, strike "*shall*" and insert "*must*"

Page 6, line 20, strike "*shall*" and insert "*must*"

Page 6, line 24, delete "*bar*" and insert "*ban*"

Page 6, line 28, strike "*shall*" and insert "*must*"

Page 6, line 29, strike "*shall*" and insert "*must*"

Page 9, delete lines 22 to 29

Page 10, line 8, strike "*shall*" and insert "*does*"

Page 10, line 9, strike "where" and insert "if"

Page 10, line 12, insert a comma after "commercial"

Page 10, line 15, insert a comma after "bullion"

Page 10, line 17, strike "where" and insert "if"

Page 10, line 17, delete the comma after "seller"

Page 10, line 21, delete the new language

Page 10, delete lines 22 and 23

Page 10, line 24, delete the new language

Page 10, line 24, strike "provided that" and after the second stricken "a" insert "if the"

Page 10, line 25, reinstate "bank, savings institution, trust company,"

Page 10, line 26, reinstate "broker-dealer," and insert "or safe deposit company is located"

Page 10, line 26, reinstate "within this state,"

Page 10, line 30, after "purchaser" insert "and is, if required, licensed under the laws of this state; but"

Page 10, line 31, delete "such" and insert "the"

Page 10, after line 35, insert:

"Sec. 11. Minnesota Statutes 1982, section 80A.14, is amended by adding a subdivision to read:

Subd. 9a. [INVESTMENT ADVISER REPRESENTATIVE.] "Investment adviser representative" means any partner, officer, or director of an investment adviser, or any person performing similar functions, or any person, directly or indirectly, controlling or controlled by an investment adviser, including any employee of an investment adviser who provides investment advice to clients."

Page 12, line 14, after "licensee" delete the underscoring under the period

Page 13, line 14, reinstate "that"

Page 13, delete lines 33 to 36

Page 4, delete lines 1 to 36

Page 15, delete lines 1 to 8

Page 15, delete lines 14 to 29 and insert "censured, or the application denied. The order ~~shall~~ must be calculated to give reasonable notice of the time and place for hearing thereon, and shall state the reasons for the entry of the order. *The commissioner may by order summarily suspend a license pending final determination of any order to show cause. If a licensee is suspended pending final determination of an order to show cause, a hearing on the merits shall be held within 30 days of the issuance of the order of suspension. All hearings ~~shall~~ must be conducted in accordance with the provisions of chapter 14. After the hearing, the commissioner shall enter an order*

making such disposition disposing of the matter as the facts require. If the licensee or applicant fails to appear at a hearing of which he has been duly notified, such person he shall be deemed in default, and the proceeding may be determined against him upon consideration of the order to show cause, the allegations of which may be deemed to be true."

Page 16, delete lines 3 to 22 and insert "327.55, subdivision 1a, and which cause of action occurred on or after July 1, 1973, the aggrieved person may, upon the final judgment becoming final, and upon termination of all proceedings, including reviews and appeals, file a verified application in the court in which the judgment was entered for an order directing payment out of the recovery portion of the fund of the amount of actual and direct out of pocket loss in such the transaction, but excluding any attorney's fees, interest on the loss and on any judgment obtained as a result of such the loss, up to the sum of \$20,000 of the amount unpaid upon the judgment, provided that. However, nothing in this chapter shall be construed to obligate the fund for more than \$20,000 per transaction, subject to the limitations set forth in subdivisions 12 and 14, regardless of the number of persons aggrieved or parcels of real estate involved in such the transaction. A copy of the verified application shall must be served upon the commissioner and upon the judgment debtor, and a certificate or affidavit of such service filed with the court. For the purpose of this section "aggrieved person" does not include a real estate licensee seeking to recover a commission."

Page 16, line 26, strike "shall" and insert "do"

Page 17, line 24, strike "which is"

Page 17, line 27, strike "which is"

Page 17, line 34, strike "shall" and insert "does"

Page 18, delete lines 10 to 36

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "and"

Page 1, line 5, delete "investment metal contract" and insert " ; modifying the definition of "investment metal contract""

Page 1, delete line 9

Page 1, line 21, delete "82.22, subdivision 6 ;"

Page 1, lines 22 and 23, delete " ; 309.53, subdivision 2, and by adding a subdivision"

And when so amended H.F. No. 973 will be identical to S.F. No. 722, and further recommends that H.F. No. 973 be given its second reading and substituted for S.F. No. 722, and that the Senate File be indefinitely postponed.

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

SECOND READING OF HOUSE BILLS

H.F. Nos. 916, 636, 360 and 973 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Merriam moved that the name of Mrs. Adkins be added as a co-author to S.F. No. 986. The motion prevailed.

Mr. Jude, Mrs. Adkins, Messrs. Davis, Bertram and Merriam introduced—

Senate Resolution No. 55: A Senate resolution congratulating Carole Larson upon being elected president of the Minnesota Newspaper Association.

Referred to the Committee on Rules and Administration.

Mr. Bertram moved that S.F. No. 755 be taken from the table. The motion prevailed.

S.F. No. 755: A bill for an act relating to agriculture; making changes in the artificial dairy products act; amending Minnesota Statutes 1982, sections 32.53; 32.531; 32.5311; 32.532; 32.533; and proposing new law coded in Minnesota Statutes, chapter 32.

CONCURRENCE AND REPASSAGE

Mr. Bertram moved that the Senate concur in the amendments by the House to S.F. No. 755 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 755 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

indicated.

Messrs. Dahl, Frank, Schmitz and Novak introduced—

S.F. No. 1227: A bill for an act relating to manufactured homes; requiring manufactured home park owners to provide ground anchoring systems and storm shelters; authorizing the establishment of a loan program to help finance the cost of these improvements; prescribing rules; appropriating money; amending Minnesota Statutes 1982, sections 327.20, by adding subdivisions; 462A.05, by adding a subdivision; and 462A.21, by adding a subdivision.

Referred to the Committee on Energy and Housing.

Messrs. Dahl, Bertram, DeCramer, Chmielewski and Johnson, D.J. introduced—

S.F. No. 1228: A bill for an act relating to taxation; providing an income tax credit for certain expenditures for woodburning appliances; amending Minnesota Statutes 1982, section 290.06, subdivision 14.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Dahl, Vega, Stumpf, DeCramer and Johnson, D.J. introduced—

S.F. No. 1229: A bill for an act relating to taxation; property tax; extending the energy device exemption to certain devices used to provide energy for sale; amending Minnesota Statutes 1982, section 273.11, subdivision 6.

Referred to the Committee on Taxes and Tax Laws.

Mr. Dahl introduced—

S.F. No. 1230: A bill for an act relating to commuter vehicles; providing a tax credit for employers operating a ride-sharing program; providing a commuter vehicle investment tax credit; creating a vehicle registration category and setting vehicle registration fees for commuter vehicles; amending Minnesota Statutes 1982, sections 168.011, by adding a subdivision; 168.013, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes and Tax Laws.

Ms. Peterson, D.C. introduced—

S.F. No. 1231: A bill for an act relating to taxation; property; granting seasonal residential recreational property classification to certain unimproved property; amending Minnesota Statutes 1982, section 273.13, subdivision 4.

Referred to the Committee on Taxes and Tax Laws.

Mr. Willet, for the Committee on Finance, introduced—

S.F. No. 1232: A bill for an act relating to the organization and operation of state government; appropriating money for education and related pur-

poses, including the department of education, higher education coordinating board, state universities, community colleges, and the university of Minnesota and its hospitals, with certain conditions; establishing the basis upon which financial stipends for scholarships and grants-in-aid are determined; clarifying authority of post-secondary institution governing boards; establishing a board of vocational technical education; amending Minnesota Statutes 1982, sections 43A.08, subdivision 1a; 124.48; 136.144; 136.67 by adding a subdivision; 136A.121; 136A.14; 136A.141; 136A.15; 136A.16; 136A.17; 136A.26; 136A.29, subdivisions 2 and 9; and 136A.42; proposing new law coded in Minnesota Statutes, chapters 124; 136; and 136A; proposing new law coded as Minnesota Statutes, chapters 135A; and 136C; repealing Minnesota Statutes 1982, sections 121.11, subdivision 1; 124.53; and 136A.161.

Under the rules of the Senate, laid over one day.

Mr. Willet, for the Committee on Finance, introduced—

S.F. No. 1233: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and for other agencies with certain conditions; fixing and limiting fees; providing for adjustments of responsibilities of the department of agriculture for soil and water conservation; allowing limited donation of accumulated vacation time by certain law enforcement employees to their union representative; providing for deposit of proceeds of assessment by the assigned risk review board; regulating financial assistance to public transit systems; limiting certain hearing functions of the transportation regulation board; transferring certain rules authority to the transportation regulation board; reducing membership and establishing terms of members of the public utilities commission; defining enforcement powers of the hazardous material specialists and transportation representatives of the department of transportation; defining terms and requirements for building movers; crediting certain receipts of the commissioner of transportation to the trunk highway fund; providing for certain costs to be paid from the trunk highway fund; authorizing the commissioner of transportation to enforce certain carrier regulations; extending retirement coverage of certain employees of the department of transportation from age 60 to age 62 and providing for disability benefits; transferring and renaming the air transportation revolving account; instructing the commissioner of transportation to charge users of certain air transportation services for certain costs; limiting fare increases by the metropolitan transit commission; basing taxing for the metropolitan transit taxing district upon the level of transit service provided; providing for the disposition of proceeds of certain trunk highway bonds; reducing the amount appropriated from the bridge construction account in the trunk highway fund to the department of transportation; amending Minnesota Statutes 1982, sections 12.14; 17A.04, subdivision 5; 18.51, subdivision 2; 18.52, subdivision 5; 18.53; 18.54; 18A.22, subdivisions 5 and 7; 18A.26; 27.041, subdivision 2; 28A.08; 28A.09; 32.075; 32.59; 34.02; 34.05, subdivision 1; 40.03, subdivision 2, as amended; 43A.04, by adding a subdivision; 79.251, subdivision 1; 155A.07, subdivision 7; 155A.08, subdivision 5; 169.81, subdivision 3b; 169.86, subdivision 5; 169.862; 170.23; 171.26; 171.29, subdivision 2; 173.07, subdivision 2; 173.08, subdivision

1; 173.13, subdivision 4; 174.24, subdivision 3; 174A.02, subdivision 2; 174A.06; 216A.03, subdivision 1; 221.061; 221.071; 221.131; 221.221; 221.296, subdivision 5; 221.64; 221.81; 296.17, subdivisions 10, 17, and 20; 296.25, subdivision 1; 299C.46, subdivision 3; 352.86, subdivisions 1, 2, and by adding a subdivision; 360.018, subdivision 1; 360.63; 473.408, subdivision 3 and by adding a subdivision; 473.446, subdivision 1, as amended; 500.221, subdivision 4; 626.88, subdivision 2; Laws 1975, chapter 235, section 2; Laws 1977, chapter 277, sections 1 and 3, subdivision 1; and Laws 1983, chapter 17, section 12; proposing new law coded in Minnesota Statutes, chapters 10A; 221; 299C; and 360; repealing Minnesota Statutes 1982, sections 24.24; 24.25; 24.26; 24.27; 24.28; 24.29; 24.30; 24.31; 160.26, subdivision 3; 174.265; and 174A.07.

Under the rules of the Senate, laid over one day.

MOTIONS AND RESOLUTIONS - CONTINUED

CONFIRMATION

Ms. Berglin moved that the report from the Committee on Health and Human Services, reported April 27, 1983, pertaining to appointments, be taken from the table. The motion prevailed.

Ms. Berglin moved that the foregoing report be now adopted. The motion prevailed.

Ms. Berglin moved that in accordance with the report from the Committee on Health and Human Services, reported April 27, 1983, the Senate, having given its advice, do now consent to and confirm the appointment of:

DEPARTMENT OF PUBLIC WELFARE COMMISSIONER

Leonard W. Levine, 1741 Hillcrest Avenue, St. Paul, Ramsey County, effective January 3, 1983, for a term expiring the first Monday in January, 1987.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Ms. Berglin moved that the report from the Committee on Health and Human Services, reported April 27, 1983, pertaining to appointments, be taken from the table. The motion prevailed.

Ms. Berglin moved that the foregoing report be now adopted. The motion prevailed.

Ms. Berglin moved that in accordance with the report from the Committee on Health and Human Services, reported April 27, 1983, the Senate, having given its advice, do now consent to and confirm the appointment of:

DEPARTMENT OF HEALTH COMMISSIONER

Sister Mary Madonna Ashton, 5101 West 70th Street, #120, Minnea-

polis, Hennepin County, effective January 3, 1983, for a term expiring the first Monday in January, 1987.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 62 and nays 5, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berglin	Frederick	Moe, D. M.	Nelson	Spear
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The motion prevailed. So the appointment was confirmed.

MOTIONS AND RESOLUTIONS - CONTINUED

CONFIRMATION

Ms. Berglin moved that the report from the Committee on Health and Human Services, reported April 27, 1983, pertaining to appointments, be taken from the table. The motion prevailed.

Ms. Berglin moved that the foregoing report be now adopted. The motion prevailed.

Ms. Berglin moved that in accordance with the report from the Committee on Health and Human Services, reported April 27, 1983, the Senate, having given its advice, do now consent to and confirm the appointment of:

GILLETTE HOSPITAL BOARD

Kjell Bergh, 6700 Point Drive, Edina, Hennepin County, effective May 3, 1982, for a term expiring the first Monday in January, 1986.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Chmielewski moved that the report from the Committee on Employment, reported April 29, 1983, pertaining to appointments, be taken from the table. The motion prevailed.

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

Mr. Chmielewski moved that in accordance with the report from the

Committee on Employment, reported April 29, 1983, the Senate, having given its advice, do now consent to and confirm the appointment of:

**DEPARTMENT OF ECONOMIC SECURITY
COMMISSIONER**

Barbara Beerhalter, 3343 Girard Avenue South, Minneapolis. Hennepin County, effective January 3, 1983, for a term expiring the first Monday in January, 1987.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Dieterich moved that the reports from the Committee on Public Utilities and State Regulated Industries, reported May 4, 1983, pertaining to appointments, be taken from the table. The motion prevailed.

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

Mr. Dieterich moved that in accordance with the reports from the Committee on Public Utilities and State Regulated Industries, reported May 4, 1983, the Senate, having given its advice, do now consent to and confirm the appointments of:

CABLE COMMUNICATIONS BOARD

Martin J. Pinkney, 419-15th Street North, Moorhead, Clay County, effective January 4, 1982, for a term expiring the first Monday in January, 1986.

Faith Zwemke, 111 North 12th Avenue, Princeton, Mille Lacs County, effective August 11, 1982, for a term expiring the first Monday in January, 1984.

Eugene F. Trumble, 2025 Audubon Drive, Chaska, Carver County, effective April 26, 1982, for a term expiring the first Monday in January, 1985.

The motion prevailed. So the appointments were confirmed.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Special Orders Calendar. The motion prevailed.

SPECIAL ORDER

S.F. No. 532: A bill for an act relating to taxation; providing for the valuation of limited equity cooperative apartments; amending Minnesota Statutes 1982, section 273.11, subdivision 1, and by adding a subdivision.

Ms. Berglin moved to amend S.F. No. 532 as follows:

Page 5, line 1, delete "2" and insert "3"

Page 5, line 2, delete "Section 1 is" and insert "Sections 1 and 2 are"

The motion prevailed. So the amendment was adopted.

S.F. No. 532 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

S.F. No. 1194: A bill for an act relating to taxation; changing the tax paid on aviation gasoline; amending Minnesota Statutes 1982, section 296.02, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 482: A bill for an act relating to taxation; providing for changes

in the laws relating to delinquent real estate taxes, real estate tax judgment sales and redemptions and tax forfeited land sales; amending Minnesota Statutes 1982, sections 276.04; 279.05; 279.06; 279.14; 279.15; 279.16; 279.20; 280.01; 280.07; 280.10; 280.38; 280.385, subdivision 1; 281.01; 281.02; 281.03; 281.05; 281.17; 281.18; 281.23; 281.25; 281.34; 281.39; 282.01, subdivision 5; 282.039; 282.17; 282.171; 282.222, subdivisions 4 and 5; 282.301; and 559.21, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 276; 279; 280; and 282; repealing Minnesota Statutes 1982, sections 279.24; and 281.36.

Mr. Peterson, R.W. moved to amend S.F. No. 482 as follows:

Page 24, line 29, after "*parcel*" insert "*identification*"

Page 35, line 33, delete "*for*" and insert "*by*"

Page 36, line 7, delete "*5*" and insert "*4*"

The motion prevailed. So the amendment was adopted.

S.F. No. 482 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

S.F. No. 883: A bill for an act relating to transportation; modifying the definition of truck-tractor to include the power unit of automobile carriers; adjusting the motor vehicle registration tax on certain trailers; requiring proof of payment of the federal heavy use tax on heavy trucks; increasing the maximum allowable width on vehicles from 8 to 8-1/2 feet; modifying vehicle length requirements to allow longer semitrailers and vehicle combinations; modifying the gross weight seasonal increase to include all axle combinations; modifying the distance a peace officer may require a vehicle to travel to a scale and defining a suitable place for unloading an overweight vehicle; modifying the civil penalty for overweight vehicles; increasing width requirement on loads of baled hay before flashing amber lights are required; amending Minnesota Statutes 1982, sections 168.011, subdivision 12; 168.013, subdivision 1d, and by adding a subdivision; 169.01,

subdivision 7; 169.80, subdivision 2; 169.81, subdivisions 2 and 3; 169.825, subdivision 11; 169.85; 169.862; and 169.871, subdivision 1, and by adding a subdivision; repealing Minnesota Statutes 1982, sections 169.80, subdivision 2a; and 169.81, subdivisions 3a, 3b, and 7.

Mr. Pehler moved to amend S.F. No. 883 as follows:

Page 9, after line 15, insert:

“Sec. 9. [169.833] [FEDERAL QUALIFYING HIGHWAYS.]

The commissioner of transportation may not add routes to the system of federal qualifying highways submitted to the federal highway administration in accordance with the Surface Transportation Assistance Act of 1982, United States Code, title 49, section 2311, except in compliance with the criteria established by the commissioner for the addition of routes.”

Page 13, line 26, before “and” insert “11,” and delete “12” and insert “13”

Page 13, line 28, delete “11” and insert “12”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 17, after the semicolon, insert “requiring the commissioner to comply with criteria for the addition of federal qualifying highways;”

Page 1, line 23, after the semicolon, insert “proposing new law coded in Minnesota Statutes, chapter 169;”

The motion prevailed. So the amendment was adopted.

Mr. Frederickson moved to amend S.F. No. 883 as follows:

Page 4, after line 7, insert:

“Sec. 6. Minnesota Statutes 1982, section 169.86, is amended by adding a subdivision to read:

Subd. 3a. The commissioner or local authority may not deny a permit for the transport to a manufacturing plant of manufactured home frames not more than 15-1/2 feet in width during periods of seasonal weight restrictions unless the load exceeds the weight restrictions.”

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 8, after the semicolon, insert “allowing special permits for the transport of manufactured home frames;”

Page 1, line 21, after “169.85;” insert “169.86, by adding a subdivision;”

The motion prevailed. So the amendment was adopted.

S.F. No. 883 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

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

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 463: A bill for an act relating to port authorities; authorizing revenue bond financing of certain facilities; eliminating the interest rate limit on revenue bonds and authorizing private sale; clarifying contractual and operational authority of port authorities; amending Minnesota Statutes 1982, sections 458.192, subdivisions 1, 4, and by adding a subdivision; 458.194, subdivisions 2, 3, and by adding a subdivision; and 458.195, by adding a subdivision.

Senate File No. 463 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 1983

Mrs. Lantry moved that the Senate do not concur in the amendments by the House to S.F. No. 463, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the

House. The motion prevailed.

Mr. President:

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

S.F. No. 800: A bill for an act relating to health; providing for retention and destruction of certain medical records; amending Minnesota Statutes 1982, section 145.32.

Senate File No. 800 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 1983

Mr. Peterson, R.W. moved that the Senate do not concur in the amendments by the House to S.F. No. 800, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 765 and 1259.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 9, 1983

FIRST READING OF HOUSE BILLS

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

H.F. No. 765: A bill for an act relating to insurance; permitting differing benefit payments for services by designated health care providers; amending Minnesota Statutes 1982, section 72A.20, subdivision 15.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1093, now on Special Orders.

H.F. No. 1259: A bill for an act relating to the operation of government in this state; modifying the definition of gross income; adopting federal definitions of itemized deductions; updating the references to the Internal Revenue Code; extending the duration of the temporary income tax surtax and changing its computation; modifying the deduction of federal income taxes; assigning certain gambling winnings by nonresidents to Minnesota; imposing withholding tax on certain gambling winnings and horse racing purses; repealing certain income tax credits for pollution control expenditures; limiting the subtraction for unemployment compensation; providing for timely payment of withholding income taxes; modifying the dependent care credit; providing for certain studies; changing the refund method for the sales tax on electricity used in agricultural production; clarifying the uses of funds from the non-game wildlife checkoff; making the six percent sales and use tax rate permanent; increasing the motor vehicle excise tax rate to

six percent; modifying the enterprise zone law; providing for state tax incentives in enterprise zones; limiting the number of enterprise zones; reducing the corporate income tax rate; eliminating the deduction for certain income and franchise taxes paid by corporations; changing the deduction for corporate capital gains; providing small business investment credits; providing an additional research credit; modifying the definition of market value; requiring additional information on the certificate of value; mandating that homestead affidavits be filed in all counties; requiring that all contracts for deed be recorded; restricting the use of sales ratio studies as evidence; eliminating the agricultural mill rate credit on farm homes; increasing the agricultural mill rate credit on certain property and providing a maximum credit amount; clarifying the property classification for certain timber property; modifying the wetlands credit; modifying the utility property tax credit; changing certain property tax classification ratios; exempting contracts for deed from the mortgage registry tax and providing penalties for failure to file; exempting cities and towns with populations under 5,000 from levy limitations; modifying the method by which levy limitations are calculated; adding a special levy for certain county purposes; establishing a new homestead credit formula for certain homestead property; modifying the property tax refund formula and increasing the maximum credit; changing the payment dates for the property tax refund; altering the sales tax on liquor, wine, and beer; changing the excise tax credit on fermented malt beverages; delaying the effective date of the rent capitalization method used in assessing agricultural land; repealing the native prairie credit and reimbursement; repealing the wetlands reimbursement; modifying school district cash flow; establishing school aid payment dates for fiscal year 1985 and thereafter; requiring that property taxes be paid 15 days earlier; altering property tax settlement dates; modifying the local government aids distribution formula for counties, cities, and towns; phasing out attached machinery aids and reduced assessment aids; enacting the multi-state tax compact; changing the definition of basic cost of cigarettes for purposes of the unfair cigarette sales act; appropriating money; amending Minnesota Statutes 1982, sections 116J.42, subdivision 7; 124.2137, subdivision 1; 272.02, subdivision 1; 272.03, subdivision 8; 272.115, subdivision 1; 273.11, subdivision 1; 273.115, subdivisions 1, 2, and 3; 273.13, subdivisions 6, 6a, 7, 8a, 9, 11, 14a, 17, 17b, 17c, 20, and by adding a subdivision; 273.1312, subdivisions 2, 3, 4, and 5; 273.1313, subdivisions 1, 2, 3, and 5; 273.138, by adding a subdivision; 273.139, by adding a subdivision; 275.50, subdivision 2, and by adding subdivisions; 275.51, by adding subdivisions; 275.53, by adding a subdivision; 276.09; 276.10; 276.11; 278.01, subdivisions 1 and 2; 278.03; 278.05, subdivisions 4 and 5; 279.01, subdivision 1; 287.05, subdivision 1; 290.01, subdivisions 19, 20, 20a, as amended, 20b, as amended, and 20f; 290.05, subdivision 6; 290.06, subdivisions 1, 2e, as amended, 11, and 14; 290.067, subdivisions 1 and 2; 290.068, by adding a subdivision; 290.09, subdivisions 1, 2, 3, as amended, 4, 5, 28, and 29; 290.091; 290.14; 290.16, subdivision 4; 290.17, subdivision 2; 290.18, subdivisions 1 and 2; 290.21, subdivisions 1 and 3; 290.23, subdivision 5; 290.31, subdivisions 2 and 3; 290.39, subdivision 2; 290.431; 290.46; 290.92, subdivisions 2a, 6, and by adding subdivisions; 290A.03, subdivisions 3, 6, 8, 11, 13, as amended, and by adding a subdivision; 290A.04, subdivisions 1, 2, 2a, 2b, and 3; 290A.07, subdivision 2a; 290A.16; 290A.18; 290A.19; 297A.02, as amended; 297A.03, subdivision 2, as amended; 297A.14, as amended; 297A.35, subdivision 3; 297B.02, as amended; 325D.32, subdivision 9; 340.14, subdivision 1; 340.47, subdivision 2; 473F.08, subdivision 7a; 477A.011,

subdivisions 6, 7, 10, and by adding subdivisions; 477A.012; 477A.013; 477A.014, subdivision 1; and Laws 1981, First Special Session chapter 1, article II, section 25; and Third Special Session chapter 2, article III, section 22, as amended; proposing new law coded in Minnesota Statutes, chapters 116C; 124; 273; 290; 477A; and 507; repealing Minnesota Statutes 1982, sections 273.116; 273.138, subdivisions 1, 2, 3, 4, 5, and 6; 273.139, subdivisions 1 and 2; 273.42, subdivision 2; 273.425; 275.51, subdivisions 3e and 5; 290.01, subdivisions 23, 27, and 28; 290.032, subdivision 5; 290.06, subdivisions 9 and 9a; 290.077, subdivision 2; 290.08, subdivision 25; 290.09, subdivisions 10, 15, 22, and 27; 290.21, subdivision 3a; 290.501; 290A.07, subdivision 3; 340.986; 352C.07; 477A.011, subdivisions 8 and 9; and Laws 1982, chapter 523, article VII, section 3; and Third Special Session chapter 1, article V, section 4.

Mr. Johnson, D.J. moved that H.F. No. 1259 be laid on the table. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 398: Messrs. Spear; Peterson, R.W. and Knaak.

H.F. No. 149: Messrs. Mehrkens, Lessard and Frederick.

H.F. No. 653: Messrs. Hughes, Luther and Peterson, D.L.

S.F. No. 639: Mrs. McQuaid, Mr. Frank and Ms. Olson.

H.F. No. 610: Messrs. Wegscheid, Benson and Solon.

S.F. No. 892: Messrs. Petty, Solon and Benson.

H.F. No. 582: Messrs. Pogemiller, Laidig and Ms. Peterson, D.C.

H.F. No. 672: Messrs. Merriam, Sieloff and Vega.

S.F. No. 463: Mrs. Lantry, Messrs. Schmitz and Belanger.

S.F. No. 800: Messrs. Peterson, R.W.; Knaak and Freeman.

H.F. No. 218: Messrs. Dicklich, Merriam and Knaak.

H.F. No. 521: Messrs. Solon, Petty and Freeman.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Johnson, D.J. moved that H.F. No. 1259 be taken from the table. The

motion prevailed.

SUSPENSION OF RULES

Mr. Johnson, D.J. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1259 and that the rules of the Senate be so far suspended as to give H.F. No. 1259 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1259 was read the second time.

Mr. Johnson, D.J. moved to amend H.F. No. 1259 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 1259, and insert the language after the enacting clause, and the title, of S.F. No. 11, the First Engrossment.

The motion prevailed. So the amendment was adopted.

Mr. Johnson, D.J. moved to amend H.F. No. 1259, as amended by the Senate May 10, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 11.)

Page 3, lines 6 and 10, delete "10" and insert "12"

Page 3, line 7, delete "11" and insert "13"

Page 16, line 12, delete "5" and insert "6"

Page 33, line 26, delete "11" and insert "13"

Page 41, line 1, delete "2" and insert "13"

Page 42, lines 8 and 9, delete the new language

Page 42, line 14, after the period insert "*In a year when no inflation adjustment is made pursuant to section 290.06, subdivision 2d, paragraph (b), the adjustment factor shall be the same as the previous year's adjustment factor.*"

Page 50, line 3, delete "11" and insert "13"

Page 51, line 29, delete "11" and insert "13"

Page 85, line 25, after "increase" insert "*for general operating purposes*"

Page 121, line 36, after "PAYMENT" insert "; REDUCTION"

Page 122, line 5, delete "commencement" and insert "start"

Page 183, line 7, after "members" insert "*, who must be persons or families of low and moderate income as defined in section 462A.03, subdivision 10, at the time they purchase their membership,*"

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Mr. Sieloff imposed a call of the Senate for the balance of the proceedings

on H.F. No. 1259. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Sieloff moved to amend H.F. No. 1259, as amended by the Senate May 10, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 11.)

Pages 13 and 14, delete section 5

Page 15, line 23, delete "1985" and reinstate "1984"

Page 15, line 24, delete "1984" and insert "1983"

Page 15, line 25, delete "1986" and insert "1985"

Page 16, line 2, delete "1984" and insert "1983"

Page 16, line 3, delete "1986" and insert "1985"

Pages 41 and 42, delete section 24

Page 110, lines 13 to 16, delete the new language and reinstate the stricken language

Page 110, line 17, reinstate the stricken language

Page 110, line 17, strike "1983" and insert "1984"

Page 110, line 32, reinstate the stricken language

Page 110, line 32, strike "1983" and insert "1984"

Page 111, line 14, reinstate the stricken language

Page 111, line 14, strike "1983" and insert "1984"

ReNUMBER the sections in sequence

Correct any internal cross-references

Amend the title accordingly

The question was taken on the adoption of the amendment.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 27 and nays 40, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knutson	Peterson, D.L.	Taylor
Belanger	Frederickson	Kronebusch	Purfeerst	Ulland
Benson	Isackson	Laidig	Ramstad	Waldorf
Berg	Johnson, D.E.	McQuaid	Renneke	
Bernhagen	Kamrath	Mehrkens	Sieloff	
Brataas	Knaak	Olson	Storm	

Those who voted in the negative were:

Adkins	Diessner	Langseth	Novak	Samuelson
Berglin	Dieterich	Lantry	Pehler	Schmitz
Bertram	Frank	Lessard	Peterson, C.C.	Solon
Chmielewski	Freeman	Luther	Peterson, D.C.	Spear
Dahl	Hughes	Merriam	Peterson, R.W.	Stumpf
Davis	Johnson, D.J.	Moe, D. M.	Petty	Vega
DeCramer	Jude	Moe, R. D.	Pogemiller	Wegscheid
Dicklich	Kroening	Nelson	Reichgott	Willet

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

Mr. Sieloff then moved to amend H.F. No. 1259, as amended by the Senate May 10, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 11.)

Pages 13 and 14, delete section 5

Pages 41 and 42, delete section 24

Renumber the sections in sequence

Correct any internal cross-references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Dahl	Knaak	McQuaid	Sieloff
Belanger	Frederick	Knutson	Mehrkens	Storm
Benson	Frederickson	Olson	Kronebusch	Taylor
Berg	Isackson	Laidig	Petty	Ulland
Bernhagen	Johnson, D.E.	Langseth	Ramstad	Waldorf
Brataas	Kamrath	Lessard	Renneke	Wegscheid

Those who voted in the negative were:

Adkins	Dieterich	Lantry	Peterson, D.C.	Solon
Berglin	Frank	Luther	Peterson, R.W.	Spear
Bertram	Freeman	Moe, D. M.	Pogemiller	Stumpf
Davis	Hughes	Moe, R. D.	Purfeerst	Vega
DeCramer	Johnson, D.J.	Novak	Reichgott	Willet
Dicklich	Jude	Pehler	Samuelson	
Diessner	Kroening	Peterson, C.C.	Schmitz	

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

Mr. Bernhagen moved to amend H.F. No. 1259, as amended by the Senate May 10, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 11.)

Page 63, lines 19 and 20, delete the new language and reinstate the stricken language

Page 63, line 23, delete "13 percent"

Page 63, line 24, delete the new language and reinstate the stricken language

Page 63, line 24, strike "ten" and insert "eleven"

Page 63, line 25, reinstate "mills" and delete "imposed"

Page 63, line 25, strike everything after the period

Page 63, lines 26 to 28, strike the old language and delete the new language

Page 63, line 29, before "The" strike the old language and delete the new language

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	DeCramer	Knaak	Olson	Sieloff
Belanger	Frederick	Knutson	Peterson, D.L.	Storm
Benson	Frederickson	Kronebusch	Purfeerst	Taylor
Berg	Isackson	Laidig	Ramstad	Ulland
Bernhagen	Johnson, D.E.	McQuaid	Renneke	Wegscheid
Brataas	Kamrath	Mehrkens	Schmitz	

Those who voted in the negative were:

Adkins	Diessner	Langseth	Pehler	Samuelson
Berglin	Frank	Lantry	Peterson, C.C.	Solon
Bertram	Freeman	Lessard	Peterson, D.C.	Spear
Chmielewski	Hughes	Luther	Peterson, R.W.	Stumpf
Dahl	Johnson, D.J.	Moe, R. D.	Petty	Vega
Davis	Jude	Nelson	Pogemiller	Waldorf
Dicklich	Kroening	Novak	Reichgott	Willet

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

Mr. Belanger moved to amend H.F. No. 1259, as amended by the Senate May 10, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 11.)

Page 100, delete lines 29 to 36

Page 101, delete lines 1 to 4 and insert:

“Every home rule charter city and statutory city shall receive in 1985 and 1986 a minimum aid that is at least equal to the aid it received in 1984.”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Kamrath	Mehrkens	Schmitz
Belanger	Frederickson	Knaak	Novak	Storm
Benson	Freeman	Knutson	Olson	Taylor
Berg	Isackson	Kronebusch	Peterson, D.L.	Vega
Brataas	Johnson, D.E.	Laidig	Ramstad	Wegscheid
Frank	Jude	McQuaid	Renneke	

Those who voted in the negative were:

Adkins	Dicklich	Lessard	Peterson, R.W.	Spear
Berglin	Diessner	Luther	Petty	Stumpf
Bertram	Dieterich	Moe, R. D.	Pogemiller	Ulland
Chmielewski	Johnson, D.J.	Nelson	Purfeerst	Waldorf
Dahl	Kroening	Pehler	Reichgott	Willet
Davis	Langseth	Peterson, C.C.	Sieloff	
DeCramer	Lantry	Peterson, D.C.	Solon	

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

Mr. Laidig moved to amend H.F. No. 1259, as amended by the Senate May 10, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 11.)

Pages 69 to 72, delete Article 2, sections 9 and 10

Page 73, delete Article 2, section 12

Renumber the sections in sequence

Correct any internal cross-references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 38, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knutson	Peterson, D.L.	Taylor
Belanger	Frederickson	Kronebusch	Purfeerst	Ulland
Benson	Isackson	Laidig	Ramstad	
Berg	Johnson, D.E.	McQuaid	Renneke	
Bernhagen	Kamrath	Mehrkens	Sieloff	
Brataas	Knaak	Olson	Storm	

Those who voted in the negative were:

Adkins	Diessner	Langseth	Peterson, C.C.	Spear
Berglin	Dieterich	Lantry	Peterson, D.C.	Stumpf
Bertram	Frank	Lessard	Peterson, R.W.	Vega
Chmielewski	Freeman	Luther	Petty	Waldorf
Dahl	Hughes	Moe, R. D.	Pogemiller	Wegscheid
Davis	Johnson, D.J.	Nelson	Reichgott	Willet
DeCramer	Jude	Novak	Schmitz	
Dicklich	Kroening	Pehler	Solon	

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

Mr. Benson moved to amend H.F. No. 1259, as amended by the Senate May 10, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 11.)

Page 108, after line 23, insert:

"Sec. 10. Minnesota Statutes 1982, section 290A.04, is amended by adding a subdivision to read:

Subd. 2g. A claimant who owns a homestead which is classified pursuant to section 273.13, subdivision 6, or which is agricultural land classified as a class 3cc homestead under section 273.13, subdivision 7, shall be allowed an additional refund if the estimated market value of the homestead for taxes assessed in 1983 for taxes payable in 1984 is less than the estimated market value of the homestead for taxes assessed in 1982 for taxes payable in 1983. The amount of the additional refund is calculated as follows:

(a) divide the amount by which the estimated market value of the homestead for taxes assessed in 1982 payable in 1983 exceeds the estimated market value of the homestead for taxes assessed in 1983 payable in 1984 by the estimated market value for taxes assessed in 1982 payable in 1983;

(b) multiply the percentage obtained in clause (a) by the net property taxes payable on the homestead in 1984.

The product of the calculation is the amount of the additional refund.

In computing the difference between the estimated market value of the

homestead for taxes assessed in 1983 payable in 1984 and the estimated market value of the homestead for taxes assessed in 1982 payable in 1983, the market value of any improvements made to the property and first included in the estimated market value of the homestead for taxes assessed in 1983 payable in 1984 shall be disregarded.

For purposes of this subdivision, "net property taxes payable" means property taxes payable after reductions made pursuant to sections 273.13, subdivision 6, or 7; 273.115, subdivision 1; 273.116, subdivision 1; 124.2137; 273.135; and 273.1391; and after the deduction of other property tax refund amounts for which the claimant qualifies pursuant to this chapter.

In addition to proofs required pursuant to this chapter, each claimant under this subdivision shall file with the property tax refund return a copy of the property tax statement for taxes payable in the preceding year or other documents required by the commissioner.

This additional refund applies only to claims based on property taxes payable in 1984."

Renumber the sections in sequence

Correct any internal cross-references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Knaak	Olson	Sieloff
Belanger	Frederick	Knutson	Peterson, D.L.	Storm
Benson	Frederickson	Kronebusch	Purfeerst	Stumpf
Berg	Isackson	Laidig	Ramstad	Taylor
Bernhagen	Johnson, D.E.	McQuaid	Renneke	Uiland
Bertram	Kamrath	Mehrkens	Schmitz	

Those who voted in the negative were:

Adkins	Dieterich	Lantry	Peterson, D.C.	Vega
Berglin	Frank	Lessard	Peterson, R.W.	Waldorf
Chmielewski	Freeman	Luther	Petty	Wegscheid
Dahl	Hughes	Moe, R. D.	Pogemiller	Willet
Davis	Johnson, D.J.	Nelson	Reichgott	
DeCramer	Jude	Novak	Samuelson	
Dicklich	Kroening	Pehler	Solon	
Diessner	Langseth	Peterson, C.C.	Spear	

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

Mr. Frederick moved to amend H.F. No. 1259, as amended by the Senate May 10, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 11.)

Page 8, line 23, delete "(24)"

Page 8, lines 23 to 28, strike the old language

Page 8, line 29, delete "(25)" and insert "(24)"

Page 8, line 33, delete "(26)" and insert "(25)"

Correct any internal cross-references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knaak	Olson	Taylor
Belanger	Frederickson	Knutson	Peterson, D.L.	Ulland
Benson	Isackson	Kronebusch	Ramstad	Wegscheid
Berg	Johnson, D.E.	Laidig	Renneke	
Bernhagen	Jude	McQuaid	Sieloff	
Brataas	Kamrath	Mehrkens	Storm	

Those who voted in the negative were:

Adkins	Diessner	Lantry	Peterson, R.W.	Spear
Berglin	Dieterich	Lessard	Petty	Stumpf
Bertram	Frank	Luther	Pogemiller	Vega
Chmielewski	Freeman	Merriam	Purfeerst	Waldorf
Dahl	Hughes	Moe, R. D.	Reichgott	Willet
Davis	Johnson, D.J.	Nelson	Samuelson	
DeCramer	Kroening	Peterson, C.C.	Schmitz	
Dicklich	Langseth	Peterson, D.C.	Solon	

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

Mr. Sieloff moved to amend H.F. No. 1259, as amended by the Senate May 10, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 11.)

Page 41, after line 24, insert:

“Sec. 24. Minnesota Statutes 1982, section 290.18, subdivision 2, is amended to read:

Subd. 2. [FEDERAL INCOME TAX PAYMENTS AND REFUNDS.] The adjusted gross income shall be computed by deducting from the gross income assignable to this state under section 290.17, the deduction for allowable federal income taxes determined under the provisions of sections 290.09, subdivision 4, 290.10 (8), (9) or (10), and 290.18.

This deduction shall be allowed to individuals, estates, or trusts (i) for taxable years beginning after December 31, 1980 in the taxable year to which the liability applies. Such liability includes the portion of self-employment tax allowed under section 290.10, clause (8). The self-employment tax must be deducted by the person who is deriving the income. ~~When the federal tax liability is joint and several under the computation of a joint federal return of husband and wife, the federal tax liability must be split between the spouses in the same ratio that the federal adjusted gross income of that spouse bears to the total federal adjusted gross income. For purposes of the preceding sentence, “federal adjusted gross income” includes the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, as amended through December 31, 1981.~~

(ii) taxes paid for a taxable year beginning before January 1, 1981 shall be allowed as follows:

(1) Those taxes paid in a taxable year beginning before January 1, 1981, shall be claimed in the year in which the payment was made.

(2) Those paid in a taxable year beginning after December 31, 1980 shall be divided and deducted in equal installments reflected by the yearly periods beginning with the first day of the taxable year in which the payment was made and ending December 31, 1986.

(iii) In the case of a person who was self employed during all or a portion of the taxable year, the federal income tax liability for purposes of this section shall be increased by the self-employment tax allowed under section 290.10, clause (8).

(iv) If a taxpayer's federal tax liability is eventually not paid by reason of compromise, discharge, or court order, the deduction allowed pursuant to this subdivision shall be disallowed for the taxable year in which the liability was accrued.

(v) In the event a federal tax liability for a taxable year commencing after December 31, 1980 is increased, decreased or modified, and such increase, decrease or modification has resulted in a change in the amount of Minnesota income tax in the year to which such increase, decrease or modification is attributable, the taxpayer's deduction under this section shall be modified for such year.

(vi) If the readjustments required in (iv) or (v) are for taxes reflected in the transition rule described in (ii)(2), the readjustment shall be made equally to the remaining installments and if a reduction to such installments is required under this readjustment which exceeds the total of all remaining installments, the remaining installments will be reduced to zero and the excess included in income as a federal income tax refund.

(vii) Refunds which are not involved with any readjustments under the transition rule shall be included in income under section 290.01, subdivision 20a, clause (6) if it is from a year beginning before January 1, 1981.

(viii) Refunds of taxes for years beginning after December 31, 1980, shall be used to adjust the deduction in the taxable year of the liability unless that year is closed by statute and no other adjustments are to be required or allowable in which case such refund shall be reportable in the year received."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 7, after "provisions;" insert "providing for allocation of the federal tax deduction between spouses;"

Page 2, line 26, after "1" insert ", 2,"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 42, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Kamrath	McQuaid	Renneke
Belanger	Frederick	Knaak	Mehrkens	Sieloff
Benson	Frederickson	Knutson	Olson	Storm
Berg	Isackson	Kronebusch	Peterson, D.L.	Ulland
Bernhagen	Johnson, D.E.	Laidig	Ramstad	

Those who voted in the negative were:

Adkins	Dieterich	Lessard	Peterson, D.C.	Spear
Berglin	Frank	Luther	Peterson, R.W.	Stumpf
Bertram	Freeman	Merriam	Petty	Vega
Chmielewski	Hughes	Moe, D. M.	Pogemiller	Waldorf
Dahl	Johnson, D.J.	Moe, R. D.	Purfeerst	Wegscheid
Davis	Jude	Nelson	Reichgott	Willert
DeCramer	Kroening	Novak	Samuelson	
Dicklich	Langseth	Pehler	Schmitz	
Diessner	Lantry	Peterson, C.C.	Solon	

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

Mr. Ulland moved to amend H.F. No. 1259, as amended by the Senate May 10, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 11.)

Page 173, line 21, delete "\$126,000,000" and insert "\$75,000,000"

Page 173, line 24, delete "\$63,000,000" and insert "\$37,500,000"

Page 173, line 26, delete "\$63,000,000" and insert "\$37,500,000"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Kronebusch	Petty	Storm
Belanger	Frederickson	Laidig	Purfeerst	Taylor
Benson	Isackson	Langseth	Ramstad	Ulland
Berg	Johnson, D.E.	McQuaid	Renneke	Waldorf
Bernhagen	Kamrath	Mehrkens	Samuelson	Wegscheid
Bertram	Knaak	Olson	Schmitz	
Brataas	Knutson	Peterson, D.L.	Sieloff	

Those who voted in the negative were:

Adkins	Diessner	Kroening	Nelson	Reichgott
Berglin	Dieterich	Lantry	Novak	Solon
Chmielewski	Frank	Lessard	Pehler	Spear
Dahl	Freeman	Luther	Peterson, C.C.	Stumpf
Davis	Hughes	Merriam	Peterson, D.C.	Vega
DeCramer	Johnson, D.J.	Moe, D. M.	Peterson, R.W.	Willert
Dicklich	Jude	Moe, R. D.	Pogemiller	

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

Mr. Knutson moved to amend H.F. No. 1259, as amended by the Senate May 10, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 11.)

Page 95, after line 26, insert:

"Sec. 2. Minnesota Statutes 1982, section 477A.011, subdivision 2, is amended to read:

Subd. 2. [MUNICIPALITY CITY.] Municipality City means a statutory or home rule charter city of a town."

Page 95, after line 36, insert:

"Sec. 4. Minnesota Statutes 1982, section 477A.011, subdivision 4, is

amended to read:

Subd. 4. [~~EQUALIZED MUNICIPAL CITY MILL RATE.~~] For any calendar year, a ~~municipality's city's~~ equalized ~~municipal city~~ mill rate means ~~its municipal mill rate for taxes payable in that year multiplied by its aggregate sales ratio for the previous year as prepared by the department of revenue pursuant to section 424.2131~~ the sum of its expenditures in the calendar year for general government, public safety, health and welfare, and public works excluding sewage collection and disposal, and including street cleaning but excluding the other components of the sanitation category, according to the uniform chart of accounts developed and maintained by the state auditor, divided by its equalized assessed value for the calendar year.

Sec. 5. Minnesota Statutes 1982, section 477A.011, subdivision 5, is amended to read:

Subd. 5. [~~AVERAGE EQUALIZED MUNICIPAL CITY MILL RATE.~~] For any calendar year aid distribution, a ~~municipality's city's~~ average equalized ~~municipal city~~ mill rate means the arithmetic average of its equalized ~~municipal city~~ mill rate for the ~~three~~ two consecutive calendar years ending two years previous to the aid distribution year."

Page 96, line 16, strike "municipality's" and insert "town's"

Page 96, line 18, delete "municipality" and insert "town"

Page 96, line 25, delete the new language

Page 96, delete lines 26 to 29 and insert "; or"

Page 97, lines 7 and 22, delete "municipality" and insert "town"

Page 97, line 16, delete "except for the cities of Minneapolis and St. Paul,"

Page 98, after line 7, insert:

"Sec. 9. Minnesota Statutes 1982, section 477A.011, subdivision 8, is amended to read:

Subd. 8. [~~PREVIOUS BASE YEAR AID.~~] For the ~~1982 aid distribution,~~ a ~~municipality's previous~~ Base year aid means ~~its~~ the aid amount ~~initially certified for distribution in 1981 computed~~ pursuant to Minnesota Statutes 1980, Sections 477A.01 and 477A.03; ~~notwithstanding the amount withheld pursuant to section 16A.15 because funds in the state treasury were insufficient. For 1983 and all subsequent calendar year aid distributions, previous year aid means aid received pursuant to sections 477A.011 to 477A.014 in the previous calendar year.~~

Page 98, line 11, strike "municipality's" and insert "town's"

Page 98, line 26, delete "municipality" and insert "town" and delete "municipalities" and insert "towns"

Page 98, line 27, delete everything before "any"

Page 98, line 31, delete "municipality's" and insert "town's"

Page 98, after line 33, insert:

"Sec. 11. Minnesota Statutes 1982, section 477A.011, subdivision 11, is

amended to read:

Subd. 11. [EQUALIZED ASSESSED VALUE.] For any calendar year aid distribution, a municipality's city's equalized assessed value means its previous year taxable valuation for taxes payable in that year, adjusted for the contributions and distributions required by chapter 473F in the case of a city or town located within the metropolitan area and less the captured value in any tax increment district, divided by the municipality's city's aggregate sales ratio covering the period ending two years prior to the year of aid distribution."

Page 99, line 13, strike "receive a" and insert "have a preliminary"

Page 99, lines 14 to 16, strike the old language and delete the new language

Page 99, line 20, after the stricken language, insert " sum of the amounts determined under clauses (a), (b), and (c) below:

(a) Each city shall receive \$50 per household;

(b) Fifty percent of the remaining money appropriated for local government aid in that calendar year, after distributions pursuant to section 477A.012; 477A.013, subdivision 1; and clause (a) above, shall be distributed to cities in proportion to the factor obtained by multiplying the city's number of households by the ratio of total per household valuation to the subdivision's per household valuation, relative to the sum of the factors for all cities in the state. As used in this subdivision, "per household valuation" means a city's equalized assessed value for the calendar year two years previous to the aid distribution year, divided by the city's number of households, and "total per household valuation" means the total equalized assessed value for the calendar year two years previous to the aid distribution year for all cities in the state divided by the total number of households for all cities in the state.

(c) An amount equal to the amount distributed through clause (b) shall be distributed to all cities in proportion to the product of its number of households and equalized mill rate relative to that of the other cities in the state.

For the calendar year 1984 distribution, the final aid amount shall be the weighted average of the preliminary distribution, with a weighting factor of 1, and the base year aid, with a weighting factor of 2.

For the calendar year 1985 distribution, the final aid amount shall be the weighted average of the preliminary distribution, with a weighting factor of 2, and the base year aid, with a weighting factor of 1.

For the calendar year 1986 and subsequent year aid distributions, the final aid amount shall be equal to the preliminary aid amount.

Any city which has a population of less than 2,500 according to the 1980 federal census and which receives a distribution pursuant to this section that is less than the distribution it received in 1983, shall receive a supplemental distribution equal to the amount by which the distribution was reduced."

Page 99, line 30, delete "2 or"

Page 100, line 3, delete "and section 12"

Pages 100 and 101, delete section 12 and insert:

“Sec. 17. [477A.017] [UNIFORM FINANCIAL ACCOUNTING AND REPORTING SYSTEM.]

Subdivision 1. [PURPOSE.] Sections 477A.011 to 477A.03 are designed to provide property tax relief to local units of government. In order for the legislature to determine the amounts of relief necessary each year, the legislature must have uniform and current financial information from the governmental units which receive aid distributions. This section is intended to provide that information.

Subd. 2. [STATE AUDITOR'S DUTIES.] The state auditor shall prescribe uniform financial accounting and reporting standards in conformity with national standards.

Subd. 3. [GOVERNOR'S DUTIES.] The governor shall by executive orders constitute a council on county financial accounting and reporting standards and a council on municipal financial accounting and reporting standards to advise the state auditor.

Subd. 4. [CONFORMITY.] Other law to the contrary notwithstanding, in order to receive distributions under sections 477A.011 to 477A.03, counties and cities must conform to the standards set in subdivision 2 in making all financial reports required to be made to the state auditor after June 30, 1984.”

Page 101, line 13, delete “subdivisions 4,”

Page 101, line 14, delete “5, 8, and” and insert “subdivision”

Page 101, line 16, delete “13” and insert “18”

Renumber the sections in sequence

Correct the internal cross-references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 30 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Johnson, D.E.	Laidig	Renneke
Belanger	Frank	Jude	McQuaid	Schmitz
Benson	Frederick	Kamrath	Mehrkens	Storm
Berg	Frederickson	Knaak	Olson	Stumpf
Bernhagen	Freeman	Knutson	Peterson, D.L.	Taylor
Bertram	Isackson	Kronebusch	Ramstad	Vega

Those who voted in the negative were:

Adkins	Diessner	Luther	Peterson, D.C.	Sieloff
Berglin	Dieterich	Merriam	Peterson, R.W.	Solon
Chmielewski	Johnson, D.J.	Moe, D. M.	Petty	Spear
Dahl	Kroening	Moe, R. D.	Pogemiller	Waldorf
Davis	Langseth	Nelson	Purfeerst	Wegscheid
DeCramer	Lantry	Pehler	Reichgott	Willet
Dicklich	Lessard	Peterson, C.C.	Samuelson	

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

Mr. Benson moved to amend H.F. No. 1259, as amended by the Senate May 10, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 11.)

Page 57, after line 27, insert:

“Sec. 40. [REPEALER.]

Minnesota Statutes 1982, section 290.01, subdivisions 20f and 28, are repealed.”

Page 57, line 34, before “*The*” insert “*Section 40 is effective for property placed in service after December 31, 1982.*”

Re number the sections in sequence

Correct any internal cross-references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 41, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Kamrath	McQuaid	Renneke
Belanger	Frederick	Knaak	Mehrkens	Sieloff
Benson	Frederickson	Knutson	Olson	Storm
Berg	Isackson	Kronebusch	Peterson, D.L.	Taylor
Bernhagen	Johnson, D.E.	Laidig	Ramstad	Ulland

Those who voted in the negative were:

Adkins	Frank	Luther	Peterson, R.W.	Stumpf
Berglin	Freeman	Merriam	Petty	Vega
Bertram	Hughes	Moe, D. M.	Pogemiller	Waldorf
Chmielewski	Johnson, D.J.	Moe, R. D.	Purfeerst	Wegscheid
Dahl	Jude	Nelson	Reichgott	Willet
Davis	Kroening	Novak	Samuelson	
DeCramer	Langseth	Pehler	Schmitz	
Diessner	Lantry	Peterson, C.C.	Solon	
Dieterich	Lessard	Peterson, D.C.	Spear	

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

Mr. Isackson moved to amend H.F. No. 1259, as amended by the Senate May 10, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 11.)

Pages 152 through 154, delete sections 19, 20 and 21

Page 158, line 36, delete “*taxable years beginning*” and insert “*gain realized*”

Page 159, line 11, delete “*to 21*”

Re number the sections in sequence

Correct any internal cross-references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 38, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knutson	Olson	Storm
Belanger	Frederickson	Kronebusch	Peterson, D.L.	Ulland
Berg	Isackson	Laidig	Petty	
Bernhagen	Johnson, D.E.	Lessard	Ramstad	
Brataas	Kamrath	McQuaid	Renneke	
Dieterich	Knaak	Mehrkens	Sieloff	

Those who voted in the negative were:

Adkins	Frank	Luther	Peterson, D.C.	Spear
Berglin	Freeman	Merriam	Peterson, R.W.	Stumpf
Bertram	Hughes	Moe, D. M.	Pogemiller	Vega
Chmielewski	Johnson, D.J.	Moe, R. D.	Purfeerst	Waldorf
Dahl	Jude	Nelson	Reichgott	Wegscheid
Davis	Kroening	Novak	Samuelson	Willet
DeCramer	Langseth	Pehler	Schmitz	
Diessner	Lantry	Peterson, C.C.	Solon	

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

Mr. Belanger moved to amend H.F. No. 1259, as amended by the Senate May 10, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 11.)

Page 120, delete section 6

Page 120, line 22, delete "6" and insert "5"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 24, delete "and extending it"

Page 1, line 25, delete "to motor vehicles"

Page 2, line 37, delete "297B.02, as amended;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knutson	Olson	Storm
Belanger	Frederickson	Kronebusch	Peterson, D.L.	Stumpf
Berg	Isackson	Laidig	Ramstad	Ulland
Bernhagen	Johnson, D.E.	Lessard	Renneke	Wegscheid
Bertram	Kamrath	McQuaid	Schmitz	
Brataas	Knaak	Mehrkens	Sieloff	

Those who voted in the negative were:

Adkins	Diessner	Kroening	Novak	Reichgott
Berglin	Dieterich	Langseth	Pehler	Samuelson
Chmielewski	Frank	Lantry	Peterson, C.C.	Solon
Dahl	Freeman	Luther	Peterson, D.C.	Spear
Davis	Hughes	Merriam	Peterson, R.W.	Vega
DeCramer	Johnson, D.J.	Moe, R. D.	Petty	Waldorf
Dieklich	Jude	Nelson	Pogemiller	Willet

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

Mrs. McQuaid moved to amend H.F. No. 1259, as amended by the Senate May 10, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 11.)

Page 190, after line 25, insert:

“ARTICLE 18

Section 1. Minnesota Statutes 1982, section 290.06, subdivision 14, is amended to read:

Subd. 14. [RESIDENTIAL ENERGY CREDIT.] A credit of 20 percent of the first \$10,000 of renewable energy source expenditures, including the expenditures described in clauses (a), (b) and (d) if made by an individual taxpayer on a Minnesota building of six dwelling units or less and expenditures for biomass conversion equipment described in clause (c), *and a credit of 15 percent of the first \$2,000 of energy conservation expenditures made by a taxpayer and installed in or on a dwelling unit located in Minnesota*, may be deducted from the tax due under this chapter for the taxable year in which the expenditures were made. For purposes of this subdivision, the term “building” shall include a condominium or townhouse used by the taxpayer as a residence. In the case of qualifying expenditures incurred in connection with a building under construction by a contractor, the credit shall be deducted from the tax liability of the first individual to purchase the building for use as a principal residence or for residential rental purposes; the contractor shall not be eligible for the credit given pursuant to this subdivision for that expenditure.

A “renewable energy source expenditure” which qualifies shall include:

(a) Expenditures which qualify for the federal renewable energy source credit, pursuant to Section 44C of the Internal Revenue Code of 1954, as amended through December 31, ~~1981~~ 1982, and any regulations promulgated pursuant thereto, provided that, after December 31, 1980, any solar collector included in the claimed expenditure is certified by the commissioner of energy, planning and development. A solar collector is a device designed to absorb incident solar radiation, convert it to thermal energy, and transfer the thermal energy to a fluid passing through or in contact with the device. “Solar collector” shall not include passive solar energy systems as defined in clause (d);

(b) Expenditures for earth sheltered dwelling units. For purposes of this credit, an “earth sheltered dwelling unit” shall mean a structure which complies with applicable building standards and which is constructed so that:

(1) 80 percent or more of the roof area is covered with a minimum depth of 12 inches of earth; and

(2) 50 percent or more of the wall area is covered with a minimum depth of 12 inches of earth; and

(3) Those portions of the structure not insulated with a minimum of seven feet of earth shall have additional insulation;

(c) Expenditures for biomass conversion equipment located in Minnesota which produces ethanol, methane or methanol for use as a gaseous or as a

liquid fuel which is not offered for sale; and

(d) Expenditures for passive solar energy systems. For purposes of this credit, a "passive solar energy system" is defined to include systems which utilize elements of the building and its operable components to heat or cool a building with the sun's energy by means of conduction, convection, radiation, or evaporation. A passive system shall include:

(1) Collection aperture, including glazing installed in south facing walls and roofs; and

(2) Storage element, including thermal mass in the form of water, masonry, rock, concrete, or other mediums which is designed to store heat collected from solar radiation.

A passive system may include either or both:

(1) Control and distribution element, including fans, louvers, and air ducts;
or

(2) Retention element, including movable insulation used to minimize heat loss caused by nocturnal radiation through areas used for direct solar heat gain during daylight hours.

Eligible passive expenditures shall be for equipment, materials or devices that are an integral part of the components listed above and essential to the functioning of a passive design which qualifies pursuant to rules adopted by the commissioner of revenue in cooperation with the commissioner of energy, planning and development. Expenditures for equipment, materials, or devices which are a part of the normal heating, cooling, or insulation system of a building are not eligible for the credit.

An "energy conservation expenditure" is an expenditure which qualifies for the federal energy conservation credit pursuant to section 44C of the Internal Revenue Code of 1954, as amended through December 31, 1982, and any regulations promulgated pursuant thereto.

If a credit for a renewable energy source expenditure was allowed to a taxpayer under this subdivision for any prior taxable year, the dollar amount of the maximum renewable energy source expenditure for which a taxpayer may qualify for a credit under this subdivision in subsequent years shall be \$10,000 reduced by the amount of renewable energy source expenditures which a credit was claimed pursuant to this subdivision in prior years. A taxpayer shall never be allowed to claim more than \$10,000 of expenditures during the duration of the renewable energy credit.

If a credit for an energy conservation expenditure was allowed to a taxpayer under this subdivision for any prior taxable year, the dollar amount of the maximum energy conservation expenditure for which a taxpayer may qualify for a credit under this subdivision in subsequent years shall be \$2,000 reduced by the amount of energy conservation expenditures which a credit was claimed pursuant to this subdivision in prior years. A taxpayer shall never be allowed to claim more than \$2,000 of expenditures during the duration of the energy conservation credit.

The A credit provided in this subdivision shall not be allowed in a taxable year if the amount sum of the credit credits would be less than \$10.

If ~~the~~ a credit allowable under this subdivision exceeds the amount of tax due in a taxable year, the excess credit shall not be refunded but may be carried forward to the succeeding taxable year and added to the credit allowable for that year. No amount may be carried forward to a taxable year beginning after December 31, 1987.

A shareholder in a family farm corporation and each partner in a partnership operating a family farm shall be eligible for the ~~credit~~ *credits* provided by this subdivision in the same manner and to the same extent allowed a joint owner of property under section 44C (d) of the Internal Revenue Code of 1954, as amended through December 31, ~~1981~~ 1982. "Family farm corporation" and "family farm" have the meanings given in section 500.24.

The ~~credit~~ *credits* provided in this subdivision ~~is~~ *are* subject to the provisions of Section 44C, (c) (7) and (10), (d) (1) to (3), and (e), of the Internal Revenue Code of 1954, as amended through December 31, ~~1981~~ 1982, and any regulations promulgated pursuant thereto.

The commissioner of revenue in cooperation with the commissioner of energy, planning and development shall adopt rules establishing additional qualifications and definitions for the credits provided in this subdivision.

Notwithstanding section 290.61, the commissioner of revenue may request the commissioner of energy, planning and development to assist in the review and auditing of the information furnished by the taxpayer for purposes of claiming this credit. The provisions of section 290.61 shall apply to employees of the department of energy, planning and development who receive information furnished by a taxpayer for purposes of claiming this credit.

The commissioner of energy, planning and development shall adopt rules establishing the criteria for certification of solar collectors as required by clause (a). The criteria shall:

- (1) Specify the testing procedures to be used in the evaluation of solar collectors;
- (2) Establish minimum levels of collector quality for safety;
- (3) Provide a means to determine the maintainability and structural integrity of solar collectors;
- (4) Establish a system for evaluating and rating the thermal performance of solar collectors;
- (5) Specify the procedures to follow to obtain certification of a solar collector;
- (6) Conform to the maximum extent practicable to the solar collector certification requirements of other states which have adopted certification procedures; and
- (7) Allow for individual variation so as not to hamper the development of innovative solar collectors.

The commissioner of energy, planning and development may adopt temporary rules pursuant to sections 14.29 to 14.36 to establish this certifica-

tion procedure.

~~This subdivision~~ *The credit for renewable energy source expenditures is effective for expenditures made during taxable years beginning after December 31, 1978 and before January 1, 1986. The credit for energy conservation expenditures is effective for expenditures made in taxable years beginning after December 31, 1982, and before January 1, 1986.*"

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 38, as follows:

Those who voted in the affirmative were:

Anderson	Chmielewski	Kamrath	Mehrkens	Storm
Belanger	Dahl	Knaak	Olson	Taylor
Benson	Frederick	Knutson	Peterson, D.L.	Ulland
Berg	Frederickson	Kronebusch	Ramstad	Wegscheid
Bernhagen	Isackson	Laidig	Renneke	
Brataas	Johnson, D.E.	McQuaid	Sieloff	

Those who voted in the negative were:

Adkins	Frank	Luther	Peterson, D.C.	Solon
Berglin	Hughes	Merriam	Peterson, R.W.	Spear
Bertram	Johnson, D.J.	Moe, D. M.	Petty	Stumpf
Davis	Jude	Moe, R. D.	Pogemiller	Vega
DeCramer	Kroening	Nelson	Purfeerst	Waldorf
Dicklich	Langseth	Novak	Reichgott	Willet
Diessner	Lantry	Pehler	Samuelson	
Dieterich	Lessard	Peterson, C.C.	Schmitz	

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

Mr. Laidig moved to amend H.F. No. 1259, as amended by the Senate May 10, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 11.)

Page 174, line 36, delete everything after "Section 1."

Page 175, delete lines 1 to 12, and insert:

"[REPEALER.]

Minnesota Statutes 1982, section 340.986, is repealed."

Amend the title as follows:

Page 1, line 41, delete "imposing a" and insert "abolishing the"

Page 1, line 42, delete "retail" and insert "on-sale"

Page 2, line 39, delete "340.986;"

Page 2, line 53, after "298.75;" insert "340.986;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 39, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kronebusch	Peterson, D.L.	Taylor
Benson	Isackson	Laidig	Ramstad	Ulland
Berg	Johnson, D.E.	Lessard	Renneke	
Bernhagen	Kamrath	McQuaid	Schmitz	
Brataas	Knaak	Mehrkens	Sieloff	
Frederick	Knutson	Olson	Storm	

Those who voted in the negative were:

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

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

Mr. Ulland moved to amend H.F. No. 1259, as amended by the Senate May 10, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 11.)

Page 20, line 27, before the period insert “;

(h) If a taxpayer renders services to a charitable institution, incurs unreimbursed transportation costs which are allowed as a deduction under section 170 of the Internal Revenue Code, and elects to use the standard mileage rate allowed for such expenses, add the amount by which the expense computed at the standard mileage rate which is allowed for business expenses exceeds the expenses computed at the standard mileage rate allowed under section 170 of the Internal Revenue Code. This amount is subject to the limitation contained in clause (g)”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 40, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knutson	Peterson, D.L.	Ulland
Belanger	Frederickson	Kronebusch	Ramstad	Vega
Benson	Isackson	Laidig	Renneke	
Berg	Johnson, D.E.	McQuaid	Sieloff	
Bernhagen	Kamrath	Mehrkens	Storm	
Brataas	Knaak	Olson	Taylor	

Those who voted in the negative were:

Adkins	Diessner	Langseth	Pehler	Samuelson
Berglin	Dieterich	Lantry	Peterson, C.C.	Schmitz
Bertram	Frank	Lessard	Peterson, D.C.	Solon
Chmielewski	Freeman	Luther	Peterson, R.W.	Spear
Dahl	Hughes	Merriam	Petty	Stumpf
Davis	Johnson, D.J.	Moe, D. M.	Pogemiller	Waldorf
DeCramer	Jude	Moe, R. D.	Purfeerst	Wegscheid
Dicklich	Kroening	Nelson	Reichgott	Willet

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

H.F. No. 1259 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 35 and nays 32, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Lantry	Novak	Reichgott
Berglin	Dieterich	Lessard	Pehler	Schmitz
Brataas	Frank	Luther	Peterson, C. C.	Solon
Chmielewski	Freeman	Merriam	Peterson, D. C.	Spear
Dahl	Hughes	Moe, D. M.	Peterson, R. W.	Stumpf
Davis	Johnson, D. J.	Moe, R. D.	Pogemiller	Vega
Dicklich	Kroening	Nelson	Purfeerst	Willet

Those who voted in the negative were:

Anderson	Frederick	Knutson	Peterson, D. L.	Taylor
Belanger	Frederickson	Kronebusch	Petty	Ulland
Benson	Isackson	Laidig	Ramstad	Waldorf
Berg	Johnson, D. E.	Langseth	Renneke	Wegscheid
Bernhagen	Jude	McQuaid	Samuelson	
Bertram	Kamrath	Mehrkens	Sieloff	
DeCramer	Knaak	Olson	Storm	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Johnson, D.J. moved that S.F. No. 11, No. 60 on Special Orders, be stricken and laid on the table. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 7:30 p.m. The motion prevailed.

The hour of 7:30 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Messages From the House and First Reading of House Bills. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 598.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 1983

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 1168.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 1983

Mr. President:

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

S.F. No. 1003: A bill for an act relating to public welfare; establishing a medical assistance social health maintenance organization demonstration project; proposing new law coded in Minnesota Statutes, chapter 256B.

Senate File No. 1003 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 9, 1983

Mr. Petty moved that the Senate do not concur in the amendments by the House to S.F. No. 1003, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 292: A bill for an act relating to public welfare; defining persons responsible for a child's care under the child abuse reporting law; amending Minnesota Statutes 1982, section 626.556, subdivisions 2, 7, and 10.

Senate File No. 292 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 1983

Mr. Luther moved that the Senate do not concur in the amendments by the House to S.F. No. 292, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 398: A bill for an act relating to vulnerable adults; refining the Vulnerable Adults Reporting Act; specifying reporting requirements; specifying access to reports; preventing record destruction; amending Minnesota Statutes 1982, section 626.557, subdivisions 2, 3, 4, 10, 12, 14, and by adding a subdivision; repealing Minnesota Statutes 1982, section 626.557, subdivision 12a.

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

Clawson, Greenfield and Blatz.

Senate File No. 398 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 1983

Mr. President:

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

S.F. No. 639: A bill for an act relating to energy; changing a cross-reference for nonpublic data reporting; amending the definition of "earth sheltered"; changing the due date of biennial energy reports; amending Minnesota Statutes 1982, sections 13.68, subdivision 1; 116J.06, subdivision 2; and 116J.18, subdivision 1.

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

Piper, Voss and Waltman.

Senate File No. 639 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 1983

Mr. President:

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

S.F. No. 463: A bill for an act relating to port authorities; authorizing revenue bond financing of certain facilities; eliminating the interest rate limit on revenue bonds and authorizing private sale; clarifying contractual and operational authority of port authorities; amending Minnesota Statutes 1982, sections 458.192, subdivisions 1, 4, and by adding a subdivision; 458.194, subdivisions 2, 3, and by adding a subdivision; and 458.195, by adding a subdivision.

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

Cohen, Riveness and Pauly.

Senate File No. 463 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 1983

Mr. President:

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

S.F. No. 800: A bill for an act relating to health; providing for retention

and destruction of certain medical records; amending Minnesota Statutes 1982, section 145.32.

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

Brandt, Swanson and Blatz.

Senate File No. 800 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 1983

Mr. President:

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

S.F. No. 892: A bill for an act relating to insurance; authorizing the establishment of joint self-insurance employee health plans; providing administrative, trust, bonding, investment, and reporting requirements; establishing a quarterly revenue fee; proposing new law coded as Minnesota Statutes, chapter 62H.

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

Berkelman, Metzen and Kvam.

Senate File No. 892 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 1983

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1259:

H.F. No. 1259: A bill for an act relating to the operation of government in this state; modifying the definition of gross income; adopting federal definitions of itemized deductions; updating the references to the Internal Revenue Code; extending the duration of the temporary income tax surtax and changing its computation; modifying the deduction of federal income taxes; assigning certain gambling winnings by nonresidents to Minnesota; imposing withholding tax on certain gambling winnings and horse racing purses; repealing certain income tax credits for pollution control expenditures; limiting the subtraction for unemployment compensation; providing for timely payment of withholding income taxes; modifying the dependent care credit; providing for certain studies; changing the refund method for the sales tax on electricity used in agricultural production; clarifying the uses of funds from the non-game wildlife checkoff; making the six percent sales and use tax rate permanent; increasing the motor vehicle excise tax rate to six percent; modifying the enterprise zone law; providing for state tax incentives in enterprise zones; limiting the number of enterprise zones; reducing the corporate income tax rate; eliminating the deduction for certain income and franchise taxes paid by corporations; changing the deduction for corporate capital gains; providing small business investment credits;

providing an additional research credit; modifying the definition of market value; requiring additional information on the certificate of value; mandating that homestead affidavits be filed in all counties; requiring that all contracts for deed be recorded; restricting the use of sales ratio studies as evidence; eliminating the agricultural mill rate credit on farm homes; increasing the agricultural mill rate credit on certain property and providing a maximum credit amount; clarifying the property classification for certain timber property; modifying the wetlands credit; modifying the utility property tax credit; changing certain property tax classification ratios; exempting contracts for deed from the mortgage registry tax and providing penalties for failure to file; exempting cities and towns with populations under 5,000 from levy limitations; modifying the method by which levy limitations are calculated; adding a special levy for certain county purposes; establishing a new homestead credit formula for certain homestead property; modifying the property tax refund formula and increasing the maximum credit; changing the payment dates for the property tax refund; altering the sales tax on liquor, wine, and beer; changing the excise tax credit on fermented malt beverages; delaying the effective date of the rent capitalization method used in assessing agricultural land; repealing the native prairie credit and reimbursement; repealing the wetlands reimbursement; modifying school district cash flow; establishing school aid payment dates for fiscal year 1985 and thereafter; requiring that property taxes be paid 15 days earlier; altering property tax settlement dates; modifying the local government aids distribution formula for counties, cities, and towns; phasing out attached machinery aids and reduced assessment aids; enacting the multi-state tax compact; changing the definition of basic cost of cigarettes for purposes of the unfair cigarette sales act; appropriating money; amending Minnesota Statutes 1982, sections 116J.42, subdivision 7; 124.2137, subdivision 1; 272.02, subdivision 1; 272.03, subdivision 8; 272.115, subdivision 1; 273.11, subdivision 1; 273.115, subdivisions 1, 2, and 3; 273.13, subdivisions 6, 6a, 7, 8a, 9, 11, 14a, 17, 17b, 17c, 20, and by adding a subdivision; 273.1312, subdivisions 2, 3, 4, and 5; 273.1313, subdivisions 1, 2, 3, and 5; 273.138, by adding a subdivision; 273.139, by adding a subdivision; 275.50, subdivision 2, and by adding subdivisions; 275.51, by adding subdivisions; 275.53, by adding a subdivision; 276.09; 276.10; 276.11; 278.01, subdivisions 1 and 2; 278.03; 278.05, subdivisions 4 and 5; 279.01, subdivision 1; 287.05, subdivision 1; 290.01, subdivisions 19, 20, 20a, as amended, 20b, as amended, and 20f; 290.05, subdivision 6; 290.06, subdivisions 1, 2e, as amended, 11, and 14; 290.067, subdivisions 1 and 2; 290.068, by adding a subdivision; 290.09, subdivisions 1, 2, 3, as amended, 4, 5, 28, and 29; 290.091; 290.14; 290.16, subdivision 4; 290.17, subdivision 2; 290.18, subdivisions 1 and 2; 290.21, subdivisions 1 and 3; 290.23, subdivision 5; 290.31, subdivisions 2 and 3; 290.39, subdivision 2; 290.431; 290.46; 290.92, subdivisions 2a, 6, and by adding subdivisions; 290A.03, subdivisions 3, 6, 8, 11, 13, as amended, and by adding a subdivision; 290A.04, subdivisions 1, 2, 2a, 2b, and 3; 290A.07, subdivision 2a; 290A.16; 290A.18; 290A.19; 297A.02, as amended; 297A.03, subdivision 2, as amended; 297A.14, as amended; 297A.35, subdivision 3; 297B.02, as amended; 325D.32, subdivision 9; 340.14, subdivision 1; 340.47, subdivision 2; 473F.08, subdivision 7a; 477A.011, subdivisions 6, 7, 10, and by adding subdivisions; 477A.012; 477A.013; 477A.014, subdivision 1; and Laws 1981, First Special Session chapter 1, article II, section 25; and Third Special Session chapter 2, article III, section 22, as amended; proposing new law coded in Minnesota Statutes, chapters 116C; 124; 273; 290; 477A; and 507; repealing Minnesota Statutes 1982,

sections 273.116; 273.138, subdivisions 1, 2, 3, 4, 5, and 6; 273.139, subdivisions 1 and 2; 273.42, subdivision 2; 273.425; 275.51, subdivisions 3e and 5; 290.01, subdivisions 23, 27, and 28; 290.032, subdivision 5; 290.06, subdivisions 9 and 9a; 290.077, subdivision 2; 290.08, subdivision 25; 290.09, subdivisions 10, 15, 22, and 27; 290.21, subdivision 3a; 290.501; 290A.07, subdivision 3; 340.986; 352C.07; 477A.011, subdivisions 8 and 9; and Laws 1982, chapter 523, article VII, section 3; and Third Special Session chapter 1, article V, section 4.

And the House respectfully requests that a Conference Committee of five members be appointed thereon:

Tomlinson, Brandl, Vanasek, Eken and Sieben have been appointed as such committee on the part of the House.

House File No. 1259 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 10, 1983

Mr. Johnson, D.J. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1259, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 435, 495, 855, 875, 782 and 1224.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 10, 1983

FIRST READING OF HOUSE BILLS

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

H.F. No. 435: A bill for an act relating to crimes; establishing degrees of burglary; prescribing penalties; providing mandatory terms of incarceration; proposing new law coded in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1982, section 609.58.

Referred to the Committee on Rules and Administration for comparison with S.F. No 483, now on Special Orders.

H.F. No. 495: A bill for an act relating to mental health; regulating the collection, use, and disclosure of mental health agency data; amending Minnesota Statutes 1982, section 245.69, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 674, now on Special Orders.

H.F. No. 855: A bill for an act relating to contracts; prohibiting the en-

forcement of indemnification agreements in construction contracts; proposing new law coded as Minnesota Statutes, chapter 337.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1142, now on Special Orders.

H.F. No. 875: A bill for an act relating to the city of Bloomington; permitting the establishment of special service districts; providing taxing and other financial authority for Bloomington.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 782: A bill for an act relating to courts; providing for increases in maximum authorized fines for crimes and petty misdemeanors; increasing the value of stolen property necessary for felony theft; increasing the maximum government tort liability limits; amending Minnesota Statutes 1982, sections 3.736, subdivision 4; 466.04, subdivisions 1 and 3; 609.02, subdivisions 3, 4, and 4a; 609.03; and 609.52, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1982, sections 609.031 and 609.032.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 795, now on Special Orders.

H.F. No. 1224: A bill for an act relating to occupations and professions; regulating the period of time between professional boxing contests, matches, or exhibitions; amending Minnesota Statutes 1982, section 341.115; proposing new law coded in Minnesota Statutes, chapter 341.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 952, now on Special Orders.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Waldorf moved that H.F. No. 1283 be taken from the table. The motion prevailed.

H.F. No. 1283: A bill for an act relating to the organization and operation of state government; appropriating money for education and related purposes to the department of education, higher education coordinating board, state university board, state community college board, University of Minnesota, and the Mayo medical foundation, with certain conditions; establishing a state board of vocational technical education; providing it and certain independent and intermediate school districts operating vocational technical schools with certain powers and duties; changing the authority and duties of the above named agencies, or one or more of them, or certain of their advisory councils with respect to governance, duration of existence, disposition of property, employment and compensation of personnel, tuition, institutional closings, gifts, appropriations, parking fees, scholarships, grants-in-aid, planning, hospital charges, and related educational matters; amending Minnesota Statutes 1982, sections 43A.18, subdivision 4; 120.17, subdivision 7a; 121.212, subdivision 2; 121.931, subdivision 7; 121.934, subdivision 2; 123.742, by adding a subdivision; 123.743; 124.48; 125.05, by adding a subdivision; 136.03; 136.034; 136.11, subdivision 1; 136.144; 136.62, by adding a subdivision; 136.63, subdivision 1a; 136.67, by adding a subdivision; 136A.121; 136A.14; 136A.141;

136A.143; 136A.15; 136A.16; 136A.17; 136A.26; 136A.29, subdivisions 2 and 9; 136A.42; and 158.05; proposing new law coded in Minnesota Statutes, chapters 136 and 136A; proposing new law coded as Minnesota Statutes, chapter 135A; and 136C; repealing Minnesota Statutes 1982, sections 121.11, subdivision 1; 121.217; 121.902, subdivision 1a; 121.936, subdivision 6; 124.53; 136A.144; 136A.145; 136A.146; 136A.161; 136A.18; 136A.19; 136A.20; 136A.21; and 136A.22.

SUSPENSION OF RULES

Mr. Waldorf moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1283 and that the rules of the Senate be so far suspended as to give H.F. No. 1283 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1283 was read the second time.

Mr. Waldorf moved to amend H.F. No. 1283 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 1283, and insert the language after the enacting clause, and the title, of S.F. No. 1232, as introduced.

The motion prevailed. So the amendment was adopted.

Mr. Waldorf moved that S.F. No. 1232 be laid on the table. The motion prevailed.

CALL OF THE SENATE

Mr. Waldorf imposed a call of the Senate for the balance of the proceedings on H.F. No. 1283. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Renneke moved to amend H.F. No. 1283, as amended by the Senate on May 10, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 1232.)

Page 7, line 54, delete "103,661,900" and insert "105,069,900" and delete "103,131,100" and insert "104,568,100"

Page 8, line 54, delete "50,645,000" and insert "51,343,000" and delete "51,778,200" and insert "52,502,200"

Page 9, line 51, delete "293,160,900" and insert "295,688,500" and delete "297,066,500" and insert "299,689,000"

Page 10, line 1, delete "244,422,200" and insert "246,949,800" and delete "244,422,200" and insert "247,044,700"

Page 10, line 14, delete "\$241,014,800" and insert "\$243,542,400"

Page 10, line 15, delete "\$241,922,200" and insert "\$244,544,700"

Page 10, line 24, delete "\$117,188,700" and insert "\$114,661,100"

Page 10, line 26, delete "\$123,712,400" and insert "\$121,089,900"

Page 10, line 52, delete "\$243,107,300" and insert "\$237,702,800"

Page 10, line 53, delete "\$252,277,500" and insert "\$247,003,400"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 38, as follows:

Those who voted in the affirmative were:

Anderson	Dieterich	Johnson, D.E.	McQuaid	Renneke
Belanger	Frederick	Kamrath	Mehrkens	Sieloff
Berg	Frederickson	Knaak	Olson	Storm
Bernhagen	Freeman	Kronebusch	Peterson, D.L.	Stumpf
DeCramer	Isackson	Laidig	Ramstad	Ulland

Those who voted in the negative were:

Adkins	Frank	Merriam	Peterson, R.W.	Spear
Berglin	Hughes	Moe, D. M.	Petty	Taylor
Bertram	Johnson, D.J.	Moe, R. D.	Pogemiller	Vega
Chmielewski	Jude	Nelson	Purfeerst	Waldorf
Dahl	Kroening	Novak	Reichgott	Wegscheid
Davis	Langseth	Pehler	Samuelson	Willet
Dicklich	Lantry	Peterson, C.C.	Schmitz	
Diessner	Luther	Peterson, D.C.	Solon	

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

Mr. Renneke then moved to amend H.F. No. 1283, as amended by the Senate on May 10, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 1232.)

Pages 16 to 18, delete sections 11, 12, and 13

Pages 18 and 19, delete section 15

Page 43, line 36, delete "32, 35, and 39" and insert "28, 31, and 35"

Page 44, line 2, delete "33, 34, 36, 37, 38, and 42" and insert "29, 30, 32, 33, 34, and 38"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 19, delete "chapters 135A; and" and insert "chapter"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 13 and nays 48, as follows:

Those who voted in the affirmative were:

Anderson	Bernhagen	Isackson	McQuaid	Sieloff
Belanger	Frederick	Kamrath	Peterson, D.L.	
Benson	Frederickson	Kronebusch	Renneke	

Those who voted in the negative were:

Adkins	Dieterich	Lantry	Peterson, D.C.	Spear
Berg	Frank	Lessard	Peterson, R.W.	Stumpf
Berglin	Freeman	Luther	Petty	Taylor
Bertram	Hughes	Mehrkens	Pogemiller	Ulland
Chmielewski	Johnson, D.E.	Merriam	Purfeerst	Vega
Dahl	Johnson, D.J.	Moe, R. D.	Ramstad	Waldorf
Davis	Jude	Nelson	Reichgott	Wegscheid
DeCramer	Knaak	Novak	Samuelson	Willet
Dicklich	Kroening	Olson	Schmitz	
Diessner	Langseth	Pehler	Solon	

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

Ms. Olson moved to amend H.F. No. 1283, as amended by the Senate May 10, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 1232.)

Page 34, line 21, delete "CHANCELLOR" and insert "COMMISSIONER"

Page 34, line 21, delete "*Chancellor*" and insert "*Commissioner*" in both places

Page 36, lines 16, 19, 29, 31, 33, 35, and 36, delete "*chancellor*" and insert "*commissioner*"

Page 36, line 28, delete "CHANCELLOR" and insert "COMMISSIONER"

The motion prevailed. So the amendment was adopted.

H.F. No. 1283 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 56 and nays 9, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Belanger	Bernhagen	Kamrath	Merriam	Spear
Benson	Dieterich	Kronebusch	Peterson, D.C.	

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

SUSPENSION OF RULES

Mr. Langseth moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 1233 and that the rules of the Senate be so far suspended as to give S.F. No. 1233 its second and third reading and place it on its final passage. The motion prevailed.

S.F. No. 1233: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and for other agencies with certain conditions; fixing and limiting fees; providing for adjustments of responsibilities of the department of agriculture for soil and water conservation; allowing limited donation of accumulated vacation time by certain law enforcement employees to their union

representative; providing for deposit of proceeds of assessment by the assigned risk review board; regulating financial assistance to public transit systems; limiting certain hearing functions of the transportation regulation board; transferring certain rules authority to the transportation regulation board; reducing membership and establishing terms of members of the public utilities commission; defining enforcement powers of the hazardous material specialists and transportation representatives of the department of transportation; defining terms and requirements for building movers; crediting certain receipts of the commissioner of transportation to the trunk highway fund; providing for certain costs to be paid from the trunk highway fund; authorizing the commissioner of transportation to enforce certain carrier regulations; extending retirement coverage of certain employees of the department of transportation from age 60 to age 62 and providing for disability benefits; transferring and renaming the air transportation revolving account; instructing the commissioner of transportation to charge users of certain air transportation services for certain costs; limiting fare increases by the metropolitan transit commission; basing taxing for the metropolitan transit taxing district upon the level of transit service provided; providing for the disposition of proceeds of certain trunk highway bonds; reducing the amount appropriated from the bridge construction account in the trunk highway fund to the department of transportation; amending Minnesota Statutes 1982, sections 12.14; 17A.04, subdivision 5; 18.51, subdivision 2; 18.52, subdivision 5; 18.53; 18.54; 18A.22, subdivisions 5 and 7; 18A.26; 27.041, subdivision 2; 28A.08; 28A.09; 32.075; 32.59; 34.02; 34.05, subdivision 1; 40.03, subdivision 2, as amended; 43A.04, by adding a subdivision; 79.251, subdivision 1; 155A.07, subdivision 7; 155A.08, subdivision 5; 169.81, subdivision 3b; 169.86, subdivision 5; 169.862; 170.23; 171.26; 171.29, subdivision 2; 173.07, subdivision 2; 173.08, subdivision 1; 173.13, subdivision 4; 174.24, subdivision 3; 174A.02, subdivision 2; 174A.06; 216A.03, subdivision 1; 221.061; 221.071; 221.131; 221.221; 221.296, subdivision 5; 221.64; 221.81; 296.17, subdivisions 10, 17, and 20; 296.25, subdivision 1; 299C.46, subdivision 3; 352.86, subdivisions 1, 2, and by adding a subdivision; 360.018, subdivision 1; 360.63; 473.408, subdivision 3 and by adding a subdivision; 473.446, subdivision 1, as amended; 500.221, subdivision 4; 626.88, subdivision 2; Laws 1975, chapter 235, section 2; Laws 1977, chapter 277, sections 1 and 3, subdivision 1; and Laws 1983, chapter 17, section 12; proposing new law coded in Minnesota Statutes, chapters 10A; 221; 299C; and 360; repealing Minnesota Statutes 1982, sections 24.24; 24.25; 24.26; 24.27; 24.28; 24.29; 24.30; 24.31; 160.26, subdivision 3; 174.265; and 174A.07.

S.F. No. 1233 was read the second time.

Mr. Ramstad moved to amend S.F. No. 1233 as follows:

Page 6, delete line 4 and insert:

“\$ 4,825,000 \$ 4,825,000”

Page 6, delete line 19 and insert:

“\$ 5,259,200 \$ 5,259,200”

Page 6, delete line 21 and insert:

“\$ 9,703,300 \$ 9,703,300”

Page 6, line 25, delete "\$4,987,500" and insert "\$4,537,500"

Page 6, line 26, delete "\$4,987,500" and insert "\$4,537,500"

CALL OF THE SENATE

Mr. Langseth imposed a call of the Senate for the balance of the proceedings on S.F. No. 1233. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the Ramstad amendment.

The roll was called, and there were yeas 18 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kronebusch	Olson	Storm
Belanger	Isackson	Laidig	Peterson,D.L.	Taylor
Benson	Johnson, D.E.	McQuaid	Ramstad	
Bernhagen	Kamrath	Mehrkens	Sieloff	

Those who voted in the negative were:

Adkins	Dieterich	Langseth	Peterson,R.W.	Stumpf
Berglin	Frank	Lantry	Petty	Vega
Bertram	Freeman	Lessard	Pogemiller	Waldorf
Chmielewski	Hughes	Luther	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Merriam	Reichgott	Willet
Davis	Jude	Moe, R. D.	Samuelson	
DeCramer	Knaak	Pehler	Schmitz	
Diessner	Kroening	Peterson,D.C.	Spear	

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

Mr. Berg moved to amend S.F. No. 1233 as follows:

Page 9, delete lines 37 to 57

Page 48, line 29, delete "*three*" and reinstate the stricken language

Page 48, reinstate lines 30 to 35

Page 49, line 3, delete "*two*" and reinstate the stricken language

Mr. Merriam requested division of the amendment as follows:

First portion:

Page 48, line 29, delete "*three*" and reinstate the stricken language

Page 48, reinstate lines 30 to 35

Page 49, line 3, delete "*two*" and reinstate the stricken language

Second portion:

Page 9, delete lines 37 to 57

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

The roll was called, and there were yeas 31 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Laidig	Peterson,R.W.	Taylor
Belanger	Frederickson	McQuaid	Petty	Ulland
Benson	Isackson	Mehrkens	Ramstad	Wegscheid
Berg	Johnson, D.E.	Merriam	Renneke	
Berglin	Kamrath	Moe, D. M.	Sieloff	
Bernhagen	Knaak	Olson	Spear	
Frank	Kronebusch	Peterson,D.L.	Storm	

Those who voted in the negative were:

Adkins	Diessner	Langseth	Pehler	Schmitz
Bertram	Dieterich	Lantry	Peterson,C.C.	Solon
Chmielewski	Freeman	Lessard	Peterson,D.C.	Stumpf
Dahl	Hughes	Luther	Pogemiller	Vega
Davis	Johnson, D.J.	Moe, R. D.	Purfeerst	Waldorf
DeCramer	Jude	Nelson	Reichgott	Willet
Dicklich	Kroening	Novak	Samuelson	

The motion did not prevail. So the first portion of the amendment was not adopted.

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

The roll was called, and there were yeas 23 and nays 42, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Knaak	Moe, D. M.	Taylor
Belanger	Isackson	Kronebusch	Olson	Ulland
Benson	Johnson, D.E.	Laidig	Ramstad	Wegscheid
Berg	Jude	McQuaid	Renneke	
Bernhagen	Kamrath	Mehrkens	Storm	

Those who voted in the negative were:

Adkins	Dieterich	Lessard	Peterson,D.L.	Solon
Berglin	Frank	Luther	Peterson,R.W.	Spear
Bertram	Frederick	Merriam	Petty	Stumpf
Chmielewski	Freeman	Moe, R. D.	Pogemiller	Vega
Dahl	Hughes	Nelson	Purfeerst	Waldorf
Davis	Johnson, D.J.	Novak	Reichgott	Willet
DeCramer	Kroening	Pehler	Samuelson	
Dicklich	Langseth	Peterson,C.C.	Schmitz	
Diessner	Lantry	Peterson,D.C.	Sieloff	

The motion did not prevail. So the second portion of the amendment was not adopted.

Mr. Bernhagen moved to amend S.F. No. 1233 as follows:

Page 45, after line 8, insert:

“Sec. 59. Minnesota Statutes 1982, section 174.03, is amended by adding a subdivision to read:

Subd. 1a. Only the criteria outlined by the statewide transportation plan, as prepared pursuant to section 174.03 and adopted by the Minnesota department of transportation in July, 1978, shall be used in the prioritization of highway projects on which highway funds shall be expended.”

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 42, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kronebusch	Peterson, D.L.	Taylor
Belanger	Isackson	Laidig	Ramstad	Ulland
Benson	Johnson, D.E.	McQuaid	Renneke	
Bernhagen	Kamrath	Mehrkens	Sieloff	
Frederick	Knaak	Olson	Storm	

Those who voted in the negative were:

Adkins	Dieterich	Lessard	Peterson, D.C.	Spear
Berglin	Frank	Luther	Peterson, R.W.	Stumpf
Bertram	Freeman	Merriam	Petty	Vega
Chmielewski	Hughes	Moe, D. M.	Pogemiller	Waldorf
Dahl	Johnson, D.J.	Moe, R. D.	Purfeerst	Wegscheid
Davis	Jude	Nelson	Reichgott	Willet
DeCramer	Kroening	Novak	Samuelson	
Dicklich	Langseth	Pehler	Schmitz	
Diessner	Lantry	Peterson, C.C.	Solon	

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

S.F. No. 1233 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 43 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Lantry	Peterson, C.C.	Solon
Berglin	Freeman	Lessard	Peterson, D.C.	Spear
Bertram	Hughes	Luther	Peterson, R.W.	Stumpf
Chmielewski	Johnson, D.E.	Mehrkens	Petty	Vega
Dahl	Johnson, D.J.	Merriam	Pogemiller	Waldorf
Davis	Jude	Moe, D. M.	Purfeerst	Wegscheid
DeCramer	Kroening	Moe, R. D.	Reichgott	Willet
Dicklich	Kronebusch	Nelson	Samuelson	
Diessner	Langseth	Pehler	Schmitz	

Those who voted in the negative were:

Anderson	Frank	Knaak	Ramstad	Ulland
Belanger	Frederick	Laidig	Renneke	
Benson	Frederickson	McQuaid	Sieloff	
Berg	Isackson	Olson	Storm	
Bernhagen	Kamrath	Peterson, D.L.	Taylor	

So the bill passed and its title was agreed to.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the proceedings on S.F. No. 1011. The Sergeant at Arms was instructed to bring in the absent members.

SPECIAL ORDER

S.F. No. 1011: A bill for an act relating to unemployment compensation; providing for conformity with federal law; imposing an annual surcharge on

employers' calendar year contributions for the purpose of repayment of interest charged on federal loans; creating the emergency interest repayment fund; adding a category to the extension of base period in the definition of base period; updating the law to reflect current practice; making technical changes; removing obsolete language; regulating administrative practices; providing for the effect of back pay awards; regulating benefit amounts, contributions, and benefit eligibility; amending Minnesota Statutes 1982, sections 268.04, subdivisions 2, 12, 17, 25, 26, 29, and by adding a subdivision: 268.05, subdivision 5; 268.06, subdivisions 1, 2, 3a, 5, 20, 28, and 29; 268.07, subdivisions 2 and 3; 268.071, subdivision 3; 268.08, subdivisions 1, 3, 6, and by adding subdivisions; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6, 7, and 9; 268.11, subdivisions 2 and 3; 268.12, subdivisions 8 and 9; 268.16, subdivision 2; 268.161, subdivisions 1, 4, 5, 7, and 8; 268.18, subdivisions 1 and 2; proposing new law coded in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1982, section 268.06, subdivision 32.

Mr. Chmielewski moved to amend S. F. No. 1011 as follows:

Page 31, lines 4 to 6, reinstate the stricken language except the comma in line 6

Page 32, line 15, after "of" insert "*clauses (1) and (2) of*"

Page 46, line 35, after "call" insert "*except that the appellant may request that the hearing be conducted in person*"

Page 52, line 15, strike "be made"

Page 52, strike lines 16 to 19 and insert "*include the employee's name, social security number, and total wages paid to the employee*"

Page 52, line 20, strike everything before the period

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 58 and nays 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Frank; Peterson, C.C. and Stumpf voted in the negative.

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski then moved to amend S. F. No. 1011 as follows:

Page 30, line 13, before "The" insert "*All money in*"

Page 30, line 14, delete "*shall be used only*" and insert "*is appropriated*"

to the commissioner”

Page 30, line 16, after “Act” insert “, and shall not be used for any other obligation of the state” and delete “moneys” and insert “money”

Page 30, line 20, after “interest” insert “or net income”

Page 30, line 21, delete “these funds” and insert “money in the fund”

Page 39, delete lines 5 to 13 and insert “based upon services performed for an employer are subject to subdivision 6, clauses (b) and (c), if:

(a) The employment was provided pursuant to a contract between the employer and a public or private school;

(b) The contract was for services which the public or private school could have had performed by its employees;

(c) The employment was not defined in section 268.04, subdivision 12, clauses (7), (8) and (9); and

(d) The individual is notified in writing of the provisions of this subdivision while employed in 1983 or prior to or at the time of commencing the employment.”

Page 47, line 10, delete “any” and insert “the appeal of an”

Amend the title as follows:

Page 1, line 13, after the semicolon, insert “appropriating money;”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 57 and nays 4, as follows:

Those who voted in the affirmative were:

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

Messrs. Benson, Laidig, Sieloff and Ulland voted in the negative.

The motion prevailed. So the amendment was adopted.

Mr. Taylor moved to amend S.F. No. 1011 as follows:

Page 39, after line 13, insert:

“Sec. 25. [268.081] [SHARED WORK PLAN.]

The commissioner shall prepare a report on the implementation of a shared work benefit program. The report shall be given to the senate committee on employment and the house committee on governmental operations no later than January 15, 1984. The report shall evaluate existing state laws estab-

lishing shared work programs and shall contain recommendations for statutory changes to implement a program in Minnesota.”

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 13, after the semicolon, insert “requiring a report to the legislature on shared work benefits;”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 57 and nays 7, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berglin	Johnson, D.J.	Peterson, C.C.	Peterson, D.C.	Samuelson
Dicklich	Lantry			

The motion prevailed. So the amendment was adopted.

Mr. Sieloff moved to amend S.F. No. 1011 as follows:

Page 65, after line 36, insert:

“Sec. 47. Minnesota Statutes 1982, section 290.06, is amended by adding a subdivision to read:

Subd. 16. [UNEMPLOYMENT COMPENSATION TAX CREDIT.] A corporation may take a credit against the tax due under chapter 290 in an amount equal to the unemployment compensation tax it is required to pay pursuant to chapter 268 with respect to any of its employees who is an owner of 25 percent or more of any class of the stock of the corporation.”

Page 66, line 14, delete “47” and insert “48”

Page 66, line 16, after the period, insert “Section 47 is effective for taxable years beginning after December 31, 1982.”

Amend the title as follows:

Page 1, line 13, after the semicolon, insert “providing an income tax credit for certain payments of unemployment compensation tax;”

Page 1, line 23, after “2;” insert “290.06, by adding a subdivision;”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 39, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knaak	Mehrkens	Sieloff
Belanger	Frederickson	Kronebusch	Olson	Storm
Benson	Isackson	Laidig	Peterson, D.L.	Taylor
Berg	Johnson, D.E.	Lessard	Ramstad	Ulland
Bernhagen	Kamrath	McQuaid	Renneke	

Those who voted in the negative were:

Adkins	Diessner	Lantry	Peterson, C.C.	Solon
Berglin	Frank	Luther	Peterson, D.C.	Spear
Bertram	Freeman	Merriam	Peterson, R.W.	Stumpf
Chmielewski	Hughes	Moe, D. M.	Pogemiller	Vega
Dahl	Johnson, D.J.	Moe, R. D.	Purfeerst	Waldorf
Davis	Jude	Nelson	Reichgott	Wegscheid
DeCramer	Kroening	Novak	Samuelson	Willet
Dicklich	Langseth	Pehler	Schmitz	

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

Mr. Frederick moved to amend S.F. No. 1011 as follows:

Pages 29 and 30, delete section 16

Page 65, after line 36, insert:

“Sec. 47. [APPROPRIATION.]

There is appropriated from the general fund in the state treasury to the commissioner of economic security the amount necessary to make the interest payment required on federal funds advanced to the state under section 1202 of the Social Security Act.

Sec. 48. [REPORT.]

On January 1, 1984, and on each January 1 thereafter the commissioner shall report to the legislature on the status of the outstanding funds advanced pursuant to section 1202 of the Social Security Act, including the interest charged on those funds.”

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 40, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knaak	Olson	Storm
Belanger	Frederickson	Kronebusch	Peterson, D.L.	Taylor
Benson	Isackson	Laidig	Ramstad	Ulland
Berg	Johnson, D.E.	McQuaid	Renneke	
Bernhagen	Kamrath	Mehrkens	Sieloff	

Those who voted in the negative were:

Adkins	Diessner	Lantry	Pehler	Schmitz
Berglin	Frank	Lessard	Peterson, C.C.	Solon
Bertram	Freeman	Luther	Peterson, D.C.	Spear
Chmielewski	Hughes	Merriam	Peterson, R.W.	Stumpf
Dahl	Johnson, D.J.	Moe, D. M.	Pogemiller	Vega
Davis	Jude	Moe, R. D.	Purfeerst	Waldorf
DeCramer	Kroening	Nelson	Reichgott	Wegscheid
Dicklich	Langseth	Novak	Samuelson	Willet

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

Mr. Frederick then moved to amend S.F. No. 1011 as follows:

Page 43, line 12, strike everything after "(a)"

Page 43, strike lines 13 to 18 and insert "'Suitable work' means, with respect to any individual, any work which is within the individual's capabilities. Work which poses a significant hazard to an individual's health or morals may be deemed to be unsuitable."

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

Mr. Bertram moved to amend S.F. No. 1011 as follows:

Page 35, after line 16, insert:

"(5) The commissioner shall provide each claimant with a carbonized form for reporting job search contacts. The form must have blanks for the following information: (a) the address and phone number of the business at which the individual applied; (b) the position applied for; and (c) the contact person at the business. The form shall be used for one job search every two weeks. The business contact person shall complete the form, sign it, and retain the original copy. The claimant must retain copies of the forms and return them to the employment office at the next report. If a claimant is permitted to make a telephone job search, the claimant shall mail the form, along with a self-addressed envelope, to the business contact who shall complete the form as above, retain the original, and mail a copy back to the claimant. The commissioner shall conduct random and periodic audits of the information reported on the forms to verify that it is true.

The commissioner is not required to provide forms to claimants and clause (5) shall not apply if the claimant's county search area has an unemployment rate of 12 percent or more."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 44, as follows:

Those who voted in the affirmative were:

Adkins	Frederick	Lessard	Olson	Stumpf
Bernhagen	Isackson	McQuaid	Peterson, D.L.	Taylor
Bertram	Jude	Mehrkens	Ramstad	Ulland
DeCramer	Laidig	Novak	Renneke	Wegscheid

Those who voted in the negative were:

Anderson	Diessner	Knaak	Nelson	Schmitz
Belanger	Dieterich	Kroening	Pehler	Sieloff
Benson	Frank	Kronebusch	Peterson, C.C.	Solon
Berg	Frederickson	Langseth	Peterson, D.C.	Spear
Berglin	Freeman	Lantry	Peterson, R.W.	Storm
Chmielewski	Hughes	Luther	Pogemiller	Vega
Dahl	Johnson, D.E.	Merriam	Purfeerst	Waldorf
Davis	Johnson, D.J.	Moe, D. M.	Reichgott	Willet
Dicklich	Kamrath	Moe, R. D.	Samuelson	

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

Mr. Pehler moved to amend S.F. No. 1011 as follows:

Page 29, line 29, delete "year of" and insert "years"

Page 29, line 29, delete "for each calendar year" and insert "1983"

Page 29, line 30, delete "thereafter"

Page 29, line 33, delete "for each taxable year thereafter" and insert "1984"

Page 29, line 34, delete "by"

Page 29, line 35, delete everything before the period and insert "the surcharge for taxable year 1983 shall be paid no later than August 31, 1984"

Page 30, line 24, delete "each" and delete "thereafter" and insert "1985"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knaak	Pehler	Storm
Belanger	Frederickson	Kronebusch	Peterson, D.L.	Stumpf
Benson	Freeman	Laidig	Ramstad	Taylor
Berg	Isackson	Lessard	Renneke	Ulland
Bernhagen	Johnson, D.E.	McQuaid	Samuelson	Wegscheid
Bertram	Jude	Mehrkens	Schmitz	
DeCramer	Kamrath	Olson	Solon	

Those who voted in the negative were:

Adkins	Dieterich	Luther	Peterson, D.C.	Vega
Berglin	Frank	Merriam	Peterson, R.W.	Waldorf
Chmielewski	Hughes	Moe, D. M.	Pogemiller	Willet
Dahl	Johnson, D.J.	Moe, R. D.	Purfeerst	
Davis	Kroening	Nelson	Reichgott	
Dicklich	Langseth	Novak	Sieloff	
Diessner	Lantry	Peterson, C.C.	Spear	

The motion prevailed. So the amendment was adopted.

Mr. Taylor moved to amend S.F. No. 1011 as follows:

Page 65, after line 36, insert:

"Sec. 47. [SEASONAL EMPLOYEES.]

Notwithstanding any other law to the contrary, for the purposes of chapter 268, no benefits shall be paid to an employee during any calendar month in which he has not earned credit weeks in that month in each of the preceding three calendar years. A week shall be considered to be part of a calendar month if four or more days of that week fall within that month."

Page 66, line 14, delete "47" and insert "48"

Page 66, line 16, delete "and 46" and insert "46, and 48"

Renumber the sections in sequence

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 41, as follows:

Those who voted in the affirmative were:

Anderson	Bertram	Kamrath	Olson	Storm
Belanger	Frederick	Knaak	Peterson, D.L.	Taylor
Benson	Frederickson	Kronebusch	Ramstad	Ulland
Berg	Isackson	McQuaid	Renneke	
Bernhagen	Johnson, D.E.	Mehrkens	Sieloff	

Those who voted in the negative were:

Adkins	Frank	Lessard	Peterson, D.C.	Stumpf
Berglin	Freeman	Luther	Peterson, R.W.	Vega
Chmielewski	Hughes	Merriam	Pogemiller	Waldorf
Dahl	Johnson, D.J.	Moe, D. M.	Purfeerst	Wegscheid
Davis	Jude	Moe, R. D.	Reichgott	Willet
DeCramer	Kroening	Nelson	Samuelson	
Dicklich	Laidig	Novak	Schmitz	
Diessner	Langseth	Pehler	Solon	
Dieterich	Lantry	Peterson, C.C.	Spear	

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

S.F. No. 1011 was read the third time, as amended, and placed on its final passage.

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

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 41 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Lessard	Peterson, D.C.	Stumpf
Berglin	Frank	Luther	Peterson, R.W.	Vega
Bertram	Freeman	Merriam	Pogemiller	Waldorf
Chmielewski	Hughes	Moe, D. M.	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Moe, R. D.	Reichgott	Willet
Davis	Jude	Nelson	Samuelson	
DeCramer	Kroening	Novak	Schmitz	
Dicklich	Langseth	Pehler	Solon	
Diessner	Lantry	Peterson, C.C.	Spear	

Those who voted in the negative were:

Anderson	Frederick	Knaak	Olson	Storm
Belanger	Frederickson	Kronebusch	Peterson, D.L.	Taylor
Benson	Isackson	Laidig	Ramstad	Ulland
Berg	Johnson, D.E.	McQuaid	Renneke	
Bernhagen	Kamrath	Mehrkens	Sieloff	

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

MEMBERS EXCUSED

Mr. Johnson, D.J. was excused from the Session of today from 9:50 to 10:45 a.m. Mr. Dicklich was excused from the Session of today from 3:00 to 3:15 p.m. Mr. Dahl was excused from this evening's Session until 8:45 p.m. Mr. Solon was excused from this evening's Session from 10:30 to 11:30 p.m. Mrs. Brataas was excused from this evening's Session at 9:00 p.m. Mr. Knutson was excused from this evening's Session.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:00 a.m., Wednesday, May 11, 1983. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

State of Minnesota

Journal of the Senate**Seventy-Third Legislature****Fifty-First Day**

St. Paul, Minnesota, Wednesday, May 11, 1983

The 125th Anniversary of the admission
of Minnesota as the 32nd state of the
United States of America

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

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. John G. Krueger.

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 9, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1983

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

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1983	Date Filed 1983
322		79	May 9	May 9
332		80	May 9	May 9
372		81	May 9	May 9
464		82	May 9	May 9
530		83	May 9	May 9
659		84	May 9	May 9
827		85	May 9	May 9
833		86	May 9	May 9
854		87	May 9	May 9
936		88	May 9	May 9
972		89	May 9	May 9
	132	90	May 9	May 9
	176	91	May 9	May 9
	325	92	May 9	May 9
	406	93	May 9	May 9
	508	94	May 9	May 9
	511	95	May 9	May 9
	573	96	May 9	May 9
	656	97	May 9	May 9
	721	98	May 9	May 9
	741	99	May 9	May 9
	631	100	May 9	May 9
	764	101	May 9	May 9
	801	102	May 9	May 9
	804	103	May 9	May 9
	903	104	May 9	May 9
	953	105	May 9	May 9
	959	106	May 9	May 9
	1122	107	May 9	May 9

Sincerely,

Joan Anderson Growe
Secretary of State

May 10, 1983

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 148, 246, 323, 358, 611, 653, 673, 721 and 808.

Sincerely,
Rudy Perpich, Governor

May 10, 1983

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 1198.

Sincerely,
Rudy Perpich, Governor

May 10, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1983 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1983	Date Filed 1983
	26	108	May 10	May 10
	602	109	May 10	May 10
	697	110	May 10	May 10
148		111	May 10	May 10
246		112	May 10	May 10
323		113	May 10	May 10
358		114	May 10	May 10
611		115	May 10	May 10
653		116	May 10	May 10
673		117	May 10	May 10
721		118	May 10	May 10
808		119	May 10	May 10
1198		120	May 10	May 10

Sincerely,
Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 812, 1152 and 1165.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 10, 1983

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 77.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 10, 1983

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 77: A bill for an act relating to horse racing; creating a Minnesota racing commission and providing for its membership, powers, and duties; authorizing the licensing of persons to operate racetracks, conduct horse racing, engage in certain occupations, and conduct pari-mutuel betting on horse racing; prescribing taxes and license fees; establishing a Minnesota breeders fund; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 38.04; 273.76, by adding a subdivision; 609.75, subdivision 3; and 609.761; proposing new law coded as Minnesota Statutes, chapter 240.

Mr. Moe, R.D. moved that H.F. No. 77 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

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

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

H.F. No. 765 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
765	1093				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 765 be amended as follows:

Page 2, line 4, strike "thereunder" and insert "*under that policy*"

Page 2, line 5, strike "thereunder"

Page 2, line 6, strike "such" and insert "*the*"

Page 2, delete lines 7 to 22 and insert:

"(4) In the case of a group health insurance policy, the payment of differing amounts of reimbursement to insureds who elect to receive health care goods or services from providers designated by the insurer. Any insurer that proposes to offer an arrangement to pay differing amounts as allowed under this section shall disclose before its initial offering and annually thereafter as a supplement to its annual statement submitted to the commissioner pursuant to section 60A.13, subdivision 1, or 62C.11, subdivision 1, the following information:

(a) The name which the arrangement intends to use and its business address;

(b) The name, address and nature of any separate organization that administers the arrangement on the behalf of the insurer; and"

And when so amended H.F. No. 765 will be identical to S.F. No. 1093, and further recommends that H.F. No. 765 be given its second reading and substituted for S.F. No. 1093, and that the Senate File be indefinitely postponed.

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

SECOND READING OF HOUSE BILLS

H.F. No. 765 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Dahl moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 1230. The motion prevailed.

Mr. Schmitz introduced—

Senate Concurrent Resolution No. 12: A Senate concurrent resolution proclaiming September 25 to October 8 as Germanfest in Minnesota.

Referred to the Committee on Rules and Administration.

Mr. Chmielewski moved that H.F. No. 575 be taken from the table and referred to the Committee on Finance. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Special Orders Calendar. The motion prevailed.

SPECIAL ORDER

S.F. No. 652: A bill for an act relating to agriculture; adopting recommended federal rules relating to milk quality for manufacturing purposes; providing for phase in of inspections and compliance; proposing new law coded in Minnesota Statutes, chapter 32.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 330: A bill for an act relating to courts; providing for the appeal of various matters to the court of appeals; providing for the manner of election of court of appeals judges; amending Minnesota Statutes 1982, sections 2.724, subdivision 2; 3.737, subdivision 4; 3.751, subdivision 4; 5.08, subdivision 2; 10A.01, subdivisions 5 and 19; 14.45; 14.62, subdivision 2; 14.63; 14.64; 14.65; 14.66; 14.68; 15A.18; 16.863; 25.43, subdivision 5; 32A.09, subdivision 5; 43A.02, subdivision 25; 43A.24, subdivision 2; 43A.27, subdivision 4; 44.09, subdivision 3; 45.07; 45.17, subdivision 5; 47.54, subdivision 5; 49.18; 52.063; 56.23; 60A.05; 60A.15, subdivisions 11 and 12; 72A.27; 84.59; 88.78; 97.481, subdivision 2; 97.50, subdivision 6; 105.462; 106.631, subdivisions 5 and 6; 110A.36; 111.42; 112.82, subdivisions 1 and 2; 114.13, subdivision 4; 115.49, subdivision 5; 116.07, subdivision 7; 116.11; 116A.19, subdivision 4; 116C.65; 120.17, subdivision 3b; 122.23, subdivision 16c; 123.32, subdivision 25; 127.25, subdivision 3; 127.33; 141.29, subdivision 2; 145.698, subdivision 2; 155A.11, subdivision 2; 156A.071, subdivision 9; 161.34, subdivision 4; 168.68; 169.123, subdivision 7; 177.29, subdivision 2; 178.09, subdivision 2; 179.64, subdivision 5; 179.741, subdivision 3; 181A.10, subdivision 2; 185.15; 192A.255, subdivision 1; 197.481, subdivision 6; 204B.06, subdivisions 4 and 6; 204B.11, subdivision 1; 204B.34, subdivision 3; 204B.36, subdivision 4; 204D.02, subdivision 1; 204D.08, subdivision 6; 204D.11, subdivision 1; 209.09; 210A.01, subdivision 3; 216.25; 216B.52, subdivision 5; 231.33; 237.20; 237.25; 237.27; 237.39; 244.11; 246.55; 252A.21, subdivision 1; 253B.19, subdivision 5; 253B.23, subdivision 7; 256.045, subdivisions 9 and 10; 259.32; 260.291, subdivision 2; 268.06, subdivision 20; 268.10, subdivision 8; 268.12, subdivision 13; 270.22; 270.23; 270.26; 270.68, subdivision 2; 273.16; 279.21; 282.01, subdivision 3; 290.48, subdivision 6; 290.92, subdivision 6; 294.09, subdivision 3; 297.08, subdivisions 3 and 4; 297A.15, subdivision 4; 298.09, subdivision 3; 299F.25; 299F.26, subdivision 3; 327B.05, subdivision 2; 340.404, subdivision 7; 340.54, subdivision 2; 351.03; 352.01, subdivision 2B; 352D.02, subdivision 1; 357.07; 357.08; 363.072, subdivisions 1 and 2; 373.11; 375.67, subdivision 3; 387.41; 412.092, subdivision 1; 414.07, subdivision 2; 414.08; 419.12; 420.13; 430.03; 430.031, subdivision 4; 462.14, subdivision 12; 462.715; 465.43; 473.675, subdivision 4; 480.054; 480.055, subdivision 1; 480.061, subdivision 8; 480.062; 480.07; 480.19; 480A.02 by adding a subdivision; 480A.06, subdivision 1; 481.02, subdivisions 3 and 6; 482.07, subdivision 8; 485.16; 487.39; 488A.01, subdivision 14; 488A.17, subdivision 12; 488A.18, subdivision 14; 488A.34, subdivision 11; 501.35; 508.29; 508A.29; 525.71; 525.714; 525.73; 548.29, subdivision 2; 558.215; 562.04; 571.64; 574.18; 582.11; 586.09; 586.11; 586.12; 589.02; 589.29; 589.30; 590.01, subdivision 1; 590.04, subdivision 3; 590.06; 595.024, subdivision 3; 595.025, subdivision 3; 609.39; 611.07, subdivisions 2 and 3; 611.071, subdivisions 1 and 2; 611.14; 611.18; 611.25; and 648.39, subdivision 1; and Laws 1982, chapter 501, section 27; repealing Minnesota Statutes 1982, sections 14.70; 80A.24, subdivision 3; 363.10; 484.63; 525.711; 525.74; and Laws 1982, chapter 501, sections 17, 18, 19, and 25.

Ms. Reichgott moved to amend H.F. No. 330, the unofficial engrossment, as follows:

Page 128, after line 2, insert:

"Sec. 167. Minnesota Statutes 1982, section 480A.01, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY NUMBER OF JUDGES.] On ~~July~~ *November* 1, 1983, the court of appeals shall consist of six judges. On ~~January~~ *April* 1, 1984, an additional six judges shall be added."

Page 155, line 9, delete "216" and insert "217"

Renumber the sections in sequence

Amend the title as follows:

Page 2, line 15, after "480.19;" insert "480A.01, subdivision 2;"

The motion prevailed. So the amendment was adopted.

Ms. Reichgott then moved to amend H.F. No. 330, the unofficial engrossment, as follows:

Page 8, line 31, delete "a" and insert "any"

Page 9, line 31, after "to" insert "take testimony and to"

Page 81, line 21, strike "district"

Page 111, after line 13, insert:

"Sec. 143. Minnesota Statutes 1982, section 363.06, subdivision 4, is amended to read:

Subd. 4. [INQUIRY INTO CHARGE.] (1) Consistent with clause (7), when a charge has been filed, the commissioner shall promptly inquire into the truth of the allegations of the charge. The commissioner shall make an immediate inquiry when necessary to prevent a charging party from suffering irreparable loss in the absence of immediate action. The commissioner shall also make an immediate inquiry when it appears that a charge is frivolous or without merit and shall dismiss those charges. On all other charges the commissioner shall make a determination as to whether or not there is probable cause to credit the allegation of unfair discriminatory practices, and

(2) If the commissioner determines after investigation that no probable cause exists to credit the allegations of the unfair discriminatory practice, the commissioner shall, within ten days of the determination, serve upon the charging party and respondent written notice of the determination. Within ten days after receipt of notice, the charging party may request in writing on forms prepared by the department that the commissioner reconsider his determination. The request shall contain a brief statement of the reasons for and new evidence in support of the request for reconsideration. At the time of submission of the request to the commissioner, the charging party shall deliver or mail to the respondent a copy of the request for reconsideration. The commissioner shall either reaffirm or reverse his determination of no probable cause within 20 days after receipt of the request for reconsideration, and he shall within ten days notify in writing the charging party and respondent of his decision to reaffirm or reverse.

A decision by the commissioner that no probable cause exists to credit the allegations of an unfair discriminatory practice shall not be appealed to ~~dis-~~

~~triet~~ the court of appeals pursuant to section 363.072 or sections 14.63 to 14.68.

(3) If the commissioner determines after investigation that probable cause exists to credit the allegations of unfair discriminatory practices, the commissioner shall serve on the respondent and his attorney if he is represented by counsel, by first class mail, a notice setting forth a short plain written statement of the alleged facts which support the finding of probable cause and an enumeration of the provisions of law allegedly violated. If the commissioner determines that attempts to eliminate the alleged unfair practices through conciliation pursuant to subdivision 5 have been or would be unsuccessful or unproductive, the commissioner shall issue a complaint and serve on the respondent, by registered or certified mail, a written notice of hearing together with a copy of the complaint, requiring the respondent to answer the allegations of the complaint at a hearing before a hearing examiner at a time and place specified in the notice, not less than ten days after service of said complaint. A copy of the notice shall be furnished to the charging party and the attorney general.

(4) If, at any time after the filing of a charge, the commissioner has reason to believe that a respondent has engaged in any unfair discriminatory practice, the commissioner may file a petition in the district court in a county in which the subject of the complaint occurs, or in a county in which a respondent resides or transacts business, seeking appropriate temporary relief against the respondent, pending final determination of proceedings under this chapter, including an order or decree restraining him from doing or procuring an act tending to render ineffectual an order the commissioner may enter with respect to the complaint. The court shall have power to grant temporary relief or a restraining order as it deems just and proper, but no relief or order extending beyond ten days shall be granted except by consent of the respondent or after hearing upon notice to the respondent and a finding by the court that there is reasonable cause to believe that the respondent has engaged in a discriminatory practice. Except as modified by this section, the Minnesota rules of civil procedure shall apply to an application, and the district court shall have authority to grant or deny the relief sought on conditions as it deems just and equitable. All hearings under this section shall be given precedence as nearly as practicable over all other pending civil actions.

(5) If a lessor, after he has engaged in a discriminatory practice defined in section 363.03, subdivision 2, clause (1), (a), leases or rents a dwelling unit to a person who has no knowledge of the practice or of the existence of a charge with respect to the practice, the lessor shall be liable for actual damages sustained by a person by reason of a final order as provided in this section requiring the person to be evicted from the dwelling unit.

(6) In any complaint issued under this section, the commissioner may seek relief for a class of individuals affected by an unfair discriminatory practice occurring on or after a date six months prior to the filing of the charge from which the complaint originates.

(7) The commissioner may adopt policies to determine the order in which charges are processed based on their particular social or legal significance, administrative convenience, difficulty of resolution, or other standard con-

sistent with the provisions of this chapter.”

Page 115, line 25, after “APPEALS” insert “FROM DISTRICT COURT”

Page 154, line 22, delete “177.19” and insert “177.29” and delete “and” and insert “and”

Page 155, line 9, delete “216” and insert “217”

Renumber the sections in sequence

Amend the title as follows:

Page 2, line 8, after “1;” insert “363.06, subdivision 4;”

Page 2, line 33, delete “177.19” and insert “177.29”

The motion prevailed. So the amendment was adopted.

Mr. Knutson moved to amend H.F. No. 330, the unofficial engrossment, as follows:

Page 154, after line 19, insert:

“Sec. 217. [494.01] [COURT OF APPEALS JUDICIAL NOMINATING COMMISSION ESTABLISHED.]

A judicial nominating commission is established to nominate persons for appointment to the office of judge of the court of appeals. A person nominated to the office of judge of the court of appeals shall have the qualifications prescribed by law for the office and shall be a person of recognized integrity, character, intelligence, ability, legal experience, and judicial temperament.

Sec. 218. [494.02] [MEMBERS; SELECTION OF MEMBERS AND TERMS; TERMS FOR FIRST COMMISSION; VACANCIES.]

Subdivision 1. [MEMBERS.] The court of appeals judicial nominating commission shall be composed of 15 permanent members, five of whom shall be appointed by the governor, five of whom shall be elected by members of the Minnesota state bar association, and five of whom shall be elected by the justices and judges of the trial and appellate courts of the state, and five special members who shall be appointed by the governor.

Subd. 2. [SELECTION OF MEMBERS AND TERMS.] The members of the court of appeals judicial nominating commission shall be selected in the following manner:

(a) The five permanent members of the commission appointed by the governor shall be residents of Minnesota and shall serve four-year terms which shall be concurrent with the term of the appointing governor.

(b) The five permanent members of the commission elected by members of the Minnesota state bar association shall be attorneys who reside in Minnesota. Elections of attorney members shall be conducted between March 1 and June 30 in the year in which terms of office commence. All terms of office for attorney members shall commence on July 1.

Members elected by the state bar association shall be elected by secret ballot, and the election may be conducted by mail. The results of the election and the names of the persons elected to serve on the commission shall be certified to the governor by the president and secretary of the state bar as-

sociation.

(c) *The five permanent members of the commission elected by the judges and justices of trial and appellate courts of the state shall be elected by county, county municipal, and district court judges, court of appeal judges, and the chief justice and associate justices of the supreme court. Election of judicial members shall be conducted between March 1 and June 30 in the year in which terms of office commence. All terms of office of members elected by judges shall commence on July 1.*

Members of the court of appeals judicial nominating commission elected by judges and justices shall be elected by secret ballot, and the election may be conducted by mail. The results of the election shall be certified to the governor by the chief justice of the supreme court.

(d) *Five special members who reside in Minnesota shall be appointed by the governor to serve on the court of appeals judicial nominating commission each time a vacancy occurs. Special members shall serve only until that vacancy is filled.*

Subd. 3. [TERMS FOR TRANSITION COMMISSIONS.] The first members appointed or elected to the nominating commission shall serve terms as follows:

(a) *The five permanent members first appointed by the governor shall expire when the term of the appointing governor expires.*

(b) *Special elections shall be conducted within 30 days of the effective date of sections 1 to 9 so that attorney members first elected can take office and exercise the duties of a member of the judicial nominating commission as soon as practicable. Special elections shall be conducted in accordance with the provisions of subdivision 2, clause (b). Attorney members first elected shall serve until their successors are qualified.*

(c) *Special elections shall be conducted within 30 days of the effective date of sections 1 to 9 so that judicial members first elected can take office and exercise the duties of a member of the judicial nominating commission as soon as practicable. Special elections shall be conducted in accordance with the provisions of subdivision 2, clause (c). Judicial members first elected shall serve until their successors are qualified.*

Subd. 4. [VACANCIES.] Whenever a vacancy for any reason other than the expiration of a term of office occurs in a position appointed by the governor to the court of appeals judicial nominating commission, the governor shall appoint a successor to fill the unexpired term.

Whenever a vacancy for any reason other than the expiration of a term of office occurs in a position elected by members of the bar to the judicial nominating commission, leaving an unexpired term of office of more than six months, an election shall be conducted in accordance with the provisions of subdivision 2, clause (b), to elect a successor to fill the unexpired term. If any vacancy occurs in a position elected by members of the bar, leaving an unexpired term of office of six months or less, the president of the state bar association shall appoint a successor to fill the unexpired term.

Whenever a vacancy for any reason other than the expiration of a term of office occurs in a position elected by judges and justices on the judicial nom-

inating commission, leaving an unexpired term of office of more than six months, an election shall be conducted in the manner provided in subdivision 2, clause (c), to elect a successor to the unexpired term. If any vacancy occurs in a position elected by judges and justices leaving an unexpired term of office of six months or less, the chief judge of the court of appeals shall appoint a successor to fill the unexpired term.

Sec. 219. [494.03] [OFFICERS; MEETINGS; NOTICE; QUORUM; PLACE.]

Subdivision 1. [CHAIRMAN.] The court of appeals judicial nominating commission shall have a chairman who shall be designated by the governor from among the permanent members of the commission. The chairman shall serve at the pleasure of the governor. The chairman shall preside at all meetings of the commission. In the absence of the chairman, the commission shall choose a member to act as temporary chairman.

Subd. 2. [SECRETARY.] The commission shall choose one of its members as a secretary. It shall be the duty of the secretary to prepare and keep the minutes of all meetings. In the secretary's absence the commission shall choose a member to be acting secretary.

Subd. 3. [MEETINGS; NOTICE; QUORUM; PLACE.] Meetings of the commission may be called by the chairman or a majority of the members by written or telegraphic notice to the other members specifying the time and place of the meeting. The notice shall be mailed or sent at least five days before the time specified, except that a meeting may be called on shorter notice if the notice specifies that the meeting will be an emergency meeting. The meetings of the commission may be held without notice at any time or place whenever the meeting is one to which notice is waived by all members or whenever the commission at a previous meeting designated the time and place for the meeting. Notice of meeting may be waived by any member or members either before or after the meeting takes place. Attendance at a meeting by any member constitutes a waiver of notice by the member. A majority of the members of the commission constitutes a quorum. Meetings of the judicial nominating commission may be conducted anywhere in the state.

Sec. 220. [494.04] [JUDICIAL VACANCIES; PUBLIC NOTICE; NOMINATIONS.]

Subdivision 1. [JUDICIAL VACANCIES.] Whenever a vacancy occurs in the office of judge of the court of appeals, or whenever a vacancy will occur on a specified future date, the governor shall give notice of the vacancy to the chairman of the court of appeals judicial nominating commission within five days. Within five days of giving notice to the chairman, the governor shall issue a public statement announcing the existence of the vacancy and shall appoint five special members to the court of appeals judicial nominating commission to serve until that vacancy is filled.

Subd. 2. [PUBLIC NOTICE.] Within five days of receiving notice from the governor of the existence of a judicial vacancy, the chairman of the court of appeals judicial nominating commission shall publish a notice in a legal newspaper of statewide circulation announcing the vacancy and stating that the commission will accept applications for the vacancy for a period of ten days following publication of the notice. Applications shall be filed with the

chairman, whose address shall be included in the legal notice.

Subd. 3. [NOMINATIONS.] The chairman shall call a meeting of the commission to be held not less than ten nor more than 20 days after publication of the legal notice of the vacancy to consider applicants for the judicial vacancy.

The commission shall nominate not less than three nor more than five persons for the office which is vacant. Eleven votes of the nominating commission are required to nominate a person for a judicial vacancy in the court of appeals. Any persons nominated must have the qualifications prescribed by law.

In order to obtain the best qualified persons as nominees, the commission shall not limit its consideration of potential nominees to those persons who have submitted their applications to the commission. The commission may authorize one or more members of the commission to tender a nomination to any qualified person in order to ascertain his willingness to serve if nominated. A tender of nomination shall be subject to final action of the commission under the conditions prescribed in this section.

In order that a vacancy in the office of judge does not exist for an inordinate length of time, the commission shall conduct the business of selecting nominees for appointment to office and certifying them to the governor as promptly and expeditiously as possible, having due regard for the importance of selecting the best possible nominees. In no event shall the commission submit its nominations to the governor more than 30 days after the date a vacancy occurs, unless the governor permits an extension of time in writing.

If there are not at least three attorneys deemed qualified by the judicial nominating commission, the names of all applicants for the judgeship shall be transmitted to the governor by letter from the chairman of the judicial nominating commission.

Subd. 4. [CERTIFICATE OF NOMINATION.] When the commission has selected its nominees to fill a judicial vacancy on the court of appeals, the chairman and secretary of the commission shall execute a certificate of nomination identifying the nominees which shall be immediately transmitted to the governor.

Sec. 221. [494.05] [WITHDRAWAL OF NOMINATION; SUBSTITUTION OF NOMINEE; RESUBMISSION OF NOMINATIONS.]

After the court of appeals judicial nominating commission has nominated and submitted to the governor the required number of nominees for appointment to fill a vacancy in the office of judge of the court of appeals, and prior to the appointment of a successor to the office, any nomination may be withdrawn by the commission for any cause it deems to be of such a substantial nature as to affect the nominee's qualifications to hold the office, and the name of another nominee may be submitted for it by the commission.

If any nominee dies or requests the commission in writing to withdraw his name, the commission shall withdraw the nomination and substitute another nominee to replace him or her.

The action of the commission in withdrawing nominations may be taken at the same meetings at which nominations are made or at any later meeting

called for that purpose. A certificate of withdrawal of nomination and a certificate of new nomination shall be signed on behalf of the commission by the chairman and the secretary and shall be immediately transmitted to the governor.

Sec. 222. [494.06] [APPOINTMENT BY GOVERNOR.]

Whenever the court of appeals judicial nominating commission has submitted nominations to the governor for appointment to fill a vacancy in the office of judge of the court of appeals, it shall be the duty of the governor to make the appointment within 30 days after the nominations are submitted. The governor is not required to make the appointment from the nominations submitted by the judicial nominating commission.

Sec. 223. [494.07] [VACANCIES WITHIN SIX MONTHS OF PRIOR APPOINTMENT.]

If a vacancy occurs in the office of judge of the court of appeals within six months after the governor has made an appointment to the court of appeals from among nominees certified to him by the court of appeals judicial nominating commission, the governor may appoint a person from the prior list of certified nominees to fill that vacancy without following the procedures set forth in sections 4 and 5.

Sec. 224. [494.08] [CONFIDENTIALITY.]

All data, documents, records, correspondence, and communications between members of judicial nominating commissions and other persons, including but not limited to other members of the commission, prospective candidates for judicial office, the governor, and members of the general public, are classified as confidential data on individuals within the meaning of section 13.02, subdivision 3.

Meetings of the court of appeals judicial nominating commission shall be exempt from the provisions of section 471.705. All matters discussed at the meetings, except the matters contained in the certificate of nomination, are confidential.

Sec. 225. [494.09] [PER DIEM; EXPENSES.]

Members of the court of appeals judicial nominating commission appointed by the governor and elected by members of the Minnesota state bar association shall be entitled to receive per diem at the rate of \$35 per day from the state court administrator.

The chairman and the secretary of the commission shall be entitled to reimbursement by the state court administrator of actual expenses incurred for publication of legal notices of vacancies, copying, postage, and long distance telephone calls.

Sec. 226. [APPROPRIATION.]

The sum of \$10,000 is appropriated from the general fund to the state court administrator for payments of commission per diem and expenses as prescribed by section 179, and shall be available until June 30, 1985."

Page 155, line 9, delete "Section 216 is" and insert "Sections 216 to 226 are"

Renumber the sections in sequence

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Anderson	Brataas	Johnson, D.E.	McQuaid	Renneke
Belanger	Chmielewski	Kamrath	Mehrkens	Sieloff
Benson	Frederick	Knaak	Olson	Storm
Berg	Frederickson	Knutson	Peterson, D.L.	Taylor
Bernhagen	Isackson	Laidig	Ramstad	Ulland

Those who voted in the negative were:

Adkins	Diessner	Kroening	Novak	Samuelson
Berglin	Dieterich	Langseth	Pehler	Spear
Bertram	Frank	Lantry	Peterson, D.C.	Stumpf
Dahl	Freeman	Luther	Peterson, R.W.	Wegscheid
Davis	Hughes	Moe, D. M.	Petty	Willet
DeCramer	Johnson, D.J.	Moe, R. D.	Pogemiller	
Dicklich	Jude	Nelson	Reichgott	

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

H.F. No. 330 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 52 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knaak	Olson	Samuelson
Anderson	Dicklich	Knutson	Pehler	Schmitz
Belanger	Dieterich	Kronebusch	Peterson, C.C.	Sieloff
Berg	Frederick	Laidig	Peterson, D.C.	Spear
Berglin	Frederickson	Langseth	Peterson, D.L.	Storm
Bernhagen	Freeman	Lantry	Peterson, R.W.	Taylor
Bertram	Hughes	Luther	Petty	Wegscheid
Brataas	Johnson, D.E.	McQuaid	Pogemiller	Willet
Chmielewski	Johnson, D.J.	Mehrkens	Ramstad	
Dahl	Jude	Nelson	Reichgott	
Davis	Kamrath	Novak	Renneke	

Messrs. Benson, Frank, Isackson and Ulland voted in the negative.

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

Remaining on the Order of Business of Motions and Resolutions, without objection, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Willet, for the Committee on Finance, introduced—

S.F. No. 1234: A bill for an act relating to the organization and operation

of state government; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines commission, corrections ombudsman, and health related boards; providing an entitlement to certain child care services; increasing marriage license and dissolution fees; providing for distribution of federal maternal and child health block grant money; requiring cost increase limits and other cost containment measures in medical care programs; amending eligibility standards; changing general assistance to allow flat grants, employment through grant diversion and work registration requirements, and federal benefit application incentives; providing for job training for certain persons; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines commission, corrections ombudsman, and health related boards; amending Minnesota Statutes 1982, sections 129A.03; 144.653, subdivision 2; 144A.04, subdivision 5; 144A.10, subdivision 2; 145.882; 145.921, subdivision 1; 245.62; 245.66; 245.83; 245.84, subdivisions 1, 2, and 5; 245.85; 245.86; 245.87; 256.045, subdivision 3; 256.82, by adding a subdivision; 256.966, subdivision 1; 256.968; 256B.02, subdivision 8; 256B.04, subdivision 14, and by adding a subdivision; 256B.06, subdivision 1; 256B.07; 256B.14, subdivision 2; 256B.17, subdivision 4, and by adding subdivisions; 256B.27, subdivision 3; 256B.48, by adding a subdivision; 256D.01, subdivision 1; 256D.02, subdivision 4; 256D.03, subdivisions 3 and 4, and by adding subdivisions; 256D.05, subdivision 1a; 256D.06, subdivision 5; 256D.09, subdivision 2, and by adding a subdivision; 260.191, subdivision 2; 260.242, subdivision 2; 261.23; 357.021, subdivisions 2 and 2a; 401.14, by adding a subdivision; 401.15, subdivision 1; 517.08, subdivisions 1b and 1c; proposing new law coded in Minnesota Statutes, chapters 145; 252; 256; 256B; 256D; and 268; repealing Minnesota Statutes 1982, sections 256D.02, subdivision 14; 256D.05, subdivision 1a; 256D.06, subdivision 1a; 256D.22; and Laws 1981, chapter 360, article II, section 54, as amended.

Under the rules of the Senate, laid over one day.

Mr. Ulland introduced—

S.F. No. 1235: A bill for an act relating to labor; providing for an exemption from wage requirements for certain domestic service employees; amending Minnesota Statutes 1982, section 177.23, subdivision 7.

Referred to the Committee on Employment.

Messrs. Chmielewski, Sieloff, Bertram, Belanger and DeCramer introduced—

S.F. No. 1236: A bill for an act relating to education; establishing a demonstration grant program for elementary pupils; appropriating money.

Referred to the Committee on Education.

Mr. Schmitz introduced—

S.F. No. 1237: A bill for an act relating to land surveying; authorizing

counties to contract for the preservation and remonumentation of the United States public land survey; appropriating money; amending Minnesota Statutes 1982, sections 287.21, subdivision 2; 287.25; 287.28; 287.29, subdivision 1; and 389.011, subdivision 2; proposing new law coded in Minnesota Statutes, chapter 287.

Referred to the Committee on Local and Urban Government.

Mr. Frank, Mrs. Lantry, Mses. Berglin; Peterson, D.C. and Mr. Diessner introduced—

S.F. No. 1238: A bill for an act relating to taxation; establishing an income tax checkoff for the purpose of providing funds for organ transplants; proposing new law coded in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes and Tax Laws.

Mr. Frederickson and Ms. Olson introduced—

S.F. No. 1239: A bill for an act relating to human rights; clarifying the meaning of a change in the time for filing suit in the district court.

Referred to the Committee on Judiciary.

Mr. Pehler introduced—

S.F. No. 1240: A bill for an act proposing an amendment to the Minnesota Constitution, article XI, section 8; removing the constitutional restrictions on permanent school fund investments; establishing statutory restrictions; amending Minnesota Statutes 1982, section 11A.16, subdivision 4.

Referred to the Committee on Education.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Mr. Samuelson moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 1234 and that the rules of the Senate be so far suspended as to give S.F. No. 1234 its second and third reading and place it on its final passage. The motion prevailed.

S. F. No. 1234 was read the second time.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 2:00 p.m. The motion prevailed.

The hour of 2:00 p.m. having arrived, the President called the Senate to order.

The question recurred on S.F. No. 1234.

Mr. Frederickson moved to amend S.F. No. 1234 as follows:

Page 51, lines 8 to 10, reinstate the stricken language

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 38, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Knutson	Peterson, D.L.	Ulland
Anderson	Frederick	Kronebusch	Ramstad	Wegscheid
Belanger	Frederickson	Laidig	Renneke	
Benson	Isackson	McQuaid	Sieloff	
Berg	Kamrath	Mehrkens	Storm	
Bernhagen	Knaak	Olson	Taylor	

Those who voted in the negative were:

Berglin	Dieterich	Langseth	Peterson, C.C.	Schmitz
Bertram	Frank	Lantry	Peterson, D.C.	Solon
Chmielewski	Freeman	Luther	Peterson, R.W.	Spear
Dahl	Hughes	Merriam	Petty	Stumpf
Davis	Johnson, D.E.	Moe, D. M.	Pogemiller	Vega
DeCramer	Johnson, D.J.	Moe, R. D.	Purfeerst	Willet
Dicklich	Jude	Novak	Reichgott	
Diessner	Kroening	Pehler	Samuelson	

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

S.F. No. 1234 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Dieterich	Kronebusch	Novak	Samuelson
Berglin	Frederick	Langseth	Pehler	Sieloff
Bernhagen	Freeman	Lantry	Peterson, C.C.	Solon
Bertram	Hughes	Lessard	Peterson, D.C.	Spear
Chmielewski	Johnson, D.E.	Luther	Peterson, R.W.	Stumpf
Dahl	Johnson, D.J.	McQuaid	Petty	Taylor
Davis	Jude	Merriam	Pogemiller	Vega
DeCramer	Knaak	Moe, D. M.	Purfeerst	Wegscheid
Dicklich	Knutson	Moe, R. D.	Reichgott	Willet
Diessner	Kroening	Nelson	Renneke	

Those who voted in the negative were:

Anderson	Berg	Frederickson	Laidig	Peterson, D.L.
Belanger	Brataas	Isackson	Mehrkens	Ramstad
Benson	Frank	Kamrath	Olson	Ulland

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 695: A bill for an act relating to public welfare; requiring new procedures for determining nursing home payment rates; requiring a moratorium on certification or welfare licensure of new beds with certain exceptions; providing for an interagency board for quality assurance; appropriating money; amending Minnesota Statutes 1982, sections 144A.10, subdivisions 4, 6, and by adding a subdivision; 256B.091, subdivisions 1, 2, 4, and 8; 256B.41; 256B.47; and 256B.48; proposing new law coded in Minnesota Statutes 1982, chapters 144A and 256B; repealing Minnesota Statutes 1982, sections 256B.42; 256B.43; 256B.44; 256B.45; and

256B.46; and 12 MCAR 2.049.

Ms. Berglin moved to amend S.F. No. 695 as follows:

Page 3, line 9, after "that" insert "*, together with all contiguous counties,*" and after "fewer" insert "*than 60*" and after "beds" delete "*than 60*"

Page 3, line 10, delete "*beds*"

The motion prevailed. So the amendment was adopted.

Mr. Sieloff moved to amend S.F. No. 695 as follows:

Page 4, line 35, delete "*or*"

Page 4, after line 35, insert:

"(e) To certify a new bed in a facility for which a certificate of need was issued prior to the effective date of this section, provided conditions of the certificate include requirements that at least one-third of the beds be licensed and certified short-stay beds, and that the applicant construct and operate on a concurrent time schedule with the nursing home a congregate housing program for the elderly upon a single site; or"

Page 4, line 36, delete "*(e)*" and insert "*(f)*"

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Ms. Berglin imposed a call of the Senate for the balance of the proceedings on S.F. No. 695. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Waldorf moved to amend S.F. No. 695 as follows:

Page 8, after line 5, insert:

"The commissioners of health and public safety shall notify the commissioner of public welfare when an inspection or reinspection reveals deterioration of real estate or equipment in areas that relate to resident care, safety, or rights and that might indicate a need to reappraise the nursing home's value."

Page 21, line 5, before "*Property-related*" insert "*(a) For the rate year beginning July 1, 1983 and ending June 30, 1984,*"

Page 21, delete line 9

Page 21, line 10, delete everything before "*No*"

Page 21, line 35, delete "*and permanent*"

Page 22, after line 1, insert:

"(b) In subsequent years, the commissioner shall reimburse nursing home providers that are vendors in the medical assistance program for the rental use of their property. The "rent" is the amount of periodic payment which a renter might expect to pay for the right to the agreed use of the real estate and the equipment as it exists. "Real estate" means land improvements, build-

ings, and attached fixtures used directly for resident care. "Equipment" means the standard moveable resident care equipment and support service generally used in long-term care facilities.

(1) For the state fiscal year beginning July 1, 1984, the commissioner shall provide for the appraisal of each nursing home that is a medical assistance vendor by uniform standards, using the depreciated replacement cost method. The appraisal shall include the real estate and the equipment.

The commissioner shall provide for the reappraisal of a nursing home if the commissioner of health or the commissioner of public safety notifies the commissioner that an inspector has noticed deterioration over a period of at least six months of the real estate or equipment.

(2) The commissioner shall establish an investment per bed limitation on the value to be recognized of buildings, land improvements, and major moveable equipment and shall annually update the limitation to reflect changes in replacement costs.

(3) The base rent is the value determined by the appraisal under paragraph (a), limited by the investment per bed limitation established under paragraph (b).

(4) The per diem rent for the rate year July 1, 1984 to June 30, 1985 shall be determined by multiplying the base rent by eight percent and dividing the result by 96 percent of the nursing home's certified capacity days. Each rate year after the rate year July 1, 1984 to June 30, 1985, the commissioner shall apply an appropriate index to the per diem rent computed for the rate year July 1, 1984 to June 30, 1985, not to exceed three percent per rate year.

A nursing home with a payment rate for property-related costs for the rate year July 1, 1983 to June 30, 1984 that is higher than its per diem rent for the same rate year shall receive its per diem rent for the rate year plus

(i) for the rate year July 1, 1984 to June 30, 1985, 80 percent of the difference,

(ii) for the rate year July 1, 1985 to June 30, 1986, 60 percent of the difference,

(iii) for the rate year July 1, 1986 to June 30, 1987, 40 percent of the difference, and

(iv) for the rate year July 1, 1987 to June 30, 1988, 20 percent of the difference,

between the per diem rent for the rate year July 1, 1983 to June 30, 1984 and the payment rate for property-related costs for that same rate year.

A nursing home with a payment rate for property-related costs for the rate year July 1, 1983 to June 30, 1984 that is lower than its per diem rent for that rate year shall receive that payment rate plus

(iv) for the rate year July 1, 1984 to June 30, 1985, 20 percent of the difference,

(v) for the rate year July 1, 1985 to June 30, 1986, 40 percent of the difference,

(vi) for the rate year July 1, 1986 to June 30, 1987, 60 percent of the

difference, and

(vii) for the rate year July 1, 1987 to June 30, 1988, 80 percent of the difference,

between that payment rate for property-related costs for the rate year July 1, 1983 to June 30, 1984 and the per diem rent for that rate year.

For each rate year from July 1, 1984 to June 30, 1988, the commissioner shall ensure that the total amount of per diem rent paid to nursing homes for each rate year does not exceed 100 percent of the total amount paid for property-related costs in the immediately preceding rate year and shall make rateable or other reductions in per diem rents if necessary to achieve that result.

For subsequent years, each nursing home shall receive its per diem rent as calculated under clauses (1) to (4)."

Page 22, lines 4, 8, 11, and 12, after "interim" insert "operating cost"

Page 22, line 16, after the period, insert "The commissioner shall establish the rent for newly-constructed beds."

Page 22, after line 23, insert:

"Subd. 6. [ADDITIONAL PROPERTY COST REIMBURSEMENT.] Facilities receiving, on June 30, 1984, reimbursement for allowable depreciation allowance, interest expenses, and earnings or investment allowances in excess of the rent computed pursuant to subdivision 3, paragraph (b), shall continue to receive reimbursement for those amounts, minus any retirements from depreciation schedules or reductions in actual interest expenses, until the rent exceeds those amounts. However, in no case shall the amount paid for in investment or earnings allowance exceed that amount received for those allowances on March 1, 1983. Payments made pursuant to this subdivision shall not be transferable and excess depreciation paid by Medical Assistance shall be recaptured."

Page 32, lines 4 and 5, delete "Research of property-related reimbursement systems 330,000"

Page 32, line 11, after the period, insert "\$2,000,000 is appropriated from the general fund to the commissioner of public welfare for the biennium ending June 30, 1985 in order to provide for appraisal of each nursing home as required under section 12. To provide for this appraisal the commissioner shall contract with a nationally-recognized firm that is familiar with methods of appraisals for nursing homes, but shall specify terms designed to prevent actual conducting of the appraisals by individuals from the same geographic area in the state as the appraised nursing homes or by other individuals who might have conflicts of interest."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 38, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Knaak	Mehrkens	Taylor
Anderson	Frederick	Knutson	Olson	Ulland
Belanger	Frederickson	Kroening	Peterson, D.L.	Waldorf
Benson	Isackson	Kronebusch	Reichgott	Wegscheid
Berg	Johnson, D.E.	Lajdig	Renneke	
Bernhagen	Kamrath	McQuaid	Storm	

Those who voted in the negative were:

Berglin	Dieterich	Lessard	Peterson, C.C.	Sieloff
Bertram	Frank	Luther	Peterson, D.C.	Solon
Chmielewski	Freeman	Merriam	Peterson, R.W.	Spear
Dahl	Hughes	Moe, D. M.	Petty	Stumpf
Davis	Johnson, D.J.	Moe, R. D.	Pogemiller	Vega
DeCramer	Jude	Nelson	Purfeerst	Willet
Dicklich	Langseth	Novak	Ramstad	
Diessner	Lantry	Pehler	Samuelson	

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

RECONSIDERATION

Having voted on the prevailing side, Ms. Reichgott moved that the vote whereby the Sieloff amendment to S.F. No. 695 was adopted on May 11, 1983, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 36 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kronebusch	Pehler	Spear
Berglin	Dieterich	Langseth	Peterson, C.C.	Stumpf
Bertram	Frank	Lantry	Peterson, D.C.	Vega
Chmielewski	Frederick	Luther	Peterson, R.W.	Willet
Dahl	Freeman	Moe, D. M.	Petty	
Davis	Johnson, D.J.	Moe, R. D.	Purfeerst	
DeCramer	Knutson	Nelson	Renneke	
Dicklich	Kroening	Novak	Samuelson	

Those who voted in the negative were:

Anderson	Frederickson	Laidig	Ramstad	Waldorf
Belanger	Isackson	Lessard	Sieloff	Wegscheid
Benson	Johnson, D.E.	McQuaid	Solon	
Berg	Jude	Mehrkens	Storm	
Bernhagen	Kamrath	Olson	Taylor	
Brataas	Knaak	Peterson, D.L.	Ulland	

The motion prevailed.

The question recurred on the Sieloff amendment.

The roll was called, and there were yeas 34 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knaak	Olson	Storm
Belanger	Frederickson	Kroening	Peterson, D.L.	Taylor
Benson	Hughes	Kronebusch	Ramstad	Ulland
Berg	Isackson	Laidig	Renneke	Vega
Bernhagen	Johnson, D.E.	Lessard	Schmitz	Waldorf
Brataas	Jude	McQuaid	Sieloff	Wegscheid
Frank	Kamrath	Mehrkens	Solon	

Those who voted in the negative were:

Adkins	Dicklich	Lantry	Pehler	Reichgott
Berglin	Diessner	Luther	Peterson, C.C.	Samuelson
Bertram	Dieterich	Merriam	Peterson, D.C.	Spear
Chmielewski	Freeman	Moe, D. M.	Peterson, R.W.	Stumpf
Dahl	Johnson, D.J.	Moe, R. D.	Petty	Willet
Davis	Knutson	Nelson	Pogemiller	
DeCramer	Langseth	Novak	Purfeerst	

The motion prevailed. So the amendment was adopted.

Mr. Isackson moved to amend S.F. No. 695 as follows:

Page 3, line 9, delete "60" and insert "70"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 43, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knutson	Olson	Storm
Belanger	Frederickson	Kronebusch	Peterson, D.L.	Taylor
Berg	Isackson	Laidig	Ramstad	Ulland
Bernhagen	Kamrath	McQuaid	Renneke	
Brataas	Knaak	Mehrkens	Sieloff	

Those who voted in the negative were:

Adkins	Diessner	Langseth	Pehler	Solon
Benson	Dieterich	Lantry	Peterson, C.C.	Spear
Berglin	Frank	Lessard	Peterson, D.C.	Stumpf
Bertram	Freeman	Luther	Petty	Vega
Chmielewski	Hughes	Merriam	Pogemiller	Waldorf
Dahl	Johnson, D.E.	Moe, D. M.	Purfeerst	Wegscheid
Davis	Johnson, D.J.	Moe, R. D.	Reichgott	Willet
DeCramer	Jude	Nelson	Samuelson	
Dicklich	Kroening	Novak	Schmitz	

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

S.F. No. 695 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 52 and nays 15, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Belanger	Brataas	Johnson, D.E.	Laidig	Renneke
Berg	Frederick	Knaak	Mehrkens	Storm
Bernhagen	Frederickson	Kronebusch	Peterson, D.L.	Ulland

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

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 251: Messrs. Frederickson, Spear and Peterson, C.C.

S.F. No. 1003: Mr. Petty, Ms. Berglin and Mr. Knutson.

H.F. No. 1259: Messrs. Johnson, D.J.; Peterson, C.C.; Ms. Berglin, Messrs. Dieterich and Novak.

H.F. No. 521: Substitute the name of Mr. Laidig for Mr. Petty.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Dahl moved that S.F. No. 1230 be withdrawn from the Committee on Taxes and Tax Laws and re-referred to the Committee on Transportation. The motion prevailed.

MEMBERS EXCUSED

Mr. Lessard was excused from the Session of today from 12:00 noon to 2:30 p.m. Mr. Waldorf was excused from the Session of today from 12:00 noon to 2:50 p.m. Mr. Kroening was excused from the Session of today from 12:00 noon to 1:45 p.m. Mr. Diessner was excused from the Session of today from 12:15 to 1:15 p.m. Mr. Pehler was excused from the Session of today from 3:00 to 4:30 p.m. Mr. Peterson, R.W. was excused from the Session of today from 3:20 to 4:30 p.m. Mr. Purfeerst was excused from the Session of today from 12:00 noon to 2:00 p.m. Messrs. Johnson, D.J.; Peterson, C.C.; Dieterich; Novak and Ms. Berglin were excused from the early part of today's Session.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Thursday, May 12, 1983. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-SECOND DAY

St. Paul, Minnesota, Thursday, May 12, 1983

The Senate met at 9:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Glenn Nycklemoe.

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

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

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 634: A bill for an act relating to game and fish; establishing the joint legislative committee on fishing resources; imposing a surcharge on fishing licenses for development and improvement of state fishing resources; authorizing designation of experimental and specialized fishing waters; authorizing additional notice of netting season; licensing fishing guides; increasing certain license fees; prohibiting angling and use of tip-

ups while spearing in a dark house; prohibiting issuance of new commercial game fish netting licenses; allowing designation of lakes for taking of certain muskellunge; imposing penalties for various offenses; amending Minnesota Statutes 1982, sections 84.027, subdivision 2; 97.48, subdivision 26, and by adding a subdivision; 97.53, by adding a subdivision; 97.55, by adding subdivisions; 98.46, subdivision 5; 98.52, by adding subdivisions; and 101.42, subdivisions 1a and 20; proposing new law coded in Minnesota Statutes, chapters 97, 98, and 102.

Senate File No. 634 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 11, 1983

Mr. Moe, R.D. moved that S.F. No. 634 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 233 and 652.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 11, 1983

FIRST READING OF HOUSE BILLS

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

H.F. No. 233: A bill for an act relating to retirement; providing post retirement annuity or benefit increases for certain retired or disabled public employees.

Referred to the Committee on Finance.

H.F. No. 652: A bill for an act relating to retirement; public plans generally; providing for the fiduciary obligation of trustees; complying with federal limits on annual benefits; providing that moneys of public pension plans are for the exclusive benefit of eligible employees and their beneficiaries; amending Minnesota Statutes 1982, sections 356.61; 354A.021, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 356.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 660, now on Special Orders.

REPORTS OF COMMITTEES

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 206: A bill for an act relating to employment; providing assistance to employees who lose their jobs, affected communities and businesses which may suffer due to business closings, plant relocations, and

reductions in operations; requiring advance notification to affected employees, employee organizations, municipalities, and the state, of business closings, plant relocations, and reductions of operations; prescribing duties of certain departments, governmental bodies, and officers with respect to business closings, plant relocations, and reductions of operations; creating the Minnesota community, business, and job preservation board; providing penalties; appropriating money; proposing new law coded as Minnesota Statutes, chapter 268A.

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

Page 2, line 23, delete “, including the state and political subdivisions”

Page 2, line 24, delete “of the state,”

Page 3, line 4, delete “other than” and insert a period

Page 3, delete lines 5 and 6

Page 12, line 14, insert “264,000” in the blank

Page 12, line 17, before the period, insert “, to be available until June 30, 1985”

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

Mr. Willet from the Committee on Finance, to which was referred

H.F. No. 657: A bill for an act relating to transportation; authorizing the commissioner to expend money for railroad acquisition by a regional railroad authority; modifying requirements for compliance with standards for zoning ordinances for municipal airports; modifying the regional railroad authority act to allow municipalities to form regional railroad authorities; allowing the expenditure of certain state funds for railroad improvement and acquisition; providing an aircraft base price for taxation purposes; amending Minnesota Statutes 1982, sections 222.50, subdivision 7; 360.063, subdivisions 3, 4, and 6; 360.065, subdivision 2; 360.066, subdivision 1; 360.067, subdivision 1; 360.531, subdivision 4; 398A.02; 398A.03; 398A.04, subdivisions 8 and 9; 398A.07, subdivision 2; and Laws 1980, chapter 610, section 1, as amended.

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

Page 2, after line 14, insert:

“Sec. 2. Minnesota Statutes 1982, section 222.64, is amended to read:

222.64 [EMPLOYMENT PREFERENCE.]

Individuals who have been previously employed by railroads, whose users obtain guaranteed loans or other assistance pursuant to sections 222.46 to 222.64, shall have priority, based upon their length of service with that railroad, in employment with a purchasing carrier or other operator of a railroad benefiting from those loans or other assistance. A railroad entering into a contract with the state pursuant to the provisions of 222.46 to

222.51 shall perform all track rehabilitation and improvement work under the state contract in compliance with any agreement in effect between the railroad and its employees. When there is an agreement in effect between the railroad and its employees, work assigned to contractors shall be in compliance with applicable provisions of the agreement."

Page 14, line 28, delete "14" and insert "15"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 13, after the first semicolon, insert "222.64;"

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

Mr. Willet from the Committee on Finance, to which was referred

H.F. No. 537: A bill for an act relating to education; providing for the inclusion of certain community college and state university faculty members in the definition of an employee under the public employment labor relations act; amending Minnesota Statutes 1982, section 179.63, subdivision 7.

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

Page 2, line 2, delete "and any" and insert "or for"

Page 2, line 3, delete the slash and insert "or"

Page 2, line 11, delete "and any" and insert "or for"

Page 2, line 12, delete the slash and insert "or"

Page 2, after line 15, insert:

"The provisions of paragraphs (1) and (2) above do not apply to an individual hired to teach one course for up to four credits for one quarter in a year."

Page 2, line 24, delete the slash and insert "or"

Page 2, after line 25, insert:

"(h) graduate assistants employed by the school in which they are enrolled in a graduate degree program;"

Reletter the clauses in sequence

Page 2, after line 34, insert:

"Sec. 2. Laws 1979, chapter 332, article 1, section 116, as amended by Laws 1980, chapter 617, section 44, and Laws 1982, chapter 568, section 6, is amended to read:

Sec. 116. [EFFECTIVE DATE.]

The effective dates for Article I are as follows: sections 2, 4, 8, 40, 45, 46, 47, 58, 61, 65, 82 to 91, and 113 are effective upon final enactment. Section 64, is effective June 30, 1980. Sections 3, 5, 6 and 7 are effective July 1,

1981. The remaining provisions of Article I are effective July 1, 1979. The provisions of section 47 shall apply to all disciplinary actions taken on or after the effective date of section 47. The provisions of section 63 shall expire on July 1, 1981, but shall apply to all arbitration proceedings which are to determine contractual provisions for the 1981-1983 biennium. The provisions of section 64 shall expire on July 1, ~~1983~~ 1984, but shall apply to all arbitration proceedings which are to determine contractual provisions for the next contract period. The provisions of sections 93 to 111 and 113 shall expire on July 1, 1981. The provisions of section 137.02, subdivision 4, shall not apply to sections 93 to 111."

Page 2, line 35, delete "2" and insert "3"

Page 2, line 36, delete "*Section 1*" and insert "*This act*"

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "continuing final offer arbitration for certain public employees;"

Page 1, line 6, before the period, insert "; amending Laws 1979, chapter 332, article I, section 116, as amended"

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 1196: A bill for an act relating to taxation; sales; providing an exemption for sales by community service organizations; amending Minnesota Statutes 1982, section 297A.25, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. [TEMPORARY SALES TAX EXEMPTION.]

The gross receipts from the sale of meals or tangible personal property by a nonprofit association for community service, none of the earnings of which inures to the benefit of private individuals, which sales occurred after December 31, 1977, and before the date of enactment of this act, shall be exempt from taxation under Minnesota Statutes, chapter 297A. No refunds shall be paid pursuant to this section unless the service organization can demonstrate to the commissioner of revenue that the refunds will be paid to those who paid the tax.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 2, delete "sales; providing an" and insert "providing a temporary sales tax"

Page 1, line 3, delete "; amending" and insert a period

Page 1, delete lines 4 and 5

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 893: A bill for an act relating to the lower Red River watershed management board; removing ten year limitation for tax levy by watershed districts which are members of board; transferring a position to the classified service; amending Laws 1976, chapter 162, sections 1, as amended, and 2.

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 79: A bill for an act relating to horse racing; defining certain terms; establishing a racing commission and providing for its membership, powers, and duties; authorizing the licensing of persons to operate race-tracks, conduct horse racing, and engage in certain occupations; prescribing license fees; authorizing the assigning of racing days; establishing a division of pari-mutuel betting in the department of public safety and providing for the powers and duties of the commissioner; authorizing pari-mutuel betting on horse racing and prescribing taxes thereon; providing for the regulation of horse racing and establishing fines; establishing a breeders fund; prohibiting certain acts relating to horse racing and establishing penalties; amending miscellaneous statutes to include pari-mutuel related provisions; providing a withholding tax on certain pari-mutuel winnings and on occupation license holders; clarifying what is not a lottery; defining sports bookmaking and making it a felony; providing for the forfeiture of certain gambling devices, prizes, and proceeds; appropriating money; amending Minnesota Statutes 1982, sections 10A.09, subdivisions 1 and 5; 38.04; 290.09, subdivisions 5 and 29; 290.17, subdivision 2; 290.92, by adding subdivisions; 609.75, subdivisions 1 and 3, and by adding a subdivision; 609.76; 609.761; proposing new law coded as Minnesota Statutes, chapter 299J; proposing new law coded in Minnesota Statutes, chapter 609.

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

Page 1, line 35, after "*of*" insert "*articles 1 to 5 of*"

Page 3, line 31, after "*under*" insert "*articles 1 to 5 of*"

Page 4, line 16, delete the comma and insert a period

Page 4, line 16, delete "*of which*" and insert "*copy*"

Page 4, line 17, delete the comma and after "*other*" insert "*copy*"

Page 5, line 2, delete "*His duties are*" and insert "*He shall*"

Page 5, lines 3, 7, and 10, delete "*to*"

Page 5, line 29, after "*under*" insert "*articles 1 to 5 of*"

- Page 6, line 9, delete "in" and insert "under article 2 of"
- Page 7, line 33, after "under" insert "article 2 of"
- Page 8, line 21, after "under" insert "articles 1 to 5 of"
- Page 9, line 6, delete the comma and insert a period
- Page 9, line 6, delete "of which" and insert "copy"
- Page 9, line 7, delete the comma and after "other" insert "copy"
- Page 9, line 27, after "of" insert "the"
- Page 10, line 31, delete "by" and insert "under articles 1 to 5 of"
- Page 11, line 32, after "under" insert "articles 1 to 5 of"
- Page 12, line 20, delete the comma and insert a period
- Page 12, line 20, delete "of which" and insert "copy"
- Page 12, line 21, delete the comma and after "other" insert "copy"
- Page 14, line 13, after "under" insert "articles 1 to 5 of"
- Page 14, line 36, delete the comma and insert a period
- Page 14, line 36, delete "of which" and insert "copy"
- Page 15, line 1, delete the comma and after "other" insert "copy"
- Page 17, line 13, delete "sections 14.57 to"
- Page 17, line 14, delete everything before "and" and insert "under chapter 14"
- Page 18, line 9, before "COUNTY" insert "STATE OR"
- Page 18, line 11, delete "county"
- Page 18, line 20, delete "by sections 14.63 to 14.68" and insert "chapter 14"
- Page 18, line 36, delete "may" and insert "shall"
- Page 19, line 6, delete "in" and insert "under article 3 of"
- Page 20, line 10, delete "is responsible for enforcing" and insert "shall enforce"
- Page 20, line 20, after "in" insert "articles 1 to 5 of"
- Page 21, line 23, after "under" insert "articles 1 to 5 of"
- Page 27, line 12, after "of" insert "articles 1 to 5 of"
- Page 28, line 30, after "under" insert "articles 1 to 5 of"
- Page 29, line 17, delete "by sections 14.63 to 14.68" and insert "under chapter 14"
- Page 29, line 25, after "under" insert "articles 1 to 5 of"
- Page 30, line 27, after "granted" insert "him"
- Page 30, line 27, delete "in" and insert "under articles 1 to 5 of"
- Page 33, line 4, after the second "of" insert "articles 1 to 5 of"

Page 33, after line 23, insert:

“ARTICLE 6

COMPULSIVE GAMBLING

Section 1. [TREATMENT PROGRAMS.]

The commissioner of public welfare, after consulting with the commissioner of health, the chairman of the racing commission established by article 2, section 1, and other persons knowledgeable in the assessment and treatment of compulsive gamblers, shall present to the legislature no later than January 30, 1984, legislation establishing treatment programs for the rehabilitation of compulsive gamblers if the commissioner of public welfare concludes that treatment programs will aid in the rehabilitation of compulsive gamblers. In developing the legislation, the commissioner of public welfare shall include, among other things, consideration of the following issues:

(1) the nature of compulsive gambling and current practices in diagnosing and treating it;

(2) the extent of compulsive gambling in this state and the effect of current and proposed forms of legalized gambling on the incidence of compulsive gambling;

(3) existing programs in this state to deal with compulsive gambling;

(4) proposals for additional efforts to deal with compulsive gambling by both public and private agencies;

(5) coverage of compulsive gambling under existing health insurance policies and proposals to change that coverage;

(6) recommendations for a coordinated program of public and private action to deal with compulsive gambling by means of both treatment and public information, with recommended funding levels and implementation strategy;

(7) the estimated annual cost of establishing compulsive gambling treatment programs; and

(8) the impact of compulsive gambling on income tax collections.

At a minimum, the legislation must include provisions establishing residential and outpatient treatment programs which address the unique needs of compulsive or pathological gamblers and which allow participants to return to normal lifestyles which do not include gambling. The legislation must also authorize the commissioner of public welfare to provide educational materials to the public regarding the detrimental effects of compulsive gambling on the economic and emotional health and welfare of the family unit.

There is appropriated from the general fund to the commissioner of public welfare the sum of \$35,000, or so much thereof as is necessary, for the purposes of this section. This appropriation is available until January 30, 1984.”

Page 33, line 24, delete “6” and insert “7”

Page 35, after line 26, insert:

“Sec. 4. Minnesota Statutes 1982, section 273.76, is amended by adding

a subdivision to read:

Subd. 9. [LICENSED RACETRACKS; TREATMENT UNDER TAX INCREMENT.] No revenues derived from tax increment shall be used to pay the cost of redevelopment, or providing public improvements or facilities, or other public costs in connection with the construction or development of a licensed racetrack as defined in article 1, section 1. If a licensed racetrack is located wholly or partly within the boundaries of a tax increment district, no portion of the assessed value of the racetrack shall be included in the district's captured assessed value. Notwithstanding the provisions of section 273.78, this subdivision shall apply to any tax increment district or project, regardless of whether the tax increment was certified before August 1, 1979."

Page 36, line 17, delete "and provided that before this clause is applied," and insert a period

Page 36, line 18, after "under" insert "articles 1 to 5 of"

Page 47, line 4, delete "prices" and insert "prizes"

Page 51, line 4, delete "6" and insert "7"

Renumber the sections of article 7 in sequence

Amend the title as follows:

Page 1, line 15, after the semicolon, insert "providing for a study of the need for and establishment of programs for the rehabilitation of compulsive gamblers;"

Page 1, line 24, after "38.04;" insert "273.76, by adding a subdivision;"

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 1097: A bill for an act relating to agriculture; making certain changes in the grain buyers act; changing the place of filing of farm product liens; imposing a penalty; amending Minnesota Statutes 1982, sections 223.16, subdivisions 1, 7, 8, 11, and by adding subdivisions; 223.17; 223.18; 223.19; and 336.9-401; Laws 1982, chapter 635, section 9; proposing new law coded in Minnesota Statutes, chapter 223.

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

Page 4, line 33, after the period, insert:

"The commissioner may postpone an increase in the amount of the bond until July 1, 1985, if a licensee demonstrates that the increase will impose undue financial hardship on it, and that producers will not be harmed as a result of the postponement. The commissioner may impose other restrictions on a licensee whose bond increase has been postponed."

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 265: A bill for an act relating to public welfare; establishing limitation on the number of beds in the state program for mentally retarded persons; establishing reimbursement rates for residential and training and habilitation services; transferring certain appropriations to medical assistance; establishing case management services and screening teams; amending Minnesota Statutes 1982, sections 252.24, subdivision 1; 252.28; 256B.02, subdivision 8; and 256E.06, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 252 and 256B.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 252.24, subdivision 1, is amended to read:

Subdivision 1. [SELECTION OF DEVELOPMENTAL ACHIEVEMENT CENTERS.] The county board shall administer developmental achievement services, *including training and habilitation services provided by licensed developmental achievement centers to residents of intermediate care facilities for the mentally retarded.* The county board shall ensure that transportation is provided for persons who fulfill the eligibility requirements of section 252.23, clause (1), utilizing the most efficient and reasonable means available. The county board may contract for developmental achievement services and transportation from a center which is licensed under the provisions of sections 245.781 to 245.813, 252.28, and 257.175, and in the board's opinion, best provides daytime developmental achievement services for mentally retarded and cerebral palsied persons within the appropriation *and medical assistance resources* made available for this purpose. Daytime developmental achievement services administered by the county board ~~shall~~ *must* comply with standards established by the commissioner pursuant to subdivision 2 and applicable *federal regulations.*

Sec. 2. Minnesota Statutes 1982, section 252.28, is amended to read:

252.28 [COMMISSIONER OF PUBLIC WELFARE; DUTIES.]

Subdivision 1. [GENERAL SCOPE.] The commissioner of public welfare ~~may~~ *shall* determine, *and shall redetermine biennially,* the need, location, size, and program of public and private residential and day care facilities and services for mentally retarded children and adults.

Subd. 2. [RULES AND LICENSES.] The commissioner of public welfare shall:

(1) Establish uniform rules, regulations, and program standards for each type of residential and day facility or service for ~~more than four~~ *mentally* retarded persons, including state institutions under control of the commissioner and serving mentally retarded persons, *and excluding mentally retarded persons residing with their families.*

(2) Grant licenses according to the provisions of Laws 1976, chapter 243, sections 2 to 13.

Subd. 3. [NEW LICENSES; CONSIDERATIONS.] (1) No new license shall be granted pursuant to this section when the issuance of the license

would substantially contribute to an excessive concentration of community residential facilities within any town, municipality, or county of the state.

(2) In determining whether a license shall be issued pursuant to this subdivision, the commissioner of public welfare shall specifically consider the population, size, land use plan, availability of community services, and the number and size of existing public and private community residential facilities in the town, municipality, or county in which a licensee seeks to operate a residence. Under no circumstances may the commissioner newly license any a facility pursuant to this section except as provided in section 245.812. The commissioner of public welfare shall establish uniform rules and regulations to implement the provisions of this subdivision.

(3) Licenses for community facilities and services shall be issued pursuant to section 245.821.

Subd. 4. [DECERTIFICATION CRITERIA.] The commissioner shall promulgate criteria in rule for decertification of beds in intermediate care facilities for the mentally retarded, and shall encourage providers in voluntary decertification efforts. The commissioner of public welfare shall not recommend to the commissioner of health the involuntary decertification of intermediate care facility for the mentally retarded beds prior to the availability of appropriate services for those residents affected by the decertification. The commissioner of health shall decertify those intermediate care beds determined to be not needed by the commissioner of welfare.

Sec. 3. [252.291] [LIMITATION ON DETERMINATION OF NEED.]

Subdivision 1. [MORATORIUM.] Notwithstanding section 252.28, subdivision 1, or any other law or rule to the contrary, the commissioner of public welfare shall deny any request for a determination of need and refuse to grant a license pursuant to section 245.782 for any new intermediate care facility for mentally retarded persons or for an increase in the licensed capacity of an existing facility except as provided in subdivision 2. In no event shall the total of certified intermediate care beds for mentally retarded persons in community facilities and state hospitals exceed 7,500 beds. "Certified bed" means an intermediate care bed for the mentally retarded certified by the commissioner of health for the purposes of the medical assistance program under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982.

Subd. 2. [EXCEPTIONS.] The commissioner of public welfare in coordination with the commissioner of health may approve a new intermediate care facility for mentally retarded persons only in the following circumstances:

(a) when the facility is developed in accordance with a request for proposal system established pursuant to subdivision 3, clause (b); or

(b) when the facility is necessary to serve the needs of identifiable mentally retarded persons who are seriously behaviorally disordered or who are physically or sensorily impaired; or

(c) to license beds in new facilities where need was determined by the commissioner prior to the effective date of this section.

Subd. 3. [DUTIES OF COMMISSIONER.] The commissioner shall:

(a) establish standard admission criteria for state hospitals, and county

utilization targets to limit and reduce the number of intermediate care beds in state hospitals and community facilities in accordance with approved waivers under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982, to assure that appropriate services are provided in the least restrictive setting;

(b) provide technical assistance so that county boards may establish a request for proposal system for meeting individual service plan objectives through home and community based services, alternative community services, or, if no other alternative will meet the needs of identifiable individuals for whom the county is financially responsible, a new intermediate care facility for mentally retarded persons;

(c) establish a client tracking and evaluation system as required under applicable federal waiver regulations, Code of Federal Regulations, title 42, sections 431, 435, 440, and 441, as amended through December 31, 1982;

(d) develop a state plan for the delivery and funding of residential day and support services to the mentally retarded in Minnesota and submit that plan to the clerk of each house of the Minnesota legislature on or before January 15 of each biennium beginning January 15, 1985. The biennial plan shall include:

- (1) county by county maximum intermediate care bed utilization quotas;*
- (2) plans for the development of the number and types of services alternative to intermediate care beds;*
- (3) procedures for the administration and management of the plan;*
- (4) procedures for the evaluation of the implementation of the plan; and*
- (5) the number, type, and location of intermediate care beds targeted for decertification.*

The commissioner shall modify the plan to ensure that it conforms to the medical assistance home and community-based services waiver.

Subd. 4. [MONITORING.] The commissioner of public welfare, in coordination with the commissioner of health, shall implement mechanisms to monitor and analyze the effects of the bed moratorium in the different geographic areas of the state. The commissioner of public welfare shall submit to the legislature annually beginning January 15, 1984, an assessment of the impact of the moratorium by geographic areas.

Sec. 4. Minnesota Statutes 1982, section 256B.02, subdivision 8, is amended to read:

Subd. 8. [DEFINITIONS OF MEDICAL ASSISTANCE; MEDICAL CARE.] "Medical assistance" or "medical care" means payment of part or all of the cost of the following care and services for *an eligible individual whose income and resources are insufficient to meet all of such the* cost:

- (1) inpatient hospital services-;*
- (2) skilled nursing home services and services of intermediate care facilities-, including training and habilitation services, as defined in section 7, subdivision 1, for mentally retarded individuals residing in intermediate care*

facilities for the mentally retarded;

- (3) physicians' services-;
- (4) outpatient hospital or clinic services-;
- (5) home health care services-;
- (6) private duty nursing services-;
- (7) physical therapy and related services-;
- (8) dental services, excluding cast metal restorations-;
- (9) laboratory and x-ray services-; *and*

(10) the following if prescribed by a licensed practitioner: drugs, eye-glasses, dentures, and prosthetic devices. The commissioner shall designate a formulary committee which shall advise the commissioner on the names of drugs for which payment shall be made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of public welfare, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of public welfare, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two year terms and shall serve without compensation. The commissioner may establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. The formulary shall not include: drugs for which there is no federal funding; over the counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, prenatal vitamins, and vitamins for children under the age of seven; nutritional products; anorectics; and drugs for which medical value has not been established. Payment to drug vendors shall not be modified before the formulary is established. The commissioner may promulgate conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

The basis for determining the amount of payment shall be the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. Establishment of this fee shall not be subject to the requirements of the administrative procedure act. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written" on the prescription as required by section 151.21, subdivision 2.

Notwithstanding the above provisions, implementation of any change in the fixed dispensing fee which has not been subject to the administrative

procedure act shall be limited to not more than 180 days, unless, during that time, the commissioner shall have initiated rulemaking through the administrative procedure act-;

(11) diagnostic, screening, and preventive services.

(12) health care pre-payment plan premiums and insurance premiums if paid directly to a vendor and supplementary medical insurance benefits under Title XVIII of the Social Security Act.

(13) abortion services, but only if one of the following conditions is met:

(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;

(b) The pregnancy is the result of criminal sexual conduct as defined in section 609.342, clauses (c), (d), (e)(i), and (f), and the incident is reported within 48 hours after the incident occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or

(c) The pregnancy is the result of incest, but only if the incident and relative are reported to a valid law enforcement agency for investigation prior to the abortion.

(14) transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by non-ambulatory persons in obtaining emergency or non-emergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this clause, a person who is incapable of transport by taxicab or bus shall be considered to be non-ambulatory-;

(15) to the extent authorized by rule of the state agency, costs of bus or taxicab transportation incurred by any ambulatory eligible person for obtaining non-emergency medical care-; and

(16) any other medical or remedial care licensed and recognized under state law unless otherwise prohibited by law.

Sec. 5. [256B.092] [CASE MANAGEMENT OF MENTALLY RETARDED PERSONS.]

Subdivision 1. [COUNTY OF FINANCIAL RESPONSIBILITY, DUTIES.] Before any services may be rendered to mentally retarded persons in need of social service and medical assistance, the county of financial responsibility shall conduct a diagnostic evaluation in order to determine whether the person is or may be mentally retarded. If a client is diagnosed mentally retarded, that county must conduct a needs assessment, develop an individual service plan, and authorize placement for services. If the county of financial responsibility places a client in another county for services, the

placement shall be made in cooperation with the host county of services, and arrangements shall be made between the two counties for ongoing social services, including annual reviews of the client's individual service plan. The host county may not make changes in the service plan without approval of the county of financial responsibility.

Subd. 2. [MEDICAL ASSISTANCE.] To assure quality case management to those county clients who are eligible for medical assistance, the commissioner shall:

(a) provide consultation on the case management process;

(b) assist county agencies in the screening and annual reviews of clients to assure that appropriate levels of service are provided;

(c) provide consultation on service planning and development of services with appropriate options;

(d) provide training and technical assistance to county case managers; and

(e) authorize payment for medical assistance services.

Subd. 3. [TERMINATION OF SERVICES.] County agency case managers, under rules of the commissioner, shall authorize and terminate services of community and state hospital providers in accordance with individual service plans. Medical assistance services that are not needed shall not be authorized by county agencies or funded by the commissioner.

Subd. 4. [ALTERNATIVE HOME AND COMMUNITY-BASED SERVICES.] The commissioner shall make payments to county boards participating in the medical assistance program to pay costs of providing alternative home and community based services to mentally retarded persons eligible for medical assistance who have been screened under subdivision 7. Payment is available under this subdivision only for persons who, if not provided these services, would require the level of care provided in an intermediate care facility for mentally retarded persons.

Subd. 5. [FEDERAL WAIVERS.] The commissioner shall apply for any federal waivers necessary to secure, to the extent allowed by law, federal financial participation under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982, for the provision of services to persons who, in the absence of the services, would need the level of care provided in a state hospital or a community intermediate care facility for mentally retarded persons. The commissioner may seek amendments to the waivers or apply for additional waivers under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982, to contain costs. The commissioner shall ensure that payment for the cost of providing home and community based alternative services under the federal waiver plan shall not exceed the cost of intermediate care services that would have been provided in the absence of the services authorized by the waivers.

Subd. 6. [RULES.] The commissioner shall adopt temporary and permanent rules according to chapter 14, the Administrative Procedure Act, to establish required controls, documentation, and reporting of services provided in order to assure proper administration of the approved waiver plan.

Subd. 7. [SCREENING TEAMS ESTABLISHED.] Each county agency

shall establish a screening team which, under the direction of the county case manager, shall make an evaluation of need for home and community based services of persons who are entitled to the level of care provided by an intermediate care facility for mentally retarded persons or for whom there is a reasonable indication that they may need these services in the near future. The screening team shall make an evaluation of need within 15 working days of the request for services, and within five working days of an emergency admission of an individual to an intermediate care facility for mentally retarded persons. The screening team shall consist of the case manager, the client, a parent or guardian, a qualified mental retardation professional as defined in the Code of Federal Regulations, title 42, section 442.401, as amended through December 31, 1982, designated by the commissioner. The case manager shall consult with the client's physician or other persons as necessary to make this evaluation. Other persons may be invited to attend meetings of the screening team. No member of the screening team shall have any direct or indirect interest as a service provider in the case.

Subd. 8. [SCREENING TEAM DUTIES.] The screening team shall:

(a) review diagnostic data;

(b) review health, social, and developmental assessment data using a uniform screening tool specified by the commissioner;

(c) identify the level of services needed to maintain the person in the most normal and least restrictive setting that is consistent with treatment needs;

(d) identify other noninstitutional public assistance or social services that may prevent or delay long-term residential placement;

(e) determine whether a client is in serious need of long-term residential care;

(f) make recommendations to the county agency regarding placement and payment for: (1) social service or public assistance support to maintain a client in the client's own home or other place of residence; (2) training and habilitation services, vocational rehabilitation, and employment training activities; (3) community residential placement; (4) state hospital placement; or (5) a home and community based alternative to community residential placement or state hospital placement;

(g) make recommendations to a court as may be needed to assist the court in making commitments of mentally retarded persons; and

(h) inform clients that appeal may be made to the commissioner pursuant to section 256.045.

Subd. 9. [REIMBURSEMENT.] Payment must not be made to a service provider for any recipient placed in an intermediate care facility for the mentally retarded prior to the recipient being screened by the screening team. The commissioner shall not deny reimbursement for:

(a) an individual admitted to an intermediate care facility for the mentally retarded who is assessed to need long-term supportive services if long-term supportive services other than intermediate care are not available in that community;

(b) any individual admitted to an intermediate care facility for the mentally

retarded under emergency circumstances;

(c) any eligible individual placed in the intermediate care facility for the mentally retarded pending an appeal of the screening team's decision; or

(d) any medical assistance recipient when, after full discussion of all appropriate alternatives including those that are expected to be less costly than intermediate care for the mentally retarded, the individual or the individual's legal representative insists on intermediate care placement. The screening team shall provide documentation that the most cost effective alternatives available were offered to the individual or the individual's legal representative.

Sec. 6. Minnesota Statutes 1982, section 256B.19, is amended by adding a subdivision to read:

Subd. 3. [STUDY OF MEDICAL ASSISTANCE FINANCIAL PARTICIPATION.] The commissioner shall study the feasibility and outcomes of implementing a variable medical assistance county financial participation rate for long-term care services to mentally retarded persons in order to encourage the utilization of alternative services to long-term intermediate care for the mentally retarded. The commissioner shall submit his findings and recommendations to the legislature by January 20, 1984.

Sec. 7. [256B.50] [RATES FOR COMMUNITY-BASED SERVICES FOR THE MENTALLY RETARDED.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meaning given them.

(a) "Commissioner" means the commissioner of public welfare.

(b) "Facility" means a facility licensed as a mental retardation residential facility under section 252.28, licensed as a supervised living facility under Minnesota Statutes, chapter 144, and certified as an intermediate care facility for the mentally retarded.

(c) A "service under waiver" means home or community based service authorized under the United States Code, title 42, section 1396n(c), as amended through December 31, 1982, and defined in the Minnesota state plan for the provision of medical assistance services. "Services under waiver" include at least: case management, family training and support, developmental training homes, supervised living arrangements, semi-independent living services, respite care, and training and habilitation services.

(d) "Training and habilitation services" are those health and social services needed to insure optimal functioning of persons who are mentally retarded or have related conditions. Training and habilitation services shall be provided to a client away from the residence unless medically contra-indicated by an organization which does not have a direct or indirect financial interest in the organization which provides the person's residential services. This requirement does not apply to any developmental achievement center which has applied for licensure prior to April 15, 1983.

Subd. 2. [AUTHORITY.] The commissioner shall establish procedures and make rules for determining payment rates for care of residents of inter-

mediate care facilities for the mentally retarded which qualify as vendors of medical assistance, services under waiver, and for provision of training and habilitation services. Approved rates shall be established on the basis of methods and standards that the commissioner finds adequate to provide for the costs that must be incurred for the quality care of residents in efficiently and economically operated facilities and services. The procedures shall specify the costs that are allowable for payment through medical assistance. The commissioner may use experts from outside the department in the establishment of the procedures.

Subd. 3. [RATES FOR INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED.] *In establishing rules and procedures for setting rates for care of residents in intermediate care facilities for mentally retarded persons, the commissioner shall consider the recommendations contained in the February 11, 1983 Report of the Legislative Auditor on Community Residential Programs for the Mentally Retarded and the recommendations contained in the 1982 Report of the Department of Public Welfare Rule 52 Task Force. Rates paid to supervised living facilities for rate years beginning during the biennium ending June 30, 1985, must not exceed the final rate allowed the facility for the previous rate year by more than six percent.*

Subd. 4. [SERVICES UNDER WAIVER.] *In establishing rates for services under waiver, the commissioner shall consider the need for flexibility in the provision of those services to meet individual needs identified by the screening team.*

Subd. 5. [TRAINING AND HABILITATION SERVICES.] *(a) Except as provided in subdivision 6, rates for reimbursement under medical assistance for training and habilitation services provided by a developmental achievement center either as a service under waiver or to residents of an intermediate care facility for mentally retarded persons shall be established and paid according to this subdivision effective January 1, 1984.*

(b) Prior to August 1, 1983, the county board shall submit to the commissioner its contractual per diem rate and its maximum per client annual payment limitations, if any, for each developmental achievement center it administers pursuant to section 252.24, subdivision 1, for the period from July 1, 1983, through December 31, 1983, which shall be the medical assistance reimbursement rate established for that developmental achievement center for 1983. If the county rate is based on average daily attendance which is less than 93 percent of the developmental achievement center's average enrollment for the period from July 1, 1983 to December 31, 1983, the commissioner shall adjust that rate based on 93 percent average daily attendance.

(c) The base per diem reimbursement rate established for 1983 may be increased by the commissioner in 1984 in an amount up to the projected percentage change in the average value of the consumer price index (all urban) for 1984 over 1983. In subsequent years, the increase in the per diem rate shall not exceed the projected percentage change in the average annual value of the consumer price index (all urban) for the same time period.

(d) The county board of the county in which an intermediate care facility for mentally retarded persons is located shall contract annually with that facility and with the appropriate developmental achievement center or

training and habilitation service provider for provision of training and habilitation services for each resident of the facility for whom the services are required by the resident's individual service plan. This contract shall specify the county payment rate or the medical assistance reimbursement rate, whichever is appropriate, the training and habilitation services to be provided, and the performance standards for program provision and evaluation. A similar contract shall be entered into between the county and the developmental achievement center for persons receiving training and habilitation services from that center as a service under waiver.

(e) The commissioner shall reimburse under medical assistance up to 210 days of training and habilitation services at developmental achievement centers for those centers which provided up to 210 days of training and habilitation services in calendar year 1982. For developmental achievement centers providing more than 210 days of those services in 1982, the commissioner shall not reimburse under medical assistance for more than the number of days of service provided by those programs in 1982.

(f) Medical assistance payments for training and habilitation services shall be made directly to the training and habilitation provider after submission of invoices to the medical assistance program following procedures established by the medical assistance program.

(g) Nothing in this subdivision shall prohibit county boards from contracting for rates for services not reimbursed under medical assistance.

Subd. 6. [NEW DEVELOPMENTAL ACHIEVEMENT PROGRAMS; RATES.] The commissioner, upon the recommendation of the local county board, shall determine the medical assistance reimbursement rate for new developmental achievement programs. The payment rate shall not exceed 125 percent of the average payment rate in the region.

Subd. 7. [ALTERNATIVE RATES FOR TRAINING AND HABILITATION.] Alternative methods may be proposed by the counties or the commissioner for provision of training and habilitation services during daytime hours apart from a residential facility to persons for whom needs identified in their individual service plans are not met by the training and habilitation services provided at a developmental achievement center. The commissioner shall establish procedures for approval of the proposals and for medical assistance payment of rates which must not exceed the average rate allowed in that county for training and habilitation services pursuant to subdivision 5. Nothing in this subdivision prohibits a county from contracting with a developmental achievement center for those purposes.

Subd. 8. [PAYMENT FOR PERSONS WITH SPECIAL NEEDS.] The commissioner shall establish by December 31, 1983, procedures to be followed by the counties to seek authorization from the commissioner for medical assistance reimbursement for services under waiver or training and habilitation services for very dependent persons with special needs in an amount greater than the rates allowed pursuant to subdivisions 2, 4, 5, and 6, and procedures to be followed for rate limitation exemptions for intermediate care facilities for mentally retarded persons. No excess payment or limitation exemption shall be authorized unless the need for the service is documented in the individual service plan of the person or persons to be served, the type and duration of the services needed are stated, and there is a

basis for estimated cost of the services.

The commissioner shall evaluate the services provided under this subdivision through program and fiscal audits.

Subd. 9. [REPORTING REQUIREMENTS.] The developmental achievement center shall submit to the county and the commissioner no later than March 1 of each year an annual report which includes the actual program revenues and expenditures, client information, and program information. The information shall be submitted on forms prescribed by the commissioner.

Sec. 8. [RULES.]

To implement sections 1 to 7, the commissioner shall promulgate temporary and permanent rules in accordance with sections 14.01 to 14.38.

Sec. 9. Minnesota Statutes 1982, section 256E.06, is amended by adding a subdivision to read:

Subd. 2a. [STATE TRANSFER OF FUNDS.] Notwithstanding subdivisions 1 and 2, for the purpose of funding training and habilitation services provided to residents of intermediate care facilities for mentally retarded persons as required under federal regulation, the commissioner is authorized to transfer on a quarterly basis to the medical assistance state account from each county's community social services act allocation an amount equal to the state share of medical assistance reimbursement for such services provided to clients for whom said county is financially responsible. Upon federal approval and state implementation of the state medical assistance plan, county boards will not be responsible for the funding of training and habilitation services as a social service to residents of intermediate care facilities for the mentally retarded. County board responsibility for training and habilitation services shall be assumed under section 256B.20. County boards continue to be responsible for funding developmental achievement center services not covered under the medical assistance program of United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982, and shall develop contractual agreements for those services under the authority of chapter 256E.

Sec. 10. [APPROPRIATION.]

\$400,000 is appropriated from the general fund to the commissioner of public welfare for the biennium ending June 30, 1985, to match federal money available for costs in establishing a client information system and positions needed to administer the mental retardation program.

(a) The approved complement of the department of public welfare is increased by 15 full-time positions for implementation of the case management plan, the home and community based services waiver program, assisting county agencies in screening clients for medical assistance services, technical assistance in developing community based alternatives, and management of the mental retardation medical assistance program.

(b) This appropriation for development and implementation shall be expended only with the approval of the governor after consulting with the legislative advisory commission as provided in section 3.30. Release of this money is also contingent upon submission of a plan prepared by the commissioner. The plan must describe the following:

- (1) *the organization, deployment and responsibilities of requested staff;*
- (2) *specification of all other administrative costs associated with the program;*
- (3) *how the information system will be integrated into the community services information system, the medicaid management information system, and any other data processing operations of the department;*
- (4) *the methods for implementing the system; and*
- (5) *the projected costs for the maintenance and operation of the system.*

The plan must be submitted to the chairs of the house appropriations and senate finance committees.

Sec. 11. [REPEALER.]

Sections 2, 3, 5; 7, subdivisions 1 and 4; and section 10 are repealed effective June 30, 1984, if a home and community based waiver under United States Code, title 42, section 1396n(c), as amended through December 31, 1982, is not approved by June 30, 1984.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 11 are effective the date following final enactment."

Delete the title and insert:

"A bill for an act relating to public welfare; establishing limitations on the number of beds in the state program for mentally retarded persons; establishing reimbursement rates for residential, training and habilitation services; transferring certain appropriations to medical assistance; establishing case management services and screening teams; appropriating money; amending Minnesota Statutes 1982, sections 252.24, subdivision 1; 252.28; 256B.02, subdivision 8; 256B.19, by adding a subdivision; and 256E.06, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 252 and 256B."

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 912: A bill for an act relating to outdoor recreation; requiring licensing of cross country skiers; creating a cross country ski trail grant-in-aid program; imposing a penalty; appropriating money for recreational purposes; proposing new law coded in Minnesota Statutes, chapter 85.

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

Page 2, line 7, delete "65" and insert "64"

Page 4, line 14, delete "October" and insert "July"

Page 4, line 14, delete "September" and insert "June"

Page 5, line 16, insert "\$180,000" in the blank

Page 5, line 18, insert "10,000" in the blank

Page 5, line 18, delete "*shall*" and insert "*may*"

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

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

H.F. No. 782 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
782	795				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 782 be amended as follows:

Pages 1 and 2, delete sections 1, 2, and 3

Page 2, lines 35 and 36, reinstate the stricken language, and delete the new language

Page 3, line 1, delete everything before the period

Page 3, delete lines 3 to 8

Page 3, line 27, delete "PETTY"

Page 3, line 28, delete "MISDEMEANORS;"

Page 3, delete lines 29 to 32

Page 3, line 33, delete "*Subd. 2. [MISDEMEANORS.]*"

Page 4, line 15, delete everything after "*shall,*"

Page 4, line 16, delete "*subdivision 1,*"

Page 4, line 19, delete "(a)"

Page 4, line 20, delete "*of \$2,000*" and insert "*specified by law as of January 1, 1983, for commission of a felony*"

Page 4, line 21, delete "*\$4,000*" and insert "*twice the amount of the fine specified by law*"

Page 4, delete lines 22 to 36

Page 5, delete lines 1 to 36

Page 6, delete lines 1 to 22

Page 6, line 27, delete "*, 2 and 3*" and insert "*to 7*" and delete "*1984*" and insert "*1983*"

Page 6, line 28, delete everything after the first "*to*"

Page 6, line 29, delete everything before "*offenses*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "courts" and insert "crimes"

Page 1, delete lines 4 and 5

Page 1, line 6, delete "liability limits;"

Page 1, line 7, delete everything after "sections"

Page 1, line 8, delete "and 3;" and delete the comma after "3" and insert "and"

Page 1, line 8, delete ", and 4a" and before "609.03" insert "and" and after "609.03;" delete "and"

Page 1, line 9, delete everything before "proposing"

And when so amended H.F. No. 782 will be identical to S.F. No. 795, and further recommends that H.F. No. 782 be given its second reading and substituted for S.F. No. 795, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 1224 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
1224	952				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1224 be amended as follows:

Page 1, line 17, before "boxing" insert "wrestling and"

Page 2, line 1, delete the new language

Page 2, line 17, delete "60" and insert "30"

Page 2, line 18, before "boxing" insert "wrestling and"

Page 2, line 22, strike "The examination shall be performed at"

Page 2, line 23, strike "the expense of the promoter."

And when so amended H.F. No. 1224 will be identical to S.F. No. 952, and further recommends that H.F. No. 1224 be given its second reading and substituted for S.F. No. 952, and that the Senate File be indefinitely postponed.

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

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

which was referred

H.F. No. 495 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
495	674				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 495 be amended as follows:

Page 1, line 10, after "Subd. 2." insert "[APPROVAL FOR OUTPATIENT INSURANCE.]"

Page 1, line 10, strike "has the"

Page 1, line 11, strike "authority to" and insert "may"

Page 1, line 20, after "corporation" insert a comma

Page 2, line 20, after "development" insert a comma

Page 2, line 22, delete "Notwithstanding any" and insert "The"

Page 2, line 24, delete " , the"

Page 2, delete lines 25 to 28, and insert "shall not impair any evidentiary given testimony of the outpatient's nurse, psychologist, physician, or the outpatient."

Page 3, line 8, strike "pursuant to sections 14.01 to 14.70" and insert "in accordance with chapter 14"

Page 3, line 14, delete "This" and insert "The"

Page 3, line 14, delete "shall" and insert "may"

Page 3, line 24, delete "shall" and insert "may"

Page 3, line 26, delete "it has been" and insert "the provider has"

Page 4, line 2, after "mechanisms" insert a comma

And when so amended H.F. No. 495 will be identical to S.F. No. 674, and further recommends that H.F. No. 495 be given its second reading and substituted for S.F. No. 674, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 435 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
435	483				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 435 be amended as follows:

Page 1, line 10, delete "*section 2*" and insert "*sections 2 to 4*"

Page 1, line 12, delete "*dwelling or other*"

Page 1, line 13, delete everything after "*suitable*" and insert "*for human shelter including any*"

Page 1, line 14, delete everything after "*appurtenant*" and insert "*or connected structure*"

Page 1, line 16, delete "*by a person*"

Page 1, line 20, delete "*or*"

Page 2, lines 5 and 15, delete "*of the lawful possessor*" and insert "*and*"

Page 2, lines 19 and 23, delete "*or*"

Page 2, line 25, delete "*licensed pursuant to section 151.19*"

Page 2, line 26, after "*are*" insert "*routinely*"

Page 2, line 29, delete "*burglary*" and before the period insert "*to gain access to money or property*"

Page 2, line 31, delete "*of the lawful possessor*" and insert "*and*"

Page 3, line 1, delete "*of the lawful possessor*" and insert "*and*"

Page 3, delete lines 6 to 27, and insert:

"Sec. 3. [609.583] [FIRST BURGLARY OF A DWELLING.]

If a person is convicted of burglary of a dwelling under section 2, subdivision 1, clause (a), or subdivision 2, clause (a), and is not committed by the court to the commissioner of corrections for a term of imprisonment of more than one year, the court shall stay execution of sentence, notwithstanding the provisions of section 609.135, and shall require the defendant as a condition of probation to serve not less than 90 days incarceration in a county jail, county regional jail, county workfarm, county workhouse, or other regional or local correctional facility. The court may allow the defendant the work release privileges of section 631.425 during the period of incarceration. The period of incarceration may be waived by the court in conjunction with the defendant providing restitution to the victim or performing community work service or a combination of restitution and community work service.

Sec. 4. [609.584] [SECOND BURGLARY OF A DWELLING.]

If a person is convicted of burglary of a dwelling under section 2, subdivision 1, clause (a), or subdivision 2, clause (a), within ten years after a first conviction of burglary of a dwelling and is not committed by the court to the commissioner of corrections for a term of imprisonment of more than one

year, the court shall stay execution of sentence, notwithstanding the provisions of section 609.135, and shall require the defendant as a condition of probation to serve not less than 180 days incarceration in a county jail, county regional jail, county workfarm, county workhouse, or other regional or local correctional facility. The court may allow the defendant the work release privileges of section 631.425 during the period of incarceration. The period of incarceration may be waived by the court in conjunction with the defendant providing restitution to the victim or performing community work service or a combination of restitution and community work service."

Page 3, line 31, delete "3" and insert "5"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, before the semicolon, insert "in certain instances"

And when so amended H.F. No. 435 will be identical to S.F. No. 483, and further recommends that H.F. No. 435 be given its second reading and substituted for S.F. No. 483, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 855 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
855	1142				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 855 be amended as follows:

Page 1, line 25, before the period insert "by the promisee"

And when so amended H.F. No. 855 will be identical to S.F. No. 1142, and further recommends that H.F. No. 855 be given its second reading and substituted for S.F. No. 1142, and that the Senate File be indefinitely postponed.

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 343: A bill for an act relating to elections; limiting campaign expenditures by congressional candidates who choose to receive a public subsidy for their campaigns; redefining certain terms in relation to congress-

sional candidates; limiting the applicability of certain provisions of law to state constitutional and state legislative candidates; providing for filing of campaign reports by certain congressional candidates; proposing expenditure limits for congressional candidates who choose to receive a public subsidy; providing a penalty for exceeding campaign expenditure limits by congressional candidates; changing the designated amount of certain income tax payments; providing for the allocation of party accounts and the general account to certain state and congressional candidates; providing estimates of minimum amounts of public subsidy to be received by certain congressional candidates; requiring signed agreements by congressional candidates who choose to receive a public subsidy; specifying when congressional candidates who accept a public subsidy must return all or part thereof; providing for the return of money from the state elections campaign fund to the general fund; making certain technical amendments; imposing penalties; amending Minnesota Statutes 1982, sections 10A.01; 10A.25; 10A.255; 10A.27; 10A.275; 10A.28; 10A.30; 10A.31; 10A.33; 10A.335; and 290.06, subdivision 11; proposing new law coded in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1982, section 10A.32.

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

Page 2, line 23, after the second comma, insert "*court of appeals,*"

Page 10, line 11, strike "or" and insert "*, court of appeals judge,*"

Page 10, line 12, before the period, insert "*, county court judge, probate court judge, or county municipal court judge*"

Page 10, after line 29, insert:

"Sec. 2. Minnesota Statutes 1982, section 10A.02, is amended by adding a subdivision to read:

Subd. 8a. In compiling and maintaining the lists and summaries required in subdivision 8, clause (g), the board may maintain a group of as many lists of contributors as a candidate has filed during the year under section 10A.20, subdivision 2, and subdivision 3, clause (b), rather than blending the lists together into a single, current alphabetical list of contributors for the year.

Sec. 3. Minnesota Statutes 1982, section 10A.02, subdivision 11, is amended to read:

Subd. 11. The board may investigate any alleged violation of this chapter. The board shall investigate any violation which is alleged in a written complaint filed with the board and, except for alleged violations of section 10A.25 or 10A.27, shall within 30 days after the filing of the complaint make a public finding of whether or not there is probable cause to believe a violation has occurred. In the case of a written complaint alleging a violation of section 10A.25 or 10A.27, the board shall either enter a conciliation agreement or make a public finding of whether or not there is probable cause, within 60 days of the filing of the complaint. The deadline for action on any written complaint may be extended by majority vote of the board. Within a reasonable time after beginning an investigation of an individual or association, the board shall notify that individual or association of the fact of the investigation. The board shall make no finding of whether or not there is

probable cause to believe a violation has occurred without notifying the individual or association of the nature of the allegations and affording an opportunity to answer those allegations. Any hearing or action of the board concerning any complaint or investigation ~~other than a finding concerning probable cause or a conciliation agreement shall be confidential open to the public.~~ Until the board makes a public finding concerning probable cause or enters a conciliation agreement:

(a), no member, employee or agent of the board shall disclose to any individual any information obtained by that member, employee or agent concerning any complaint or investigation except as required to carry out the investigation or take action in the matter as authorized by this chapter;

(b) No individual who files or is the subject of any written complaint or supplies information to the board concerning a complaint or investigation shall disclose to any other individual any information supplied to or received from the board concerning the complaint or investigation; and

(c) Notwithstanding the provisions of clause (b), any individual subject to the provisions of that clause may reveal any information to his attorney or another individual from whom he seeks advice or guidance in the matter, or to any other individual who is subject to the provisions of clause (b) with respect to the same complaint or investigation; provided that any individual to whom information concerning a complaint or investigation is revealed as provided in this clause shall not disclose that information to any other individual. Any individual who discloses information contrary to the provisions of this subdivision shall be guilty of a misdemeanor. Except as provided in section 10A.28, after the board makes a public finding of probable cause the board shall report that finding to the appropriate law enforcement authorities.

Sec. 4. Minnesota Statutes 1982, section 10A.04, subdivision 4a, is amended to read:

Subd. 4a. [STATEMENT IN LIEU OF REPORT.] If in any reporting period the lobbyist's reportable disbursements total not over \$100 and no honorarium, gift, loan, item, or benefit equal in value to \$20 or more was given or paid to any public official, a statement to that effect in lieu of the report may be filed for that period. The unreported disbursements shall be included in the report for the following period, unless the total for that period, including the carryover, is not over \$100. The ~~October~~ January 15 report shall include all previously unreported disbursements, even though the total for the ~~preceding year~~ ~~is~~ was not over \$100."

Page 11, after line 4, insert:

"Sec. 6. Minnesota Statutes 1982, section 10A.18, is amended to read:

10A.18 [BILLS WHEN RENDERED AND PAID.]

Every person who has a bill, charge or claim against any political committee or political fund for any expenditure shall, *to the extent practicable*, render in writing to the treasurer of the committee or fund the bill, charge or claim within 60 days after the material or service is provided. ~~Failure to so present the bill, charge or claim is a misdemeanor.~~

Sec. 7. Minnesota Statutes 1982, section 10A.20, subdivision 3, is amended to read:

Subd. 3. Each report under this section shall disclose:

(a) The amount of liquid assets on hand at the beginning of the reporting period;

(b) The name, address and employer, or occupation if self-employed, of each individual, *and the name and address of each political committee or political fund who within the year* has made one or more transfers or donations in kind to the political committee or political fund, including the purchase of tickets for all fund raising efforts, which in aggregate exceed \$50 \$100 for legislative candidates or \$100 \$200 for statewide candidates or ballot questions, together with the amount and date of each transfer or donation in kind, *and the aggregate amount of transfers and donations in kind within the year from each source so disclosed.* A donation in kind shall be disclosed at its fair market value. An approved expenditure is listed as a donation in kind. A donation in kind is considered consumed in the reporting period in which it is received. *On each report, the names of contributors shall be listed in alphabetical order. The reports due ten days before the primary in an election year and seven days before a special primary must disclose the name of all contributors and the aggregate amount of transfers and donations in kind from each of those contributors since the beginning of the year. The reports due ten days before a general election and seven days before a special election must disclose either the names of all contributors and the aggregate amount of transfers and donations in kind from each of those contributors since the beginning of the year or the names of all contributors since the most recent report and the aggregate amount of transfers and donations in kind from each of those contributors since the beginning of the year. The reports due on January 31 of each year and 30 days after a special election must disclose the names of all contributors within the reporting year and the aggregate amount of transfers and donations in kind from each of those contributors within the reporting year;*

(c) The sum of contributions to the political committee or political fund during the reporting period;

(d) Each loan made or received by the political committee or political fund within the year in aggregate in excess of \$100, continuously reported until repaid or forgiven, together with the name, address, occupation and the principal place of business, if any, of the lender and any endorser and the date and amount of the loan. If any loan made to the principal campaign committee of a candidate is forgiven at any time or repaid by any entity other than that principal campaign committee, it shall be reported as a contribution for the year in which the loan was made;

(e) Each receipt in excess of \$100 not otherwise listed under clauses (b) to (d);

(f) The sum of all receipts of the political committee or political fund during the reporting period;

(g) The name and address of each individual or association to whom aggregate expenditures, including approved expenditures, have been made by or on behalf of the political committee or political fund within the year in excess of \$100, together with the amount, date and purpose of each expenditure and the name and address of, and office sought by, each candidate on

whose behalf the expenditure was made, identification of the ballot question which the expenditure is intended to promote or defeat, and in the case of independent expenditures made in opposition to a candidate, the name, address and office sought for each such candidate;

(h) The sum of all expenditures made by or on behalf of the political committee or political fund during the reporting period;

(i) The amount and nature of any advance of credit incurred by the political committee or political fund, continuously reported until paid or forgiven. If any advance of credit incurred by the principal campaign committee of a candidate is forgiven at any time by the creditor or paid by any entity other than that principal campaign committee, it shall be reported as a donation in kind for the year in which the advance of credit was incurred;

(j) The name and address of each political committee, political fund, or principal campaign committee to which aggregate transfers in excess of \$100 have been made within the year, together with the amount and date of each transfer;

(k) The sum of all transfers made by the political committee, political fund, or principal campaign committee during the reporting period;

(l) For principal campaign committees only, the sum of noncampaign disbursements made in each category listed in section 10A.01, subdivision 10c during the reporting period; and

(m) The sum of all noncampaign disbursements made by the political committee, political fund, or principal campaign committee during the reporting period.

Sec. 8. Minnesota Statutes 1982, section 10A.20, subdivision 5, is amended to read:

Subd. 5. [CONTRIBUTIONS RECEIVED JUST PRIOR TO AN ELECTION.] In any statewide election any contribution or contributions from any one source totaling \$2,000 or more, or in any legislative election totaling *more than \$200 or more to a candidate for state house of representatives or more than \$400 to a candidate for state senate*, received between the last day covered in the last report prior to an election and the election shall be reported to the board in person, ~~or~~ by telegram, *or by other written notice* within 48 hours after ~~its receipt and the contribution was received~~; *except that the 48 hour notice requirement does not apply with respect to primary elections where the statewide or legislative candidate is unopposed in that primary. The contribution shall also be reported in the next required report.*

Sec. 9. Minnesota Statutes 1982, section 10A.20, subdivision 12, is amended to read:

Subd. 12. (a) The board shall notify by certified mail or personal service any individual who fails to file a statement required by this section.

(b) If an individual fails to file a statement due January 31 within seven days after receiving a notice, the board may impose a late filing fee of \$5 per day, not to exceed \$100, commencing on the eighth day after receiving notice.

(c) If an individual fails to file a statement due before any primary or

election within three days of the date due, regardless of whether the individual has received any notice, the board may impose a late filing fee of \$50 per day, not to exceed \$500, commencing on the fourth day after the date the statement was due; *except that no late filing fee may be imposed for the first violation of subdivision 5.*

(d) The board shall further notify by certified mail or personal service any individual who fails to file any statement within 14 days after receiving a first notice from the board that the individual may be subject to a criminal penalty for failure to file a statement. An individual who knowingly fails to file the statement within seven days after receiving a second notice from the board is guilty of a misdemeanor.

Sec. 10. Minnesota Statutes 1982, section 10A.24, is amended to read:

10A.24 [DISSOLUTION OR TERMINATION.]

Subdivision 1. No political committee or political fund shall dissolve until it has settled all of its debts and disposed of all its assets in excess of \$100 and filed a termination report. The termination report may be made at any time and shall include all information required in periodic reports.

Subd. 2. *Notwithstanding the provisions of subdivision 1, after mailing notice to any remaining creditors by certified mail, a political committee or political fund that has debts which were incurred more than six years previously, has disposed of all its assets, and has met the requirements of section 10A.20, subdivision 7, may file a termination report.*

Subd. 3. *Notwithstanding the provisions of subdivision 1, a candidate for one office who later seeks nomination or election to another office may terminate his previous principal campaign committee by transferring all funds and debts of that committee to his new principal campaign committee, provided that any outstanding unpaid bills or loans from the previous committee are assessed and continuously reported by the new committee until paid or forgiven."*

Page 12, line 16, delete "\$1,500,000" and insert "\$2,500,000"

Page 12, line 17, delete "\$250,000" and insert "\$300,000"

Page 13, after line 8, insert:

"Subd. 5b. [CONGRESSIONAL CANDIDATES ACCEPTING PUBLIC SUBSIDY FACING OPPONENT NOT ACCEPTING PUBLIC SUBSIDY.] *Notwithstanding the limits imposed by subdivision 2a, if a congressional candidate who has signed an agreement under section 20 to be bound by the expenditure limits imposed under that subdivision is running in a general election against an opponent who has chosen not to accept a public subsidy and whose party's congressional candidate for the same office in the last general election received more than ten percent of the vote, the congressional candidate who has signed an agreement may make aggregate expenditures equal to 125 percent of the applicable amount set forth in subdivision 2a."*

Page 14, line 20, after the comma, insert "and section 10A.27, subdivision 1,"

Page 14, line 31, strike "whole dollar" and insert "multiple of \$25"

Page 14, line 35, before "The" insert "(a)"

Page 15, after line 8, insert:

"(b) The dollar amounts provided in section 10A.27, subdivision 1, shall be adjusted for 1984 in the manner provided in subdivision 1, except that the dollar amounts used for the preceding election year shall be as follows:

(1) To a candidate for governor and lieutenant governor running together, \$127,080;

(2) To a candidate for attorney general, \$21,180;

(3) To a candidate for the office of secretary of state, state treasurer, or state auditor, \$10,590;

(4) To a candidate for state senator, \$3,180; and

(5) To a candidate for state representative, \$1,590."

Page 15, line 11, after "expenditure" insert "and contribution"

Page 15, line 12, delete "section" and insert "sections" and after "10A.25" insert "and 10A.27, respectively, and as adjusted by this section"

Page 15, line 23, strike "\$60,000" and insert "\$127,080"

Page 15, line 24, strike "and \$12,000 in other years"

Page 15, line 25, strike "\$10,000" and insert "\$21,180"

Page 15, line 26, strike "and \$2,000 in other years"

Page 15, line 28, strike "\$5,000" and insert "\$10,590"

Page 15, line 29, strike "and \$1,000 in other years"

Page 15, line 30, strike "\$1,500" and insert "\$3,180"

Page 15, line 31, strike "and \$300 in other years"

Page 15, line 32, strike "\$750" and insert "\$1,590"

Page 15, line 33, strike "and \$150 in the other year"

Page 15, after line 33, insert:

"Subd. 1a. [POST-ELECTION YEAR CONTRIBUTIONS TO CANDIDATES.] In any year following an election year for the office held or sought, no candidate shall permit his principal campaign committee to accept contributions from any individual, political committee, or political fund in excess of 20 percent of the contribution limits set forth in subdivision 1, as adjusted by section 10A.255."

Page 20, lines 4, 7, 10, 13, 15, 17, and 34, delete "\$4" and insert "\$5"

Page 20, lines 19 and 24, delete "\$2" and insert "\$2.50"

Page 20, line 34, delete "\$8" and insert "\$10"

Page 21, lines 3, 9, and 12, delete "\$4" and insert "\$5"

Page 21, line 3, delete "\$8" and insert "\$10"

Page 24, line 3, delete "33-1/3" and insert "16-2/3" and before the

semicolon, insert *"for which an election will be held in 1984 and every six years thereafter"*

Page 24, after line 3, insert:

"(2) 16-2/3 percent for the office of United States senator for which an election will be held in 1988 and every six years thereafter;"

Page 24, line 4, delete *"(2)"* and insert *"(3)"*

Page 24, line 4, delete *"each of"*

Page 25, line 32, before the period, insert *"FOR REPRESENTATIVE IN CONGRESS"*

Page 25, line 33, delete *"money"* and insert *"moneys from the state elections campaign fund"*

Page 25, line 33, after *"candidates"* insert *"for the office of representative in congress"*

Page 25, line 33, delete *"from the"*

Page 25, line 34, delete *"state elections campaign fund"*

Page 25, line 34, delete *"money"* and insert *"moneys"*

Page 25, line 35, delete *"it was"* and insert *"they were"*

Page 25, line 36, delete *"money"* and insert *"those moneys"*

Page 26, delete lines 21 to 36

Page 27, delete line 1 and insert:

"Subd. 5d. [UNDISTRIBUTED MONEYS; EXCEPTION FOR CONGRESSIONAL CANDIDATES.] (a) Notwithstanding the provisions of subdivision 5c, if a congressional candidate who has signed an agreement under section 20 to be bound by campaign expenditure limits is running in a general election against an opponent who has chosen not to accept a public subsidy, the money in the opponent's party account allocated for that office and the money in the general account allocated for that office that would have been distributed to the opponent if he had signed an agreement under section 20 shall be distributed to the congressional candidate who has signed the agreement.

(b) If there are two or more congressional candidates for the same office who have signed agreements under section 20, and there is an opponent of those congressional candidates who has chosen not to accept a public subsidy, the money that would have been distributed to the opponent if he had signed an agreement shall be distributed among the congressional candidates who have signed agreements under section 20 in proportion to the amount of public subsidy to be distributed to each of those congressional candidates prior to the additional distribution under this paragraph."

Page 27, lines 9 and 36, delete *"12"* and insert *"20"*

Page 28, line 28, delete *"12"* and insert *"20"*

Page 29, line 28, delete *"12"* and insert *"20"*

Page 29, line 35, delete *"to the following:"* and insert *"that"*

Page 29, line 36, delete "(a)"

Page 30, line 2, delete "may" and insert "will"

Page 30, line 4, delete "; and" and insert a period

Page 30, delete lines 5 to 14

Page 30, line 18, delete "to the following:" and insert "that"

Page 30, line 19, delete "(a)"

Page 30, line 22, delete "; and" and insert a period

Page 30, delete lines 23 to 33

Page 31, delete lines 23 to 35

Page 32, line 10, after the semicolon, insert "and"

Page 32, line 16, delete "; and" and insert a period

Page 32, delete lines 17 to 36

Page 33, delete lines 1 and 2

Page 33, line 12, after the semicolon, insert "and"

Page 33, line 18, delete "; and" and insert a period

Page 33, delete lines 19 to 34

Page 34, lines 35 and 36, delete "11 to 14" and insert "19 to 22"

Page 35, line 16, delete "\$4" and insert "\$5"

Page 35, line 17, delete "\$8" and insert "\$10"

Page 36, line 4, after the period, insert "*If a candidate submits his signed agreement later than September 1 of a given tax year, the individuals who contribute to his principal campaign committee may not take a tax credit against their tax due for contributions made in that tax year.*"

Page 36, line 8, after the period, insert "*If a congressional candidate submits his signed agreement later than September 1 of a given tax year, the individuals who contribute to his authorized committees may not take a tax credit against their tax due for contributions made in that tax year.*"

Page 37, after line 21, insert:

"Sec. 26. Minnesota Statutes 1982, section 210A.24, is amended to read:

210A.24 [BILLS, WHEN RENDERED AND PAID.]

Every person who ~~shall have~~ has any bill, charge, or claim upon or against any personal campaign committee, or party committee, political fund, or any candidate, for any disbursement made, services rendered, or thing of value furnished, for political purposes, or incurred in any manner in relation to any primary or election, shall, to the extent practicable, render in writing to such that committee, fund, or candidate such the bill, charge, or claim within ten 60 days after the day of the primary or election in connection with which such the bill, charge, or claim was incurred. ~~No candidate and no personal campaign or party committee shall pay any bill, charge, or claim so incurred prior to any primary or election, which is not so presented within ten days after~~

such primary or election.”

Page 37, line 36, delete “17” and insert “25”

Page 38, after line 5, insert:

“Sec. 28. [ALLOCATION OF 1983 AND 1984 TAX CHECK-OFF MONEYS FOR THE OFFICE OF UNITED STATES SENATOR.]

(a) *Notwithstanding the provisions of section 18, subdivision 5, paragraph (b), the moneys in each party account and the general account of the state elections campaign fund representing taxpayer designations for the tax year 1983 shall be allocated as follows: 67-2/3 percent to the offices of representative in congress; 33-1/3 percent to the office of United States senator for which an election will be held in 1984.*

(b) *Notwithstanding the provisions of section 18, subdivision 5, paragraph (b), the moneys in each party account and the general account of the state elections campaign fund representing taxpayer designations for the tax year 1984 shall be allocated as follows: 67-2/3 percent to the offices of representative in congress; 33-1/3 percent to the office of United States senator for which an election will be held in 1988.*

Sec. 29. [RETURN OF LATE FILING FEE.]

The prohibition against a late filing fee for the first violation of section 10A.20, subdivision 5, as provided under section 9, is retroactive to September 1, 1982. Any late filing fee imposed by the ethical practices board for the first violation of that subdivision after September 1, 1982, shall be refunded to the individual who or principal campaign committee which paid the fee. Any money returned under this section shall be paid by the state treasurer out of the general fund.”

Page 38, line 7, delete “section” and insert “sections 10A.02, subdivision 11a; 10A.25, subdivision 7; and”

Page 38, line 7, delete “is” and insert “are”

Page 38, line 9, delete “Sections 1 to 19 are” and insert “ This act is”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert “clarifying and correcting certain provisions in the Ethics in Government Act;”

Page 1, line 5, after the semicolon, insert “opening to the public certain hearings conducted by the ethical practices board;”

Page 1, line 8, after the semicolon, insert “providing for the reporting of certain contributions received just prior to an election; prohibiting the imposition of a late filing fee under certain circumstances; providing for the termination of certain political committees or political funds under certain circumstances; providing for the transfer of debts and funds of a principal campaign committee under certain circumstances;”

Page 1, line 25, after the first semicolon, insert “changing the time when certain campaign bills must be rendered; providing for the return of certain late filing fees;”

Page 1, line 27, after "10A.01;" insert "10A.02, subdivision 11; and by adding a subdivision; 10A.04, subdivision 4a; 10A.18; 10A.20, subdivisions 3, 5, and 12; 10A.24;"

Page 1, line 28, before "and" and insert "210A.24;"

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred the following appointment as reported in the Journal for May 4, 1983:

TAX COURT

Earl B. Gustafson

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

SECOND READING OF SENATE BILLS

S.F. Nos. 206, 1196, 893, 79, 1097, 265, 912 and 343 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 657, 537, 782, 1224, 495, 435 and 855 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Frank moved that the name of Mr. Jude be added as a co-author to S.F. No. 285. The motion prevailed.

Mr. Frank moved that the name of Mr. Jude be added as a co-author to S.F. No. 639. The motion prevailed.

Mr. Schmitz moved that Senate Concurrent Resolution No. 12 be withdrawn from the Committee on Rules and Administration and laid on the table. The motion prevailed.

Mr. Peterson, C.C. moved that S.F. No. 634 be taken from the table. The motion prevailed.

S.F. No. 634: A bill for an act relating to game and fish; establishing the joint legislative committee on fishing resources; imposing a surcharge on fishing licenses for development and improvement of state fishing resources; authorizing designation of experimental and specialized fishing waters; authorizing additional notice of netting season; licensing fishing guides; increasing certain license fees; prohibiting angling and use of tip-ups while spearing in a dark house; prohibiting issuance of new commercial game fish netting licenses; allowing designation of lakes for taking of certain muskellunge; imposing penalties for various offenses; amending Min-

nesota Statutes 1982, sections 84.027, subdivision 2; 97.48, subdivision 26, and by adding a subdivision; 97.53, by adding a subdivision; 97.55, by adding subdivisions; 98.46, subdivision 5; 98.52, by adding subdivisions; and 101.42, subdivisions 1a and 20; proposing new law coded in Minnesota Statutes, chapters 97, 98, and 102.

Mr. Peterson, C.C. moved that the Senate do not concur in the amendments by the House to S.F. No. 634, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 1259 at 10:00 a.m.:

Messrs. Johnson, D.J.; Peterson, C.C.; Dieterich; Novak and Ms. Berglin. The motion prevailed.

S.F. No. 280 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 280

A bill for an act relating to data privacy; establishing standards and procedures for the release of financial information; proposing new law coded as Minnesota Statutes, chapter 13A.

May 10, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 280, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and S.F. No. 280, be amended as follows:

Page 1, line 9, before "For" insert:

"Subdivision 1. [SCOPE.]"

Re-number the subdivisions in sequence

Page 6, delete section 5 and insert:

"Sec. 5. [48.512] [PROCEDURES FOR OPENING CHECKING ACCOUNTS.]

Subdivision 1. [DEFINITIONS.] For the purpose of this section the following terms have the meanings given:

(a) "Financial intermediary" means any person doing business in this state who offers transaction accounts to the public;

(b) "Transaction account" means a deposit or account established and maintained by a natural person or persons under an individual or business name for personal, household, or business purposes, on which the depositor or account holder is permitted to make withdrawals by negotiable or transferable instruments, payment orders of withdrawal, or other similar device for the purpose of making payments or transfers to third persons or others, including demand deposits or accounts subject to check, draft, negotiable order of withdrawal, share draft, or other similar item. A transaction account does not include the deposit or account of a partnership having more than three partners, the personal representative of an estate, the trustee of a trust or a limited partnership.

Subd. 2. [REQUIRED INFORMATION.] Before opening or authorizing signatory power over a transaction account, a financial intermediary shall require one applicant to provide the following information on an application document signed by the applicant:

- (a) full name;
- (b) birth date;
- (c) address of residence;
- (d) address of current employment, if employed;
- (e) telephone numbers of residence and place of employment, if any;
- (f) social security number;
- (g) driver's license or identification card number issued pursuant to section 171.07. If the applicant does not have a driver's license or identification card, the applicant may provide an identification document number issued for identification purposes by any state, federal, or foreign government if the document includes the applicant's photograph, full name, birth date, and signature;
- (h) whether the applicant has had a transaction account at the same or another financial intermediary within 12 months immediately preceding the application, and, if so, the name of the financial intermediary;
- (i) whether the applicant has had a transaction account closed by a financial intermediary without the applicant's consent within 12 months immediately preceding the application, and, if so, the reason the account was closed; and
- (j) whether the applicant has been convicted of a criminal offense because of the use of a check or other similar item within 24 months immediately preceding the application.

A financial intermediary may require an applicant to disclose additional information.

An applicant who makes a false material statement that he does not believe to be true in an application document with respect to information required to be provided by this subdivision is guilty of perjury. The financial intermediary shall notify the applicant of the provisions of this paragraph.

Subd. 3. [CONFIRM NO INVOLUNTARY CLOSING.] Before opening or authorizing signatory power over a transaction account, the financial inter-

mediary shall attempt to verify the information disclosed for subdivision 2, clause (i). The financial intermediary may not open or authorize signatory power over a transaction account if (i) the applicant had a transaction account closed by a financial intermediary without his consent because of his issuance of dishonored checks within 12 months immediately preceding the application, or (ii) the applicant has been convicted of a criminal offense because of the use of a check or other similar item within 24 months immediately preceding the application.

If the transaction account is refused, the reasons for the refusal shall be given to the applicant in writing.

Subd. 4. [IDENTIFICATION IS REQUIRED.] A financial intermediary shall not open or authorize signatory power over a transaction account if none of the applicants provides a driver's license, identification card, or identification document as required by subdivision 2. When a minor is the applicant and the minor does not have a driver's license or identification card issued pursuant to section 171.07, the identification requirements of subdivision 2, clause (g), and this subdivision are satisfied if the minor's parent or guardian provides identification of his own that meets the identification requirement. The financial intermediary may waive the identification requirement if the applicant has had another type of account with the financial intermediary for at least one year immediately preceding the time of application.

Subd. 5. [NO LIABILITY.] The requirements of this section do not impose any liability on financial intermediaries offering transaction accounts or, except as provided in subdivisions 3 and 4, limit a financial intermediary's discretion as to whether to grant or deny an application subject to this section.

[WORTHLESS CHECK COLLECTIONS]

Sec. 6. [332.50] [CIVIL LIABILITY FOR ISSUANCE OF WORTHLESS CHECK.]

Subdivision 1. [DEFINITIONS.] "Check" means a check, draft, order of withdrawal, or similar negotiable or nonnegotiable instrument.

"Credit" means an arrangement or understanding with the drawee for the payment of the check.

Subd. 2. [ACTS CONSTITUTING.] Whoever issues any check that is dishonored and is not paid within 30 days after mailing a notice of dishonor and a copy of sections 6 and 609.535 in compliance with subdivision 3, is liable to the holder for the amount of the check plus a civil penalty of up to \$100, interest at the rate payable on judgments pursuant to section 549.09 on the face amount of the check from the date of dishonor, reasonable attorney fees if the amount of the check is over \$1,250, and a service charge not exceeding \$15 if written notice of the service charge was conspicuously displayed on the premises when the check was issued.

This subdivision prevails over any provision of law limiting, prohibiting, or otherwise regulating service charges authorized by this subdivision.

Subd. 3. [NOTICE OF DISHONOR REQUIRED.] Notice of nonpayment or dishonor and a copy of sections 6 and 609.535 shall be sent by the payee

or holder of the check to the drawer by certified mail, return receipt requested, or by regular mail, supported by an affidavit of service by mailing, to the address printed or written on the check. The issuance of a check with an address printed or written on it is a representation by the drawer that the address is the correct address for receipt of mail concerning the check. Failure of the drawer to receive a regular or certified mail notice sent to that address is not a defense to liability under this section, if the drawer has had actual notice for 30 days that the check has been dishonored.

An affidavit of service by mailing shall be retained by the payee or holder of the check.

Subd. 4. [PROOF OF IDENTITY.] The check is prima facie evidence of the identity of the drawer if the person receiving the check:

(a) records the following information about the drawer on the check, unless it is printed on the face of the check:

(1) name;

(2) home or work address;

(3) home or work telephone number; and

(4) identification number issued pursuant to section 171.07;

(b) compares the drawer's physical appearance, signature, and the personal information recorded on the check with the drawer's identification card issued pursuant to section 171.07; and

(c) initials the check to indicate compliance with these requirements.

Subd. 5. [DEFENSES.] Any defense otherwise available to the drawer also applies to liability under this section.

Sec. 7. Minnesota Statutes 1982, section 487.30, subdivision 4, is amended to read:

Subd. 4. [JURISDICTION; ~~WORTHLESS~~ DISHONORED CHECKS.] The conciliation court has jurisdiction to determine a civil action commenced by a plaintiff, resident of the county, to recover the amount of a worthless dishonored check issued in the county within the meaning of section 609.535, notwithstanding that even though the defendant or defendants are not residents of the county provided that, if the notice of nonpayment or dishonor required by described in section 609.535, subdivision 3, is sent to the maker or drawer as specified therein and the notice states that the payee or holder of the check or other order of payment of money may commence a conciliation court action in the county where the worthless dishonored check was issued to recover the amount of the check. This subdivision does not apply to a check or other order for payment of money that has been dishonored by a stop payment order. Notwithstanding any law or rule of civil procedure to the contrary, the summons in any action commenced under this subdivision may be served anywhere within the state of Minnesota. The conciliation court clerk shall attach a copy of the dishonored check or other order for payment of money to the summons before it is issued.

Sec. 8. Minnesota Statutes 1982, section 488A.12, subdivision 3, is amended to read:

Subd. 3. [JURISDICTION.] (a) Excepting actions involving title to real estate, the court has jurisdiction to hear, conciliate, try, and determine civil actions at law where the amount in controversy does not exceed the sum of \$1,250. The territorial jurisdiction of the court is coextensive with the geographic boundaries of the county of Hennepin.

(b) Notwithstanding the provisions of ~~clause paragraph~~ (a), or any rule of court to the contrary, the conciliation court of Hennepin county has jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in whole or in part in Hennepin county, and the summons in the action may be served anywhere within the state of Minnesota.

(c) Notwithstanding the provisions of ~~clause paragraph~~ (a), or any rule of court to the contrary, the conciliation court of Hennepin county has jurisdiction to determine a civil action commenced by a plaintiff, a resident of Hennepin county, to recover the amount of a ~~worthless dishonored~~ check issued in the county ~~within the meaning of section 609.535, notwithstanding that even though~~ the defendant or defendants are not residents of Hennepin county ~~provided that, if~~ the notice of nonpayment or dishonor ~~required by~~ described in section 609.535, subdivision 3, is sent to the maker or drawer as specified therein and the notice states that the payee or holder of the check ~~or other order of payment of money~~ may commence a conciliation court action in the county where the ~~worthless dishonored~~ check was issued to recover the amount of the check. This clause does not apply to a check ~~or other order for payment of money~~ that has been dishonored by a stop payment order. Notwithstanding any law or rule of civil procedure to the contrary, the summons in any action commenced under this clause may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the dishonored check ~~or other order for payment of money~~ to the summons before it is issued.

Sec. 9. Minnesota Statutes 1982, section 488A.29, subdivision 3, is amended to read:

Subd. 3. [JURISDICTION.] (a) Excepting actions involving title to real estate, the court has jurisdiction to hear, conciliate, try and determine civil actions at law where the amount in controversy does not exceed the sum of \$1,250. The territorial jurisdiction of the court is coextensive with the geographic boundaries of the county of Ramsey.

(b) Notwithstanding the provisions of ~~clause paragraph~~ (a) or any rule of court to the contrary, the conciliation court of Ramsey county has jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in whole or in part in Ramsey county, and the summons in the action may be served anywhere in the state of Minnesota.

(c) Notwithstanding the provisions of ~~clause paragraph~~ (a) or any rule of court to the contrary, the conciliation court of Ramsey county has jurisdiction to determine a civil action commenced by a plaintiff, resident of Ramsey county, to recover the amount of a ~~worthless dishonored~~ check issued in the county ~~within the meaning of section 609.535, notwithstanding that even though~~ the defendant or defendants are not residents of Ramsey county ~~provided that, if~~ the notice of nonpayment or dishonor ~~required by~~ described in

section 609.535, subdivision 3, is sent to the maker or drawer as specified therein and the notice states that the payee or holder of the check ~~or other order of payment of money~~ may commence a conciliation court action in the county where the ~~worthless~~ *dishonored* check was issued to recover the amount of the check. This clause does not apply to a check ~~or other order for the payment of money~~ that has been dishonored by a stop payment order. Notwithstanding any law or rule of civil procedure to the contrary, the summons in any action commenced under this clause may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the dishonored check ~~or other order for payment of money~~ to the summons before it is issued.

Sec. 10. Minnesota Statutes 1982, section 609.535, is amended to read:

609.535 [ISSUANCE OF ~~WORTHLESS~~ *DISHONORED* CHECKS.]

Subdivision 1. [~~DEFINITION~~ *DEFINITIONS.*] *For the purpose of this section, the following terms have the meanings given them.*

(a) "Check" means a check, draft, order of withdrawal, or similar negotiable or nonnegotiable instrument.

(b) "Credit" means an arrangement or understanding with the drawee for the payment of ~~the a check or other order for the payment of money to which this section applies.~~

Subd. 2. [ACTS CONSTITUTING.] Whoever issues ~~any a check or other order for the payment of money~~ which, at the time of issuance, he intends shall not be paid, is guilty of a misdemeanor. In addition, restitution may be ordered by the court.

Subd. 3. [PROOF OF INTENT.] Any of the following is evidence sufficient to sustain a finding that the person at the time he issued the check ~~or other order for the payment of money~~, intended it should not be paid:

(1) Proof that, at the time of issuance, he did not have an account with the drawee; ~~or~~

(2) Proof that, at the time of issuance, he did not have sufficient funds or credit with the drawee and that he failed to pay the check ~~or other order~~ within five business days after mailing of notice of nonpayment or dishonor as provided in this subdivision; or

(3) Proof that, when presentment was made within a reasonable time, the issuer did not have sufficient funds or credit with the drawee and that he failed to pay the check ~~or other order~~ within five business days after mailing of notice of nonpayment or dishonor as provided in this subdivision.

Notice of nonpayment or dishonor *and a copy of this section* shall be sent by the payee or holder of the check to the maker or drawer by certified mail, return receipt requested, or by regular mail, supported by an affidavit of service by mailing, to the address *printed* on the check. Refusal by the maker or drawer of the check to accept certified mail notice or failure to claim certified or regular mail notice ~~shall is not constitute~~ a defense that notice was not received.

The notice may state that unless the check is paid in full within five business days after mailing of the notice of ~~non-payment~~ *nonpayment* or dis-

honor, the payee or holder of the check or other order for the payment of money will or may refer the matter to proper authorities for prosecution under this section.

An affidavit of service by mailing shall be retained by the payee or holder of the check.

Subd. 4. [PROOF OF LACK OF FUNDS OR CREDIT.] If the check or other order for the payment of money has been protested, the notice of protest thereof is admissible as proof of presentation, nonpayment, and protest, and is evidence sufficient to sustain a finding that there was a lack of funds or credit with the drawee.

Subd. 5. [EXCEPTIONS.] This section does not apply to a postdated check or to a check given for a past consideration, except a payroll check or a check issued to a fund for employee benefits.

Subd. 6. [RELEASE OF ACCOUNT INFORMATION TO LAW ENFORCEMENT AUTHORITIES.] A drawee shall not be liable in a civil or criminal proceeding for releasing release the information specified below to any state, county, or local law enforcement or prosecuting authority which first certifies in writing that it is investigating or prosecuting a complaint against the drawer under this section or section 609.52, subdivision 2, clause (3)(a), and that 15 days have elapsed since the mailing of the notice of dishonor required by subdivision subdivisions 3 and 8. This subdivision applies to the following information relating to the drawer's account:

(1) Documents relating to the opening of the account by the drawer;

(2) Correspondence between the drawer and the drawee relating to the status of the account Notices regarding nonsufficient funds, overdrafts, and the dishonor of any check drawn on the account within a period of six months of the date of request;

(3) Periodic statements mailed to the drawer by the drawee for the periods immediately prior to, during, and subsequent to the issuance of any check or other order for the payment of money which is the subject of the investigation or prosecution; or

(4) The last known home and business addresses and telephone numbers of the drawer.

The drawee shall release all of the information described in clauses (1) to (4) that it possesses within ten days after receipt of a request conforming to all of the provisions of this subdivision. The drawee may impose a reasonable fee for the cost for furnishing this information to law enforcement or prosecuting authorities, not to exceed 15 cents per page.

A drawee is not liable in a criminal or civil proceeding for releasing information in accordance with this subdivision.

Subd. 7. [RELEASE OF ACCOUNT INFORMATION TO PAYEE OR HOLDER.] If there is a written request to a drawee from a payee or holder of a check or other order for the payment of money that has been dishonored other than by a stop payment order, which request is accompanied by a copy of the dishonored check or other order for payment of money, the A drawee is not liable in a civil or criminal proceeding for releasing shall release the informa-

tion specified in clauses (1) and (2) to the payee or holder ~~any~~ of a check that has been dishonored who makes a written request for this information and states in writing that the check has been dishonored and that 30 days have elapsed since the mailing of the notice described in subdivision 8 and who accompanies this request with a copy of the dishonored check and a copy of the notice of dishonor.

The requesting payee or holder shall notify the drawee immediately to cancel this request if payment is made before the drawee has released this information.

This subdivision applies to the following information relating to the drawer's account:

(1) Whether at the time the check ~~or other order for payment of money~~ was issued or presented for payment the drawer had sufficient funds or credit with the drawee, and whether at that time the account was open, closed, or restricted for any reason and the date it was closed or restricted; and

(2) The last known home ~~and business addresses~~ address and telephone ~~numbers~~ number of the drawer. A drawee may be liable in a civil or criminal proceeding for releasing the business address or business telephone number of the drawer to the payee or holder.

The drawee shall release all of the information described in clauses (1) and (2) that it possesses within ten days after receipt of a request conforming to all of the provisions of this subdivision. The drawee may require the person requesting the information to pay the reasonable costs, not to exceed 15 cents per page, of reproducing and mailing the requested information.

A drawee is not liable in a criminal or civil proceeding for releasing information in accordance with this subdivision.

Subd. 8. [NOTICE.] The provisions of subdivisions 6 and 7 are not applicable unless the notice to the maker or drawer required by subdivision 3 states that if the check ~~or other order for the payment of money~~ is not paid in full within five business days after mailing of the notice, the drawee ~~may will~~ be authorized to release information relating to the account to the payee or holder of the check ~~or other order for the payment of money~~ and may also release this information to law enforcement or prosecuting authorities.

Sec. 11. [REPEALER.]

Minnesota Statutes 1982, section 48.511, is repealed.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 4 are effective January 1, 1984. Sections 5 to 11 are effective August 1, 1983."

Delete the title and insert:

"A bill for an act relating to commerce; establishing standards and procedures for the release of financial information; establishing procedures for opening checking accounts; providing for civil liability for issuance of dishonored checks; clarifying conciliation court jurisdiction for actions on dishonored checks; requiring release of certain account information to check holders and law enforcement authorities; amending Minnesota Stat-

utes 1982, sections 487.30, subdivision 4; 488A.12, subdivision 3; 488A.29, subdivision 3; and 609.535; proposing new law coded in Minnesota Statutes, chapters 48 and 332; proposing new law coded as Minnesota Statutes, chapter 13A; repealing Minnesota Statutes 1982, section 48.511.”

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

Senate Conferees: (Signed) Gene Merriam, Marilyn M. Lantry, Allan H. Spear, Eric D. Petty, Dean E. Johnson

House Conferees: (Signed) Joe Quinn, Randy C. Kelly, Terry Dempsey, Alan Welle, Bob Waltman

Mr. Merriam moved that the foregoing recommendations and Conference Committee Report on S.F. No. 280 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 280 was read the third time as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Knaak moved that the following members be excused for a Conference Committee on S.F. No. 800:

Messrs. Peterson, R.W.; Freeman and Knaak. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Petty moved that H.F. No. 381 be taken from the table. The motion prevailed.

Mr. Petty moved, pursuant to Joint Rule 2.05, that the Senate recede from its amendments to H.F. No. 381, adopted by the Senate March 24, and April 11, 1983.

CALL OF THE SENATE

Mr. Petty imposed a call of the Senate. The Sergeant at Arms was in-

structed to bring in the absent members.

The question recurred on the motion of Mr. Petty.

The roll was called, and there were yeas 37 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Luther	Petty	Stumpf
Berglin	Frank	Moe, D. M.	Pogemiller	Vega
Bertram	Hughes	Moe, R. D.	Purfeerst	Waldorf
Chmielewski	Jude	Nelson	Reichgott	Wegscheid
Dahl	Kroening	Novak	Samuelson	Willet
Davis	Langseth	Pehler	Schmitz	
DeCramer	Lantry	Peterson, C.C.	Solon	
Dicklich	Lessard	Peterson, D.C.	Spear	

Those who voted in the negative were:

Anderson	Frederick	Knutson	Olson	Storm
Belanger	Frederickson	Kronebusch	Peterson, D.L.	Taylor
Benson	Isackson	McQuaid	Ramstad	Ulland
Berg	Johnson, D.E.	Mehrkens	Renneke	
Bernhagen	Kamrath	Merriam	Sieloff	

The motion prevailed.

H.F. No. 381 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 41 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Luther	Peterson, R.W.	Stumpf
Berglin	Frank	Merriam	Petty	Vega
Bertram	Freeman	Moe, D. M.	Pogemiller	Waldorf
Chmielewski	Hughes	Moe, R. D.	Purfeerst	Wegscheid
Dahl	Jude	Nelson	Reichgott	Willet
Davis	Kroening	Novak	Samuelson	
DeCramer	Langseth	Pehler	Schmitz	
Dicklich	Lantry	Peterson, C.C.	Solon	
Diessner	Lessard	Peterson, D.C.	Spear	

Those who voted in the negative were:

Anderson	Frederick	Knaak	Olson	Storm
Belanger	Frederickson	Knutson	Peterson, D.L.	Taylor
Benson	Isackson	Kronebusch	Ramstad	Ulland
Berg	Johnson, D.E.	McQuaid	Renneke	
Bernhagen	Kamrath	Mehrkens	Sieloff	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 238 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 238

A bill for an act relating to mining; including peat within the provisions of mineland reclamation laws; requiring adoption of certain reclamation rules

prior to issuance of metallic mining permits; amending Minnesota Statutes 1982, sections 93.44; 93.46, subdivisions 2 and 6; and 93.481, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 93.

May 5, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 238, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 238 be amended as follows:

Page 2, after line 19, insert:

“(a) For the purposes of sections 93.46 to 93.51, ‘peat mining’ means the removal of peat for commercial purposes, including activities associated with the removal. ‘Peat mining’ does not include removal of peat which is incidental to the harvesting of an agricultural or horticultural crop, or to mining of a metallic mineral that is subject to a mineland reclamation rule and a permit to mine.”

Page 2, line 20, delete “(a)” and insert “(b)”

Page 2, line 24, delete “(b)” and insert “(c)”

Page 2, line 29, delete “2,000” and insert “100”

Page 2, line 31, delete “at least 90 days”

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

Senate Conferees: (Signed) A.W. “Bill” Diessner, Gene Merriam, John Bernhagen

House Conferees: (Signed) Willard M. Munger, Darby Nelson, Douglas W. Carlson

Mr. Diessner moved that the foregoing recommendations and Conference Committee Report on S.F. No. 238 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion did not prevail.

Mr. Diessner moved that, the Senate having failed to adopt the Conference Committee Report, S.F. No. 238 and the report be re-referred to the Conference Committee as formerly constituted for further consideration. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following

Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1234: A bill for an act relating to the organization and operation of state government; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines commission, corrections ombudsman, and health related boards; providing an entitlement to certain child care services; increasing marriage license and dissolution fees; providing for distribution of federal maternal and child health block grant money; requiring cost increase limits and other cost containment measures in medical care programs; amending eligibility standards; changing general assistance to allow flat grants, employment through grant diversion and work registration requirements, and federal benefit application incentives; providing for job training for certain persons; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines commission, corrections ombudsman, and health related boards; amending Minnesota Statutes 1982, sections 129A.03; 144.653, subdivision 2; 144A.04, subdivision 5; 144A.10, subdivision 2; 145.882; 145.921, subdivision 1; 245.62; 245.66; 245.83; 245.84, subdivisions 1, 2, and 5; 245.85; 245.86; 245.87; 256.045, subdivision 3; 256.82, by adding a subdivision; 256.966, subdivision 1; 256.968; 256B.02, subdivision 8; 256B.04, subdivision 14, and by adding a subdivision; 256B.06, subdivision 1; 256B.07; 256B.14, subdivision 2; 256B.17, subdivision 4, and by adding subdivisions; 256B.27, subdivision 3; 256B.48, by adding a subdivision; 256D.01, subdivision 1; 256D.02, subdivision 4; 256D.03, subdivisions 3 and 4, and by adding subdivisions; 256D.05, subdivision 1a; 256D.06, subdivision 5; 256D.09, subdivision 2, and by adding a subdivision; 260.191, subdivision 2; 260.242, subdivision 2; 261.23; 357.021, subdivisions 2 and 2a; 401.14, by adding a subdivision; 401.15, subdivision 1; 517.08, subdivisions 1b and 1c; proposing new law coded in Minnesota Statutes, chapters 145; 252; 256; 256B; 256D; and 268; repealing Minnesota Statutes 1982, sections 256D.02, subdivision 14; 256D.05, subdivision 1a; 256D.06, subdivision 1a; 256D.22; and Laws 1981, chapter 360, article II, section 54, as amended.

Senate File No. 1234 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 11, 1983

Mr. Samuelson moved that the Senate do not concur in the amendments by the House to S.F. No. 1234, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

following Senate File:

S.F. No. 1003: A bill for an act relating to public welfare; establishing a medical assistance social health maintenance organization demonstration project; proposing new law coded in Minnesota Statutes, chapter 256B.

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

Brandl, Onnen and Greenfield.

Senate File No. 1003 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 11, 1983

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 289.

H.F. No. 289: A bill for an act relating to the city of St. Paul; authorizing the city to permit, by ordinance, the use of an "on-sale" liquor license issued by the city at the Highland Park and Phalen Park club houses.

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

O'Connor, Osthoff and Kelly have been appointed as such committee on the part of the House.

House File No. 289 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 11, 1983

Mr. Dieterich moved that H.F. No. 289 be laid on the table. The motion prevailed.

RECESS

Mr. Luther moved that the Senate do now recess until 12:00 noon. The motion prevailed.

The hour of 12:00 noon having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

indicated.

Messrs. Dahl and Willet introduced—

S.F. No. 1241: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

Referred to the Committee on Finance.

Messrs. Kroening and Solon introduced—

S.F. No. 1242: A bill for an act relating to weights and measures; exempting certain petroleum pumps and meters from certain inspection fees; establishing a set fee; amending Minnesota Statutes 1982, sections 239.10 and 296.13.

Referred to the Committee on Economic Development and Commerce.

Ms. Peterson, D.C. introduced—

S.F. No. 1243: A resolution memorializing the President and Congress to establish a National Academy of Peace and Conflict Resolution.

Referred to the Committee on Veterans and General Legislation.

Mr. Willet, for the Committee on Finance, introduced—

S.F. No. 1244: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain money in the state treasury; authorizing land acquisition in certain cases; fixing and limiting the amount of fees to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; imposing penalties; amending Minnesota Statutes 1982, sections 3.922, subdivision 5; 3.9222; 6.65; 14.14, subdivision 1; 15.16, subdivision 5; 16.02, subdivision 10a, and by adding a subdivision; 16.083, subdivision 4, and by adding subdivisions; 16.084; 16.085; 16.086, subdivision 1; 16.098, subdivision 4; 16.28; 16.32, subdivision 2; 16.75, by adding a subdivision; 16.82, subdivision 1; 16.866, subdivision 1; 16A.125, subdivision 5; 16A.127, subdivisions 1 and 7; 16A.128; 16A.36; 16A.50; 16A.64, subdivisions 2 and 4; 16A.66, subdivisions 1, 2, and 3; 43A.23, subdivision 1; 105.41, subdivision 5; 105.44, subdivision 10; 116.03, subdivision 3; 116.07, subdivisions 2a, 9, and by adding a subdivision; 116.16, subdivision 10; 116.18, subdivision 1; 116.41, subdivision 2; 116C.03, subdivision 2; 116J.27, subdivisions 2 and 6; 116J.31; 116J.36, by adding a subdivision; 116J.42, subdivision 8; 124.46, subdivision 2; 136.40, subdivision 8; 176.081, subdivision 7; 176.421, subdivisions 1, 3, and 6; 176.441, subdivision 1; 176.471, subdivision 1; 181A.12, subdivision 1; 204B.32; 204D.11, subdivision 1; 206.09; 216B.164, subdivisions 2, 3, 5, 6, 8, and by adding a subdivision; 239.10; 256.481; 256.482; 290.06, subdivision 13; 290.37, subdivision 1; 290.44; 290.61; 296.18, subdivision 1; 296.421, subdivision 5; 300.49, subdivision 1, and by adding a subdivision; 301.071, by adding a subdivision; 302A.153; 302A.821; 303.07, subdivision 2; 317.67, by adding a

subdivision; 322A.16; 322A.71; 331.02, by adding a subdivision; 333.055, subdivision 3; 333.20, subdivision 4; 363.06, subdivision 4, and by adding a subdivision; 363.071, subdivision 2; 453.54, by adding a subdivision; 462A.02, subdivision 10; 462A.05, by adding subdivisions; 462A.21, by adding a subdivision; 480.09, subdivision 5; 480.241, subdivision 2; 480A.01, subdivision 2; 546.27, subdivision 2; 611.17; 648.39, subdivision 5; and Laws 1976, chapter 314, section 3; Laws 1980, chapter 564, article XII, section 1, subdivision 3; Laws 1980, chapter 614, section 192; proposing new law coded in Minnesota Statutes, chapters 4, 16A, 116C, 116J, 216B, 270, 273, 356, 462A, 471; repealing Minnesota Statutes 1982, sections 3.472; 3.86; 4.073; 16.911; 114A.01; 114A.02; 114A.03; 114A.04; 114A.05; 114A.06; 114A.07; 114A.08; 114A.09; 116J.27, subdivisions 5 and 7; 256.483; and 303.14; and Laws 1965, chapters 66 and 312.

Under the rules of the Senate, laid over one day.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Special Orders Calendar. The motion prevailed.

SPECIAL ORDER

H.F. No. 380: A bill for an act relating to negligence; regulating the liability of good samaritans; amending Minnesota Statutes 1982, section 604.05.

Mr. Merriam moved to amend H.F. No. 380, as amended pursuant to Rule 49, adopted by the Senate April 28, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 373.)

Page 1, line 10, after the comma, insert "*including a public volunteer,*" and delete "*persons*" and insert "*a person*"

Page 1, line 10, delete "*are*" and insert "*is*" and delete "*reasonably expecting*"

Page 1, line 11, delete everything before "*acting*"

Page 1, line 12, delete the first "*their*" and insert "*his*" and delete everything after "*employment*"

Page 1, delete line 13

Page 1, line 14, delete "*service provider*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 36 and nays 28, as follows:

Those who voted in the affirmative were:

Anderson	Davis	Kronebusch	Peterson, C.C.	Stumpf
Belanger	DeCramer	Laidig	Peterson, D.L.	Taylor
Benson	Frederickson	Langseth	Purfeerst	Ulland
Berg	Isackson	Lessard	Ramstad	Vega
Bernhagen	Johnson, D.E.	Mehrkens	Reichgott	
Bertram	Jude	Merriam	Renneke	
Chmielewski	Kamrath	Novak	Samuelson	
Dahl	Knaak	Olson	Storm	

Those who voted in the negative were:

Adkins	Frank	Luther	Peterson, D.C.	Spear
Berglin	Freeman	McQuaid	Peterson, R.W.	Waldorf
Brataas	Hughes	Moe, D. M.	Petty	Wegscheid
Dicklich	Knutson	Moe, R. D.	Pogemiller	Willet
Diessner	Kroening	Nelson	Schmitz	
Dieterich	Lantry	Pehler	Sieloff	

The motion prevailed. So the amendment was adopted.

H.F. No. 380 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 58 and nays 5, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berglin	Dieterich	Peterson, R.W.	Spear	Wegscheid
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So the bill, as amended, passed and its title was agreed to.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the proceedings on S.F. No. 1244. The Sergeant at Arms was instructed to bring in the absent members.

SUSPENSION OF RULES

Mr. Kroening moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 1244 and that the rules of the Senate be so far suspended as to give S.F. No. 1244 its second and third reading and place it on its final passage. The motion prevailed.

S. F. No. 1244 was read the second time.

Mr. Frederickson moved to amend S.F. No. 1244 as follows:

Pages 103 and 104, delete section 133

Page 134, line 5, delete "133,"

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Anderson	Dieterich	Kamrath	McQuaid	Renneke
Belanger	Frederick	Knaak	Mehrkens	Storm
Berg	Frederickson	Knutson	Olson	Stumpf
Bernhagen	Isackson	Kronebusch	Peterson, D.L.	Taylor
Bertram	Johnson, D.E.	Laidig	Ramstad	Ulland

Those who voted in the negative were:

Adkins	Diessner	Lantry	Peterson, D.C.	Solon
Berglin	Frank	Lessard	Peterson, R.W.	Vega
Chmielewski	Freeman	Luther	Petty	Waldorf
Dahl	Johnson, D.J.	Merriam	Pogemiller	Wegscheid
Davis	Jude	Novak	Reichgott	Willet
DeCramer	Kroening	Pehler	Samuelson	
Dicklich	Langseth	Peterson, C.C.	Schmitz	

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

Mr. Taylor moved to amend S.F. No. 1244 as follows:

Pages 111 to 116, delete sections 142 to 148

Renumber the sections in sequence

Correct internal cross references

Amend the title as follows:

Page 1, delete lines 37 to 39

The question was taken on the adoption of the amendment.

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

The roll was called, and there were yeas 32 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knutson	Olson	Taylor
Belanger	Frederickson	Kronebusch	Peterson, D.L.	Ulland
Benson	Isackson	Laidig	Peterson, R.W.	Waldorf
Berg	Johnson, D.E.	Lantry	Petty	Wegscheid
Bernhagen	Jude	Lessard	Ramstad	
Brataas	Kamrath	McQuaid	Renneke	
Frank	Knaak	Mehrkens	Storm	

Those who voted in the negative were:

Adkins	Dieterich	Merriam	Pogemiller	Stumpf
Berglin	Freeman	Moe, D. M.	Purfeerst	Vega
Bertram	Hughes	Nelson	Reichgott	Willet
Dahl	Johnson, D.J.	Novak	Samuelson	
Davis	Kroening	Pehler	Schmitz	
DeCramer	Langseth	Peterson, C.C.	Solon	
Diessner	Luther	Peterson, D.C.	Spear	

The motion prevailed. So the amendment was adopted.

Mr. Nelson moved to amend S. F. No. 1244 as follows:

Page 88, after line 1, insert:

“Sec. 113. Minnesota Statutes 1982, section 160.08, subdivision 7, is amended to read:

Subd. 7. [NO COMMERCIAL ESTABLISHMENT WITHIN RIGHT-OF-WAY.] No commercial establishment, including but not limited to automotive service stations, for serving motor vehicle users shall be constructed or located within the right-of-way of, or on publicly owned or publicly leased land acquired or used for or in connection with, a controlled access highway, except that structures may be built within safety rest and tourist information center areas and space within state owned buildings in those areas may be leased for the purpose of providing information to travelers through commercial and public service advertising pursuant to under franchise agreements as provided in sections 160.276 to 160.278 or for the purpose of placing vending machines in rest areas, tourist information centers, or weigh stations constructed or located within trunk highway rights-of-way.

Sec. 114. Minnesota Statutes 1982, section 160.28, is amended to read:

160.28 [PLANS FOR REST AREAS, TOURIST INFORMATION CENTERS AND WEIGH STATIONS; VENDING FACILITIES.]

~~The provisions of Subdivision 1.~~ [CONSTRUCTION.] Any other law to the contrary notwithstanding, the commissioner of transportation is hereby authorized to ~~cause to be prepared~~ *may prepare* plans and specifications and detailed designs for the construction of buildings and facilities for rest areas, tourist information centers in combination with rest areas, and weigh stations when ~~he the commissioner deems such~~ *these* buildings and facilities to be necessary in the interest of safety and convenient public travel on highways.

Subd. 2. [VENDING MACHINES.] Any other law to the contrary notwithstanding, the commissioner may contract for or authorize the placement of vending machines in rest areas, tourist information centers, and weigh stations for the purpose of dispensing food, drink, and other articles deemed appropriate and desirable by the commissioner. The commissioner shall give priority in placing vending machines to machines operated pursuant to United States Code, title 20, sections 107 to 107e and as provided in section 248.07.”

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Taylor moved to amend S.F. No. 1244 as follows:

Page 88, line 25, delete “*general*” and insert “*special compensation*”

The motion prevailed. So the amendment was adopted.

Mrs. Kronebusch moved to amend S.F. No. 1244 as follows:

Pages 48 and 49, delete section 54

Renumber the sections in sequence

Correct internal cross references

Amend the title as follows:

Page 1, line 12, delete "3.9222;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Dieterich	Knaak	Olson	Taylor
Belanger	Frederick	Knutson	Peterson, D.L.	Ulland
Benson	Frederickson	Kronebusch	Peterson, R.W.	
Berg	Isackson	Laidig	Ramstad	
Bernhagen	Johnson, D.E.	McQuaid	Renneke	
Brataas	Kamrath	Mehrkens	Storm	

Those who voted in the negative were:

Adkins	Diessner	Lantry	Pogemiller	Vega
Berglin	Frank	Lessard	Purfeerst	Waldorf
Bertram	Freeman	Luther	Reichgott	Wegscheid
Chmielewski	Hughes	Moe, R. D.	Samuelson	Willet
Dahl	Johnson, D.J.	Pehler	Schmitz	
Davis	Jude	Peterson, C.C.	Solon	
DeCramer	Kroening	Peterson, D.C.	Spear	
Dicklich	Langseth	Petty	Stumpf	

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

Mr. Peterson, D.L. moved to amend S.F. No. 1244 as follows:

Page 71, after line 15, insert:

"Sec. 85. Minnesota Statutes 1982, section 43A.18, subdivision 3, is amended to read:

Subd. 3. [MANAGERIAL PLAN.] The commissioner shall identify individual positions or groups of positions in the classified and unclassified service, except those listed in subdivision 4, in the executive branch as being managerial. The commissioner shall annually submit the listing of positions to the chairperson of the legislative commission on employee relations for the commission's review and comment, and shall note on each listing the changes from the prior year.

(a) The commissioner shall periodically prepare a plan for training and development, mobility, total compensation and terms and conditions of employment for employees of those positions identified as being managerial and whose salaries and benefits are not otherwise provided for in law or other plans established under chapter 43A. The plan shall include a career executive service to provide a system for identifying, developing and recognizing key individuals who occupy managerial positions in the classified service. Before becoming effective those portions of the plan establishing compensation and terms and conditions of employment shall be reviewed and approved or modified by the legislative commission on employee relations and the legislature in the same manner as provided for the commissioner's plan in subdivision 2.

(b) Incumbents of managerial positions as identified under this subdivision shall be excluded from any bargaining units under the provisions of chapter 179.

(c) The management compensation plan shall provide methods and levels

of compensation for managers that will be generally comparable to those applicable to managers in other public and private employment. Provisions of the plan shall ensure that compensation within assigned salary ranges is related to level of performance. The employee benefits established under the provisions of the managerial plan may be extended to agency heads whose salaries are established in section 15A.081, subdivision 1, and to constitutional officers, judges of the workers' compensation court of appeals, and tax court judges.

(d) The management plan shall include total compensation for individuals appointed to the career executive service. Salaries established under this plan shall be limited to 120 percent of the maximum of the salary range for the employee's job classification in the classified service.

(e) No rights or tenure shall attach to a career executive service assignment. An incumbent in the career executive service may be removed from the career executive service by the appointing authority, provided the action is made without regard to sex, race, religion, color, creed, marital status, age, national origin, disability, status with regard to public assistance or political affiliation. An employee removed from the career executive service shall receive compensation at the level formerly received plus any increases the employee would have received had the employee not been appointed to the career executive service.

(f) The career executive service shall have at least a 20 percent female membership by 1985.

An employee who is in the career executive service on July 1, 1981 and whose position, as a result of Laws 1981, Chapter 210, is no longer eligible for inclusion in the career executive service is nonetheless eligible to remain a member of the career executive service in accordance with the provisions of this section so long as the employee remains in that position."

Renumber the sections in sequence

Correct internal cross references

Amend the title as follows:

Page 1, line 21, before "43A.23" insert "43A.18, subdivision 3;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Bertram	Frederickson	Laidig	Renneke
Belanger	Brataas	Isackson	McQuaid	Sieloff
Benson	Dicklich	Kamrath	Mehrkens	Storm
Berg	Dieterich	Knaak	Moe, D. M.	Ulland
Berglin	Frank	Knutson	Peterson, D.L.	
Bernhagen	Frederick	Kronebusch	Ramstad	

Those who voted in the negative were:

Adkins	Hughes	Moe, R. D.	Pogemiller	Vega
Chmielewski	Johnson, D.J.	Nelson	Purfeerst	Waldorf
Dahl	Jude	Pehler	Reichgott	Wegscheid
Davis	Kroening	Peterson, C.C.	Samuelson	Willet
DeCramer	Lantry	Peterson, D.C.	Schmitz	
Diessner	Luther	Peterson, R.W.	Solon	
Freeman	Merriam	Petty	Spear	

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

Mr. Berg moved to amend S.F. No. 1244 as follows:

Page 72, line 26, delete "*permitted 40 acres or portion thereof*" and insert "*permit*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 35, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Isackson	Laidig	Ramstad
Belanger	Davis	Kamrath	McQuaid	Renneke
Berg	DeCramer	Knaak	Mehrkens	Sieloff
Bernhagen	Frederick	Knutson	Olson	Storm
Bertram	Frederickson	Kronebusch	Peterson, D.L.	Ulland

Those who voted in the negative were:

Adkins	Freeman	Lessard	Peterson, R. W.	Solon
Berglin	Hughes	Merriam	Petty	Spear
Chmielewski	Johnson, D.J.	Moe, R. D.	Pogemiller	Stumpf
Dahl	Jude	Novak	Purfeerst	Vega
Diessner	Kroening	Pehler	Reichgott	Waldorf
Dieterich	Langseth	Peterson, C.C.	Samuelson	Wegscheid
Frank	Lantry	Peterson, D.C.	Schmitz	Willet

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

RECONSIDERATION

Having voted on the prevailing side, Mrs. Lantry moved that the vote whereby the first Taylor amendment to S.F. No. 1244 was adopted on May 12, 1983, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 34 and nays 27, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Langseth	Pehler	Solon
Berglin	Diessner	Lantry	Peterson, D.C.	Spear
Bertram	Dieterich	Lessard	Peterson, R. W.	Stumpf
Chmielewski	Frank	Luther	Pogemiller	Vega
Dahl	Freeman	Merriam	Purfeerst	Wegscheid
Davis	Hughes	Moe, R. D.	Samuelson	Willet
DeCramer	Kroening	Novak	Schmitz	

Those who voted in the negative were:

Anderson	Frederickson	Kronebusch	Petty	Taylor
Belanger	Isackson	Laidig	Ramstad	Ulland
Berg	Jude	McQuaid	Reichgott	Waldorf
Bernhagen	Kamrath	Mehrkens	Renneke	
Brataas	Knaak	Olson	Sieloff	
Frederick	Knutson	Peterson, D.L.	Storm	

The motion prevailed. So the vote was reconsidered.

The question recurred on the first Taylor amendment.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion did not prevail.

The roll was called, and there were yeas 31 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Kronebusch	Peterson, R. W.	Ulland
Belanger	Frederickson	Laidig	Petty	Waldorf
Benson	Isackson	Lantry	Ramstad	Wegscheid
Berg	Jude	McQuaid	Renneke	
Bernhagen	Kamrath	Mehrkins	Sieloff	
Brataas	Knaak	Olson	Storm	
Frank	Knutson	Peterson, D. L.	Taylor	

Those who voted in the negative were:

Adkins	Dicklich	Langseth	Novak	Samuelson
Berglin	Diessner	Lessard	Pehler	Schmitz
Bertram	Dieterich	Luther	Peterson, C. C.	Solon
Chmielewski	Freeman	Merriam	Peterson, D. C.	Spear
Dahl	Hughes	Moe, D. M.	Pogemiller	Vega
Davis	Johnson, D. J.	Moe, R. D.	Purfeerst	Willet
DeCramer	Kroening	Nelson	Reichgott	

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

Mr. Ramstad moved to amend S.F. No. 1244 as follows:

Page 116, delete section 148

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Bertram	Kamrath	McQuaid	Renneke
Belanger	Brataas	Knaak	Mehrkins	Sieloff
Benson	Frederick	Knutson	Olson	Storm
Berg	Frederickson	Kronebusch	Peterson, D. L.	Taylor
Bernhagen	Isackson	Laidig	Ramstad	Ulland

Those who voted in the negative were:

Adkins	Dieterich	Lantry	Pehler	Solon
Berglin	Frank	Lessard	Peterson, D. C.	Spear
Chmielewski	Freeman	Luther	Petty	Vega
Dahl	Hughes	Merriam	Pogemiller	Waldorf
Davis	Johnson, D. J.	Moe, D. M.	Purfeerst	
DeCramer	Jude	Moe, R. D.	Reichgott	
Dicklich	Kroening	Nelson	Samuelson	
Diessner	Langseth	Novak	Schmitz	

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

Mr. Sieloff moved to amend S.F. No. 1244 as follows:

Pages 104 and 105, delete section 134

Page 134, line 5, delete ", 134,"

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Anderson	Dieterich	Knaak	Mehrkens	Storm
Belanger	Frederick	Knutson	Merriam	Taylor
Benson	Frederickson	Kronebusch	Peterson, D.L.	Ulland
Berg	Freeman	Laidig	Ramstad	
Bernhagen	Isackson	Lessard	Renneke	
Brataas	Kamrath	McQuaid	Sieloff	

Those who voted in the negative were:

Adkins	Dicklich	Langseth	Peterson, R. W.	Solon
Berglin	Diessner	Lantry	Petty	Spear
Bertram	Frank	Luther	Pogemiller	Stumpf
Chmielewski	Hughes	Moe, D. M.	Purfeerst	Vega
Dahl	Johnson, D.J.	Nelson	Reichgott	Waldorf
Davis	Jude	Novak	Samuelson	Wegscheid
DeCramer	Kroening	Peterson, D.C.	Schmitz	Willet

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

Mr. Storm moved to amend S.F. No. 1244 as follows:

Page 102, line 14, delete "*handicapped*" and insert "*physically, mentally, or emotionally impaired*"

The motion prevailed. So the amendment was adopted.

Mr. Anderson moved to amend S.F. No. 1244 as follows:

Page 106, delete section 136

Pages 110 and 111, delete sections 140 and 141

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knaak	Olson	Taylor
Belanger	Frederickson	Laidig	Peterson, D.L.	Ulland
Berg	Freeman	Lessard	Ramstad	Wegscheid
Bernhagen	Isackson	McQuaid	Sieloff	
Brataas	Kamrath	Mehrkens	Storm	

Those who voted in the negative were:

Adkins	Diessner	Merriam	Petty	Stumpf
Benson	Frank	Moe, D. M.	Pogemiller	Vega
Bertram	Hughes	Moe, R. D.	Purfeerst	Waldorf
Chmielewski	Jude	Nelson	Reichgott	Willet
Dahl	Kroening	Pehler	Samuelson	
Davis	Langseth	Peterson, D.C.	Schmitz	
DeCramer	Lantry	Peterson, R.W.	Solon	

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

Mr. Knutson moved to amend S.F. No. 1244 as follows:

Page 23, line 35, delete "except that" and insert a period

Page 23, delete lines 36 to 38

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knutson	Merriam	Sieloff
Belanger	Frederickson	Kronebusch	Olson	Stumpf
Benson	Isackson	Laidig	Peterson, D. L.	Taylor
Berg	Kamrath	McQuaid	Ramstad	Ulland
Bernhagen	Knaak	Mehrkens	Renneke	Wegscheid

Those who voted in the negative were:

Adkins	Frank	Lessard	Peterson, R. W.	Vega
Bertram	Freeman	Luther	Petty	Waldorf
Chmielewski	Hughes	Moe, D. M.	Pogemiller	Willet
Dahl	Jude	Moe, R. D.	Purfeerst	
Davis	Kroening	Nelson	Reichgott	
DeCramer	Langseth	Pehler	Samuelson	
Dicklich	Lantry	Peterson, D. C.	Schmitz	

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

Mr. Kamrath moved to amend S.F. No. 1244 as follows:

Pages 92 to 95, delete sections 121 and 122

Renumber the sections in sequence and correct internal references

Amend the title accordingly

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

Mr. Sieloff moved to amend S.F. No. 1244 as follows:

Page 134, line 8, after the period, insert "*Sections 142 to 148 are effective July 1, 1985.*"

The motion prevailed. So the amendment was adopted.

Mr. Frank moved to amend S.F. No. 1244 as follows:

Page 98, line 24, delete "*shall*" and insert "*may*"

Page 98, line 32, delete "*shall*" and insert "*may*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 40 and nays 15, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Knaak	Mehrkens	Ramstad
Anderson	Frank	Knutson	Merriam	Reichgott
Belanger	Frederick	Kronebusch	Olson	Renneke
Benson	Frederickson	Laidig	Pehler	Sieloff
Berg	Freeman	Langseth	Peterson, D. L.	Storm
Bernhagen	Isackson	Lantry	Peterson, R. W.	Ulland
Bertram	Jude	Lessard	Petty	Waldorf
Brataas	Kamrath	McQuaid	Purfeerst	Wegscheid

Those who voted in the negative were:

Dahl	Dicklich	Luther	Peterson, D. C.	Stumpf
Davis	Diessner	Moe, R. D.	Pogemiller	Vega
DeCramer	Kroening	Nelson	Samuelson	Willet

The motion prevailed. So the amendment was adopted.

Mr. Frank then moved to amend S.F. No. 1244 as follows:

Page 96, line 13, after "at" insert "70 percent of"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 37 and nays 18, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Olson	Sieloff
Anderson	Frank	Kronebusch	Peterson, D.L.	Storm
Belanger	Frederick	Laidig	Peterson, R.W.	Stumpf
Benson	Frederickson	Langseth	Petty	Ulland
Berg	Freeman	Lantry	Purfeerst	Wegscheid
Bernhagen	Isackson	McQuaid	Ramstad	
Brataas	Kamrath	Mehrrens	Reichgott	
Chmielewski	Knaak	Merriam	Renneke	

Those who voted in the negative were:

Bertram	Hughes	Luther	Samuelson	Waldorf
Dahl	Jude	Nelson	Solon	Willet
Davis	Kroening	Pehler	Taylor	
Diessner	Lessard	Peterson, D.C.	Vega	

The motion prevailed. So the amendment was adopted.

Mr. Laidig moved to amend S.F. No. 1244 as follows:

Page 51, after line 35, insert:

"Sec. 61. Minnesota Statutes 1982, section 16.02, is amended by adding a subdivision to read:

Subd. 30. May provide rental space within the capitol complex for a private daycare center for children of state employees. The commissioner shall contract for services as provided in chapter 16. The commissioner shall report back to the Legislature by January 15, 1984, with the recommendation to implement the private day care operation."

Re-number the sections in sequence and correct internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 29, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kronebusch	Ramstad	Taylor
Benson	Isackson	Laidig	Renneke	Ulland
Brataas	Kamrath	McQuaid	Sieloff	Wegscheid
DeCramer	Knaak	Olson	Spear	
Frederick	Knutson	Peterson, D.L.	Storm	

Those who voted in the negative were:

Adkins	Dicklich	Kroening	Nelson	Solon
Bernhagen	Diessner	Langseth	Pehler	Stumpf
Bertram	Frank	Lantry	Peterson, R.W.	Vega
Chmielewski	Freeman	Lessard	Petty	Waldorf
Dahl	Hughes	Mehrrens	Reichgott	Willet
Davis	Jude	Merriam	Samuelson	

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

Mr. Frederick moved to amend S.F. No. 1244 as follows:

Page 75, delete section 90

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Knutson	Olson	Taylor
Belanger	Frederick	Kronebusch	Peterson, D.L.	Ulland
Benson	Frederickson	Laidig	Ramstad	
Berg	Isackson	Lessard	Renneke	
Bernhagen	Kamrath	McQuaid	Sieloff	
Bertram	Knaak	Mehrkens	Storm	

Those who voted in the negative were:

Adkins	Frank	Luther	Petty	Vega
Chmielewski	Freeman	Merriam	Purfeerst	Waldorf
Dahl	Hughes	Moe, R. D.	Reichgott	Wegscheid
Davis	Jude	Nelson	Samuelson	Willet
DeCramer	Kroening	Pehler	Solon	
Dicklich	Langseth	Peterson, D.C.	Spear	
Diessner	Lantry	Peterson, R.W.	Stumpf	

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

Mrs. Brataas moved to amend S. F. No. 1244 as follows:

Page 48, line 2, before "is" insert "subdivision 2,"

Page 48, delete lines 4 to 8

Page 48, lines 9 to 18, reinstate the stricken language and delete the new language

Page 48, line 19, reinstate "July 1, 1981." and "Non-legislator members"

Page 48, delete line 21 and insert "~~provided in section 15-059~~ shall not be paid per diem or expenses. The persons appointed by the"

Page 48, lines 22 to 25, reinstate the stricken language

Page 48, delete lines 26 to 36

Page 49, delete lines 1 to 31

Amend the title as follows:

Page 1, line 12, after "3.9222" insert ", subdivision 2"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Knaak	Mehrkens	Sieloff
Belanger	Frederick	Knutson	Olson	Storm
Benson	Frederickson	Kronebusch	Peterson, D.L.	Taylor
Berg	Isackson	Laidig	Ramstad	Ulland
Bernhagen	Kamrath	McQuaid	Renneke	Wegscheid

Those who voted in the negative were:

Adkins	Diessner	Lantry	Peterson, D. C.	Stumpf
Bertram	Frank	Lessard	Peterson, R. W.	Vega
Chmielewski	Freeman	Luther	Petty	Willet
Dahl	Hughes	Merriam	Reichgott	
Davis	Jude	Moe, R. D.	Samuelson	
DeCramer	Kroening	Nelson	Solon	
Dicklich	Langseth	Pehler	Spear	

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

Ms. Olson moved to amend S.F. No. 1244 as follows:

Page 25, delete lines 31 and 32

Page 25, line 33, after "year" insert "and \$40,000 the second year"

Page 25, delete lines 36 to 38

Page 83, delete section 105

Page 83, line 27, delete "train" and insert "enter into an agreement with the state board of vocational technical education for the provision of training"

Page 83, line 30, after the period, insert "The commissioner with the commissioner of administration shall develop a plan to improve participation by state building operators in energy management training."

Pages 83 and 84, delete section 107

Re-number the sections in sequence and correct internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 31, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Knaak	Mehrkens	Storm
Anderson	Chmielewski	Knutson	Olson	Stumpf
Belanger	Frederick	Kronebusch	Peterson, D. L.	Taylor
Benson	Frederickson	Laidig	Ramstad	Ulland
Berg	Isackson	Lessard	Renneke	Wegscheid
Bernhagen	Kamrath	McQuaid	Sieloff	

Those who voted in the negative were:

Berglin	Dieterich	Lantry	Pehler	Vega
Bertram	Frank	Luther	Peterson, D. C.	Waldorf
Dahl	Freeman	Merriam	Peterson, R. W.	Willet
Davis	Hughes	Moe, D. M.	Petty	
DeCramer	Jude	Moe, R. D.	Samuelson	
Dicklich	Kroening	Nelson	Solon	
Diessner	Langseth	Novak	Spear	

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

S.F. No. 1244 was read the third time.

RECONSIDERATION

Having voted on the prevailing side, Mr. Petty moved that the vote

whereby the second Sieloff amendment to S.F. No. 1244 was adopted on May 12, 1983, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 38 and nays 26, as follows:

Those who voted in the affirmative were:

Berglin	Dieterich	Lantry	Pehler	Solon
Bertram	Frank	Lessard	Peterson, D.C.	Spear
Chmielewski	Freeman	Luther	Peterson, R.W.	Stumpf
Dahl	Hughes	Merriam	Pogemiller	Vega
Davis	Johnson, D.J.	Moe, D. M.	Purfeerst	Waldorf
DeCramer	Kroening	Moe, R. D.	Reichgott	Willet
Dicklich	Laidig	Nelson	Samuelson	
Diessner	Langseth	Novak	Schmitz	

Those who voted in the negative were:

Adkins	Brataas	Knaak	Peterson, D.L.	Ulland
Anderson	Frederick	Knutson	Petty	Wegscheid
Belanger	Frederickson	Kronebusch	Ramstad	
Benson	Isackson	McQuaid	Renneke	
Berg	Jude	Mehrkens	Storm	
Bernhagen	Kamrath	Olson	Taylor	

The motion prevailed. So the vote was reconsidered.

RECONSIDERATION

Having voted on the prevailing side, Mr. Ulland moved that the vote whereby the second Frank amendment to S.F. No. 1244 was adopted on May 12, 1983, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 25 and nays 40, as follows:

Those who voted in the affirmative were:

Belanger	Frederick	Langseth	Peterson, R.W.	Spear
Bertram	Frederickson	McQuaid	Ramstad	Stumpf
Brataas	Kamrath	Mehrkens	Olson	Taylor
Dahl	Knaak	Merriam	Reichgott	Ulland
Davis	Knutson	Peterson, D.L.	Renneke	Waldorf
			Sieloff	

Those who voted in the negative were:

Adkins	Dicklich	Jude	Moe, R. D.	Purfeerst
Anderson	Diessner	Kroening	Nelson	Samuelson
Benson	Dieterich	Kronebusch	Novak	Schmitz
Berg	Frank	Laidig	Olson	Solon
Berglin	Freeman	Lantry	Pehler	Storm
Bernhagen	Hughes	Lessard	Peterson, D.C.	Vega
Chmielewski	Isackson	Luther	Petty	Wegscheid
DeCramer	Johnson, D.J.	Moe, D. M.	Pogemiller	Willet

The motion did not prevail.

RECONSIDERATION

Having voted on the prevailing side, Mr. Ulland moved that the vote whereby the first Frank amendment to S.F. No. 1244 was adopted on May

12, 1983, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 20 and nays 45, as follows:

Those who voted in the affirmative were:

Anderson	Dieterich	Knaak	Olson	Renneke
Belanger	Frederick	Knutson	Peterson,D.L.	Sieloff
Benson	Frederickson	Kronebusch	Peterson,R.W.	Taylor
Brataas	Kamrath	McQuaid	Ramstad	Ulland

Those who voted in the negative were:

Adkins	Dicklich	Laidig	Nelson	Schmitz
Berg	Diessner	Langseth	Novak	Solon
Berglin	Frank	Lantry	Pehler	Spear
Bernhagen	Freeman	Lessard	Peterson,D.C.	Storm
Bertram	Hughes	Luther	Petty	Stumpf
Chmielewski	Isackson	Mehrkens	Pogemiller	Vega
Dahl	Johnson, D.J.	Merriam	Purfeerst	Waldorf
Davis	Jude	Moe, D. M.	Reichgott	Wegscheid
DeCramer	Kroening	Moe, R. D.	Samuelson	Willet

The motion did not prevail.

The question was taken on the passage of S.F. No. 1244, as amended.

The roll was called, and there were yeas 41 and nays 25, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Lessard	Peterson,D.C.	Stumpf
Berglin	Frank	Luther	Peterson,R.W.	Vega
Bertram	Freeman	Merriam	Pogemiller	Waldorf
Chmielewski	Hughes	Moe, D. M.	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Moe, R. D.	Reichgott	Willet
Davis	Jude	Nelson	Samuelson	
DeCramer	Kroening	Novak	Schmitz	
Dicklich	Langseth	Pehler	Solon	
Diessner	Lantry	Peterson,C.C.	Spear	

Those who voted in the negative were:

Anderson	Brataas	Knaak	Mehrkens	Renneke
Belanger	Frederick	Knutson	Olson	Sieloff
Benson	Frederickson	Kronebusch	Peterson,D.L.	Storm
Berg	Isackson	Laidig	Petty	Taylor
Bernhagen	Kamrath	McQuaid	Ramstad	Ulland

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

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference

Committee on:

S.F. No. 1234: Messrs. Samuelson; Johnson, D.E.; Spear; Dicklich and Knutson.

S.F. No. 634: Messrs. Peterson, C.C.; Johnson, D.J.; Merriam; Bernhagen and Kroening.

S.F. No. 292: Messrs. Luther, Petty and Storm.

H.F. No. 92: Messrs. Nelson; Merriam; Peterson, R.W.; Pehler and Peterson, D.L.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, without objection, the Senate reverted to the Order of Business of Messages From the House, First Reading of House Bills, Reports of Committees and Second Reading of Senate Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 1290.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 12, 1983

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 1290: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain money in the state treasury; authorizing land acquisition in certain cases; fixing and limiting the amount of fees to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; imposing a penalty; amending Minnesota Statutes 1982, sections 3.732, by adding a subdivision; 15.16, subdivision 5; 15A.083, subdivision 1; 16.32, subdivision 2; 16.75, by adding a subdivision; 16.82, subdivision 1; 16.866, subdivision 1; 16A.125, subdivision 5; 16A.127, subdivisions 1 and 7; 16A.36; 16A.50; 16A.64, subdivisions 2 and 4; 16A.66, subdivisions 1, 2, and 3; 40.072, subdivision 3; 43A.05, subdivision 5; 85A.01, subdivision 2; 85A.04, subdivision 3; 98.47, by adding a subdivision; 98.48, subdivision 9; 105.405, subdivision 2; 105.41, subdivision 5; 116.07, subdivision 2a; 124.46, subdivision 2; 136.40, subdivision 8; 169.123, subdivision 6; 175A.05; 176.183, subdivision 2; 179.7411; 181A.12, subdivision 1; 183.375, subdivision 5; 183.411, subdivision 3; 183.545; 183.57, subdivision 2; 256.481; 256.482; 270.18; 271.01, subdivision 1; 290.06, subdivision 13; 296.18, subdivision 1; 296.421, subdivision 5; 309.53, subdivision 2, and by adding a subdivision; 357.08; 363.02, subdivision 1; 363.06, subdivision 4, and by adding a subdivision; 363.071,

subdivision 2; 462A.05, by adding a subdivision; 462A.21, by adding a subdivision; 480.09, subdivision 5; 480.241, subdivision 2; 480A.01, subdivision 2; 481.01; and 546.27, subdivision 2; Laws 1976, chapter 314, section 3; Laws 1980, chapter 614, section 192; proposing new law coded in Minnesota Statutes, chapters 3; 16A; 116C; 198; 270; repealing Minnesota Statutes 1982, sections 3.472; 3.86; 4.073; 105.71; 105.72; 105.73; 105.74; 105.75; 105.751; 105.76; 105.77; 105.78; 105.79; 114A.01; 114A.02; 114A.03; 114A.04; 114A.05; 114A.06; 114A.07; 114A.08; 114A.09; 193.35; 297A.05; and Laws 1965, chapter 66.

SUSPENSION OF RULES

Mr. Kroening moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1290 and that the rules of the Senate be so far suspended as to give H.F. No. 1290 its second and third reading and place it on its final passage.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 42 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Luther	Peterson, D.C.	Spear
Berglin	Frank	Mehrkens	Peterson, R.W.	Stumpf
Bertram	Hughes	Merriam	Petty	Vega
Chmielewski	Johnson, D.J.	Moe, D. M.	Pogemiller	Waldorf
Dahl	Jude	Moe, R. D.	Purfeerst	Wegscheid
Davis	Kroening	Nelson	Reichgott	Willet
DeCramer	Langseth	Novak	Samuelson	
Dicklich	Lantry	Pehler	Schmitz	
Diessner	Lessard	Peterson, C.C.	Solon	

Those who voted in the negative were:

Anderson	Brataas	Knaak	Peterson, D.L.	Taylor
Belanger	Frederick	Knutson	Ramstad	Ulland
Benson	Frederickson	Kronebusch	Renneke	
Berg	Isackson	McQuaid	Sieloff	
Bernhagen	Kamrath	Olson	Storm	

The motion did not prevail.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Kroening moved that S.F. No. 1244 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 810: A bill for an act relating to energy; providing for comprehensive energy programs; reorganizing the energy functions of state government; providing for energy related bonds; appropriating money; amending Minnesota Statutes 1982, sections 116C.03, subdivision 2; 116J.03,

subdivision 1; 116J.09; 116J.10; 116J.88, subdivisions 4, 5, 6, 7, and 8, and by adding a subdivision; 116J.89, subdivisions 1, 2, and 7, and by adding subdivisions; 116J.90, subdivisions 2, 4, and 5; 116J.91, subdivisions 1, 4, 10, 11, 12, 14, 16, and 19, and by adding a subdivision; 462A.02, subdivision 10; 462A.05, by adding subdivisions; proposing new law coded in Minnesota Statutes, chapters 116J; 216A; and 462A; proposing new law coded as Minnesota Statutes, chapter 116L; repealing Minnesota Statutes 1982, sections 116J.62; 116J.88, subdivision 3; and 116J.89, subdivisions 8, 9, and 10.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 15.039, is amended to read:

15.039 [EFFECT OF TRANSFER OF POWERS AMONG AGENCIES.]

Subdivision 1. [APPLICATION OF SECTION.] The provisions of this section apply whenever the responsibilities of an agency are transferred by law to another agency unless the act directing the transfer provides otherwise. The term “responsibilities” includes powers, duties, rights, obligations, and other authority imposed by law on an agency. The term “new agency” means the agency to which responsibilities have been transferred from another agency.

Subd. 2. [IN GENERAL.] The new agency is a continuation of the former agency as to those matters within the jurisdiction of the former agency ~~which~~ *that* are transferred to the new agency. Following a transfer the new agency shall carry out the assigned responsibilities as though the responsibilities of the former agency had not been transferred. ~~No~~ A transfer ~~constitutes~~ *is not* a new authority for the purpose of succession to all responsibilities of the former agency as constituted at the time of the transfer.

Subd. 3. [RULES.] All rules adopted pursuant to responsibilities ~~which~~ *that* are transferred to another agency remain effective and shall be enforced *until amended or repealed in accordance with law* by the new agency. Any rulemaking authority ~~which~~ *that* existed to implement the responsibilities ~~which~~ *that* are transferred is transferred to the new agency.

Subd. 4. [COURT ACTIONS.] Any proceeding, court action, prosecution, or other business or matter ~~which~~ *is* pending on the effective date of a transfer of responsibilities may be conducted *and completed* by the new agency in the same manner *under the same terms and conditions, and with the same effect*, as though it *involved or were commenced and* conducted or completed by the former agency prior to the transfer.

Subd. 5. [CONTRACTS; RECORDS.] The agency whose responsibilities are transferred shall give all contracts, books, maps, plans, papers, records, and property of every description relating to the transferred responsibilities and within its jurisdiction or control to the new agency. The new agency shall accept the material presented. *The transfer shall be made in accordance with the directions of the new agency.*

Subd. 6. [UNEXPENDED FUNDS.] ~~All~~ *The* unexpended funds ~~originally appropriated~~ *balance of any appropriation* to an agency for the purposes of

any responsibilities ~~which~~ *that* are transferred to another agency are reappropriated under the same conditions as the original appropriation to the new agency effective on the date of the transfer of responsibilities. If the responsibilities are transferred to more than one agency, the commissioner of finance shall allocate any unexpended appropriation to the agencies affected. *The new agencies shall pay all valid claims presented against those appropriations.*

Subd. 7. [PERSONNEL.] ~~The~~ *All classified and unclassified positions associated with the responsibilities being transferred are abolished in the agency whose responsibilities are transferred. The approved staff complement for that agency is decreased accordingly. The employees who fill the abolished positions are employees of the agency receiving the new responsibilities. The approved staff complement for that agency is increased accordingly. Personnel changes are effective on the date of transfer of responsibilities. Nothing in this subdivision shall be construed as abrogating or modifying any rights now enjoyed by affected employees under the managerial or commissioner's plan under section 43A.18 or the terms of an agreement between an exclusive representative of public employees and the state or one of its appointing authorities.*

Sec. 2. Minnesota Statutes 1982, section 15.06, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] This section applies to the following departments or agencies: the departments of administration, agriculture, *commerce*, corrections, ~~economic development~~, economic security, education, *employee relations*, *energy and economic development*, finance, health, human rights, labor and industry, natural resources, ~~personnel~~, public safety, public welfare, revenue, transportation, and veterans affairs; ~~the banking, insurance and securities divisions and the consumer services section of the department of commerce; the energy, housing finance, state planning, and pollution control agencies; the office of commissioner of iron range resources and rehabilitation; the bureau of mediation services; and their successor departments and agencies. The heads of the foregoing departments or agencies are referred to in this section as "commissioners."~~

Sec. 3. Minnesota Statutes 1982, section 15.06, subdivision 8, is amended to read:

Subd. 8. [NUMBER OF DEPUTY COMMISSIONERS.] Unless specifically authorized by statute, other than section 43A.08, subdivision 2, no department or agency specified in subdivision 1 shall have more than one deputy commissioner. ~~Notwithstanding any other law to the contrary, none of the departments or agencies shall have more than two deputy commissioners.~~

Sec. 4. Minnesota Statutes 1982, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. [ADDITIONAL UNCLASSIFIED POSITIONS.] Appointing authorities for the following agencies may designate additional unclassified positions ~~pursuant~~ *according* to this subdivision: the departments of administration; agriculture; *commerce*; corrections; economic security; education; employee relations; *energy, planning* and *economic development*; finance; health; human rights; labor and industry; natural resources; public safety;

public service; public welfare; revenue; transportation; and veterans affairs; ~~the banking, securities and real estate, insurance and consumer services divisions of the department of commerce;~~ the housing finance, *state planning*, and pollution control agencies; the state board of investment; and the offices of the secretary of state, state auditor, and state treasurer.

A position designated by an appointing authority ~~pursuant~~ *according* to this subdivision must meet the following standards and criteria:

(a) the designation of the position would not be contrary to ~~the provisions of~~ other law relating specifically to that agency;

(b) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;

(c) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;

(d) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;

(e) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with the governor and the agency head, or the employing constitutional officer;

(f) the position would be at the level of division or bureau director or assistant to the agency head; and

(g) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

Sec. 5. [45.011] [DEFINITIONS.]

Subdivision 1. [SCOPE.] As used in chapters 45 to 83, unless the context indicates otherwise, the terms defined in this section have the meanings given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.

Subd. 3. [DEPARTMENT.] "Department" means the department of commerce.

Sec. 6. [45.012] [COMMISSIONER.]

The department of commerce is under the supervision and control of the commissioner of commerce. The commissioner is appointed by the governor in the manner provided by section 15.06.

Sec. 7. [45.013] [DEPUTY COMMISSIONERS; ASSISTANT COMMISSIONERS; ASSISTANT TO THE COMMISSIONER.]

The commissioner of commerce may appoint four deputy commissioners, four assistant commissioners, and an assistant to the commissioner. Those positions, as well as that of a confidential secretary, are unclassified. The commissioner may appoint other employees in the classified service necessary to carry out the duties and responsibilities entrusted to the commis-

sioner.

Sec. 8. [45.023] [RULES.]

The commissioner of commerce may adopt, amend, suspend, or repeal rules, including temporary rules, in accordance with chapter 14, and as otherwise provided by law, whenever necessary or proper in discharging the commissioner's official responsibilities.

Sec. 9. [45.024] [HEARINGS.]

Subdivision 1. [GENERAL.] In any case in which the commissioner of commerce is required by law to conduct a hearing, the hearing must be conducted in accordance with chapter 14 and other applicable laws.

Subd. 2. [DELEGATION OF INSURANCE REGULATORY AUTHORITY.] The commissioner of commerce shall delegate to one of the deputy commissioners the exercise of the commissioner's statutory powers and duties relating to insurance as set forth in chapters 60A to 79, except for budget, personnel, and general administration. The delegation of authority includes the authority to decide and issue orders in contested cases, rule-making proceedings, and other hearings held under chapter 14.

Subd. 3. [DELEGATION OF FINANCIAL INSTITUTIONS REGULATORY AUTHORITY.] The commissioner of commerce shall delegate to one of the deputy commissioners the exercise of the commissioner's statutory powers and duties relating to financial institutions as set forth in chapters 46 to 59A, except for budget, personnel, and general administration. The delegation of authority includes the authority to decide and issue orders in contested cases, rulemaking proceedings, and other hearings held under chapter 14.

Subd. 4. [DELEGATION OF SECURITIES REGULATORY AUTHORITY.] The commissioner of commerce shall delegate to one of the deputy commissioners the exercise of the commissioner's statutory powers and duties relating to securities as set forth in chapters 80A, 80B, and 80C, except for budget, personnel, and general administration. The delegation of authority includes the authority to decide and issue orders in contested cases, rulemaking proceedings, and other hearings held under chapter 14.

Subd. 5. [DELEGATION OF REAL ESTATE REGULATORY AUTHORITY.] The commissioner of commerce shall delegate to one of the deputy commissioners the exercise of the commissioner's statutory powers and duties relating to real estate as set forth in chapters 82 and 83, except for budget, personnel, and general administration. The delegation of authority includes the authority to decide and issue orders in contested cases, rule-making proceedings, and other hearings held under chapter 14.

Subd. 6. [REVIEW BY COMMISSIONER.] An order issued by a deputy commissioner under subdivisions 2 to 5 may be appealed to the commissioner or reviewed by the commissioner at the commissioner's discretion within 15 days after receipt of the order. If no appeal is filed and no discretionary review is made, the deputy commissioner's order is the final order. Review of the appeal shall be on the record and shall be subject to the procedures prescribed by rule by the commissioner. Appeal of the commissioner's order, or the order of the deputy commissioner if no appeal is made to the

commissioner, shall be as provided under the provisions of chapter 14, unless otherwise provided by law.

Sec. 10. Minnesota Statutes 1982, section 45.04, is amended to read:

45.04 [BANK APPLICATIONS.]

Subdivision 1. [FILING; FEE; HEARING.] The incorporators of any a bank proposed to be organized under the laws of this state shall execute and acknowledge ~~an~~ a written application, ~~in writing~~, in the form prescribed by the ~~department~~ commissioner of commerce, and shall file ~~the same~~ it in ~~its~~ the commissioner's office, ~~which~~. The application shall must be signed by two or more of the incorporators, ~~requesting and request~~ a certificate authorizing the proposed bank to transact business at the place and in the name stated in the application. At the time of filing the application, the applicant shall pay a \$1,000 filing fee ~~of \$1,000, which shall be paid into the state treasury and credited to the general fund and shall pay to the commissioner of banks the sum of and a \$500 as an investigation fee for investigating the application,~~ which shall be turned over by ~~him~~ the commissioner to the state treasurer and credited by the ~~treasurer~~ to the general fund of the state. Thereupon the ~~commission~~ commissioner shall fix a time, within 60 days after the filing of the application, for a hearing ~~at its office at the state capitol, at which hearing it shall~~ to decide whether or not the application shall will be granted. A notice of the hearing shall must be published in the form prescribed by the ~~commission~~ commissioner in some newspaper published in the municipality in which the proposed bank is to be located, and if there be no such newspaper, then at the county seat of the county in which the bank is proposed to be located. The notice shall must be published once, at the expense of the applicants, not less than 30 days prior to the date of the hearing. At the hearing the ~~commission~~ commissioner shall consider the application and hear the applicants and such witnesses as ~~may~~ that appear in favor of or against the granting of the application of the proposed bank.

Subd. 2. [APPROVAL, DISAPPROVAL.] If, upon the hearing, it shall ~~appear~~ appears to the ~~commission~~ commissioner that the application should be granted, ~~it~~ he shall, not later than 90 days after the hearing, and after the applicants have otherwise complied with the provisions of law applicable to the organization of a bank, including the provisions herein contained, make and file in ~~the his~~ office of the commissioner of banks ~~its a written order, in writing,~~ directing ~~him~~ to issue the issuance of a certificate of authorization as provided by law. If the certificate of authorization is not activated within a period of 12 months from date of ~~directive to the commissioner of banks~~ issuance, the ~~department of commerce~~ commissioner may upon written notice ~~in writing~~ to the applicants request a new hearing. If the ~~commission~~ commissioner shall ~~decide~~ commissioner decides that the application should not be granted, ~~it~~ he shall deny the application and make ~~its a written order, in writing,~~ to that effect, and file ~~the same~~ it in ~~the his~~ office of the commissioner of banks, and forthwith give notice thereof by certified mail to one of the incorporators named in the application for the proposed bank, addressed to the incorporator at the address stated in the application; ~~and~~. Thereupon the commissioner of ~~banks~~ shall refuse to issue the certificate of authorization, ~~which is prescribed by law,~~ to the proposed bank.

Sec. 11. Minnesota Statutes 1982, section 45.05, is amended to read:

45.05 [NOTICE AND HEARING, WHEN NOT GIVEN.]

The ~~department~~ commissioner of commerce may, at ~~its~~ his discretion, dis-

pense with the notice and hearing provided for by section 45.04 in cases ~~where~~ if application is made for the incorporation of a new bank to take over the assets of one or more existing banks, or ~~where~~ if the application contemplates the reorganization of a national bank into a state bank in the same locality; ~~provided, this act shall not increase the number of banks in the community affected.~~

Sec. 12. Minnesota Statutes 1982, section 45.06, is amended to read:

45.06 [EXPENSES OF ORGANIZATION AND INCORPORATION OF BANKS LIMITED.]

The expenses of organization and incorporation to be paid by ~~any such banks shall~~ a bank may not exceed the statutory fees for filing applications as provided in section 45.04 and the necessary legal expenses incurred incident to drawing articles of incorporation, publication, and recording thereof, ~~and~~. The incorporators shall, prior to the issuance of the certificate of authorization ~~provided for by law~~, file with the commissioner of banks a verified statement showing the total amount of expense incurred in the organization of the bank ~~and~~ to be paid by it after commencing operation.

Sec. 13. Minnesota Statutes 1982, section 45.07, is amended to read:

45.07 [CHARTERS ISSUED, CONDITIONS.]

If the applicants are of good moral character and financial integrity, if there is a reasonable public demand for this bank in this location, if the organization expenses being paid by the subscribing shareholders do not exceed the necessary legal expenses incurred in drawing incorporation papers and the publication and the recording thereof, as required by law, if the probable volume of business in this location is sufficient to insure and maintain the solvency of the new bank and the solvency of the then existing bank or banks in the locality without endangering the safety of any bank in the locality as a place of deposit of public and private money, and if the ~~department~~ commissioner of commerce is satisfied that the proposed bank will be properly and safely managed, the application ~~shall~~ must be granted; otherwise it ~~shall~~ must be denied. In case of the denial of the application, the ~~department~~ commissioner of commerce shall specify the grounds for the denial and the supreme court, upon petition of ~~any~~ a person aggrieved, may review by certiorari ~~any such order of the determination of the department of commerce.~~

Sec. 14. Minnesota Statutes 1982, section 45.071, subdivision 2, is amended to read:

Subd. 2. [APPLICATION FOR INSURANCE; UNINSURED BANKS.] Notwithstanding the ~~provisions~~ of subdivision 1, a bank which does not have insurance of its deposits or a commitment for insurance of its deposits by the federal deposit insurance corporation, an agency of this state, or a federal agency established for the purpose of insuring deposits in banks or collateral security deposited under section 48.74 ~~upon the effective date of Laws 1982, chapter 473, sections 1 to 29 on March 19, 1982,~~ must apply for insurance of deposits not later than July 1, 1983. A bank subject to this subdivision which has been denied a commitment for insurance of its deposits shall either dissolve, merge, or consolidate with another bank which is insured or apply in writing within 30 days of denial to the commissioner of ~~banks com-~~

merce for additional time to obtain an insurance commitment. The commissioner of banks shall grant additional time to obtain the insurance commitment upon satisfactory evidence that the bank has made or is making a substantial effort to achieve the conditions precedent to issuance of the commitment. Additional time shall not extend later than July 1, 1984.

Sec. 15. Minnesota Statutes 1982, section 45.08, subdivision 3, is amended to read:

Subd. 3. [DEPARTMENT.] The word "Department" means the department of commerce of the state of Minnesota.

Sec. 16. Minnesota Statutes 1982, section 45.08, is amended by adding a subdivision to read:

Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.

Sec. 17. Minnesota Statutes 1982, section 45.16, subdivision 1, is amended to read:

45.16 [CONSUMER SERVICES SECTION, RESPONSIBILITIES AND DUTIES AFFAIRS.]

Subdivision 1. [GENERALLY.] ~~The section of consumer services shall have attorney general has~~ the responsibilities and duties prescribed by this section and section 45.17 and such other authority as may be conferred by the commissioner of commerce.

Sec. 18. Minnesota Statutes 1982, section 45.16, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] *The attorney general shall:*

(a) Act as the representative of the governor in all matters affecting consumer affairs;

(b) Enforce the provisions of law relating to consumer fraud and unlawful practices in connection therewith as set forth in sections 325F.68 and 325F.69; ~~and the attorney general shall act for the division in pursuing the remedies set forth in section 325F.70;~~

(c) Make recommendations to the ~~chairman of the commerce commission for transmission to the~~ governor and the legislature for such statutory needs as ~~may~~ that exist in adequately protecting the consumer;

(d) ~~Receive registration statements and annual reports of persons soliciting charitable funds in accordance with the requirements of sections 309.50 to 309.61, in lieu of the duties of the secretary of state in connection therewith. The duties of the secretary of state under such sections are hereby abolished and the activity assigned to the department of commerce, division of licensing and consumer services as provided herein;~~ Adopt, pursuant to the administrative procedures act, rules and regulations to implement the provisions of this section.

Sec. 19. Minnesota Statutes 1982, section 45.17, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the fol-

lowing terms defined in this subdivision shall apply have the meanings given them:

(1) "Public utility" means a publicly or privately owned entity engaged in supplying utility services to residential utility consumers in this state or to another public utility for ultimate distribution to residential utility consumers in this state and whose rates or charges are subject to approval by the public utilities commission or ~~any an~~ agency of the federal government ~~provided that~~. No municipal or cooperative utility shall be considered a "public utility" for the purposes of this clause.

(2) ~~"Consumer services section" means the consumer services section of the department of commerce.~~

(3) "Residential utility consumer" or "consumer" means a person who uses utility services at his residence in this state and who is billed by or pays a public utility for these services.

(4) (3) "Utility services" means electricity, natural gas, or telephone services distributed to residential utility consumers by a public utility.

Sec. 20. Minnesota Statutes 1982, section 45.17, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] ~~The consumer services section shall be attorney general~~ is responsible for representing and furthering the interests of residential utility consumers through participation in matters before the public utilities commission involving utility rates and adequacy of utility services to residential utility consumers. ~~The consumer services section attorney general shall~~ expend a reasonable portion of ~~its his~~ efforts among all three kinds of utility services and shall identify and promote the needs of each class of residential consumers with respect to each of the utility services.

Sec. 21. Minnesota Statutes 1982, section 45.17, subdivision 3, is amended to read:

Subd. 3. [RIGHT OF INTERVENTION.] Subject to the limitations of subdivision 2, ~~the consumer services section attorney general~~ may intervene as of right or participate as an interested party in matters pending before the public utilities commission which affect the distribution by a public utility of utility services to residential utility consumers. The right of the ~~consumer services section attorney general~~ to participate or intervene ~~shall in no way does not~~ affect the obligation of the public utilities commission to protect the public interest.

Sec. 22. Minnesota Statutes 1982, section 45.17, subdivision 4, is amended to read:

Subd. 4. [NOTICE; PROCEDURES.] The public utilities commission shall give reasonable notice to the ~~consumer services section attorney general~~ of any matter scheduled to come before the commission affecting a public utility's rates or adequacy of services to residential utility consumers. Rules of the commission governing procedures before the commission shall apply to the ~~consumer services section attorney general~~ and ~~its his~~ employees or representatives. ~~The consumer services section shall have~~ attorney general has the same rights and privileges accorded other intervenors or participants in matters pending before the commission.

Sec. 23. Minnesota Statutes 1982, section 45.17, subdivision 5, is amended to read:

Subd. 5. [APPEALS.] The ~~consumer services section~~ *attorney general* shall be deemed to have an interest sufficient to maintain, intervene as of right in, or otherwise participate in any civil action in the trial courts or supreme court of this state for the review or enforcement of any public utilities commission action which affects a public utility's rates or adequacy of service to residential utility consumers.

Sec. 24. Minnesota Statutes 1982, section 45.17, subdivision 7, is amended to read:

Subd. 7. [INTERVENTION IN FEDERAL PROCEEDINGS.] The ~~consumer services section~~ *attorney general* shall represent and further the interests of residential utility consumers through participation as an intervenor or interested party in federal proceedings relating to the regulation of: (a) wholesale rates for energy delivered through interstate facilities; or (b) fuel used in generation of electricity or the manufacture of gas. The ~~consumer services section~~ *attorney general* may maintain, intervene in, or otherwise participate in any civil actions relating to the federal proceedings. In performing its duties pursuant to this subdivision, the section shall follow the guidelines established pursuant to subdivision 6, clause (1).

Sec. 25. Minnesota Statutes 1982, section 45.17, is amended by adding a subdivision to read:

Subd. 8. [ADDITIONAL POWERS.] *The power granted by this section is in addition to powers otherwise provided by law to the attorney general.*

Sec. 26. Minnesota Statutes 1982, section 116J.01, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT.] The department of energy, ~~planning~~ and *economic* development shall be supervised and controlled by the commissioner of energy, ~~planning~~ and *economic* development, who shall be appointed by the governor and serve under the provisions of section 15.06.

Sec. 27. Minnesota Statutes 1982, section 116J.01, subdivision 2, is amended to read:

Subd. 2. [~~UNCLASSIFIED POSITIONS CONFIDENTIAL SECRETARY.~~] The commissioner may appoint a ~~deputy commissioner and a personal confidential~~ secretary in the unclassified service.

Sec. 28. Minnesota Statutes 1982, section 116J.01, subdivision 3, is amended to read:

Subd. 3. [DEPARTMENTAL ORGANIZATION.] The commissioner shall organize the department as provided in section 15.06. *The department shall be organized into three divisions, which shall be designated the energy division, the economic development division, and the financial management division; the office of tourism; and the export information office. Each division and office is responsible for administering the duties and functions assigned to it by law. When the duties of the divisions or offices are not allocated by law, the commissioner may establish and revise the assignments of each division and office. Each division shall be under the direction of a*

deputy commissioner in the unclassified service. The office of tourism is under the direction of the director of tourism. The export information office is under the direction of the director of export information.

Sec. 29. Minnesota Statutes 1982, section 116J.03, is amended to read:

116J.03 [DEFINITIONS.]

Subdivision 1. [SCOPE.] As used in sections ~~116J.05 to 116J.35; 116J.41 to 116J.54; 116J.58 to 116J.91; 299A.03; and 299A.04~~ chapter 116J, the terms defined in this section have the meaning given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of energy, ~~planning~~ and *economic* development.

Subd. 3. [DEPARTMENT.] "Department" means the department of energy, ~~planning~~ and *economic* development.

Sec. 30. Minnesota Statutes 1982, section 116J.09, is amended to read:

116J.09 [DUTIES.]

The commissioner shall:

(a) Manage the department as the central repository within the state government for the collection of data on energy;

(b) Prepare and adopt an emergency allocation plan specifying actions to be taken in the event of an impending serious shortage of energy, or a threat to public health, safety, or welfare;

(c) Undertake a continuing assessment of trends in the consumption of all forms of energy and analyze the social, economic, and environmental consequences of these trends;

(d) Carry out energy conservation measures as specified by the legislature and recommend to the governor and the legislature additional energy policies and conservation measures as required to meet the objectives of sections 116J.05 to 116J.30;

(e) Collect and analyze data relating to present and future demands and resources for all sources of energy, and specify energy needs for the state and various service areas as a basis for planning large energy facilities;

(f) Require certificate of need for construction of large energy facilities;

(g) Evaluate policies governing the establishment of rates and prices for energy as related to energy conservation, and other goals and policies of sections 116J.05 to 116J.30, and make recommendations for changes in energy pricing policies and rate schedules;

(h) Study the impact and relationship of the state energy policies to international, national, and regional energy policies;

(i) Design and implement a state program for the conservation of energy; this program shall include but not be limited to, general commercial, industrial, and residential, and transportation areas; such program shall also provide for the evaluation of energy systems as they relate to lighting, heating, refrigeration, air conditioning, building design and operation, and appliance manufacturing and operation;

(j) Inform and educate the public about the sources and uses of energy and the ways in which persons can conserve energy;

(k) Dispense funds made available for the purpose of research studies and projects of professional and civic orientation, which are related to either energy conservation, *resource recovery*, or the development of alternative energy technologies which conserve nonrenewable energy resources while creating minimum environmental impact;

(l) Charge other governmental departments and agencies involved in energy related activities with specific information gathering goals and require that those goals be met.

Sec. 31. Minnesota Statutes 1982, section 116J.10, is amended to read:

116J.10 [POWERS.]

The commissioner may:

(a) Adopt rules pursuant to chapter 14 as necessary to carry out the purposes of sections 116J.05 to 116J.30 and, when necessary for the purposes of section 116J.15, adopt temporary rules pursuant to sections 14.29 to 14.36;

(b) Make all contracts pursuant to sections 116J.05 to 116J.30 and do all things necessary to cooperate with the United States government, and to qualify for, accept and disburse any grant intended for the administration of sections 116J.05 to 116J.30. Notwithstanding any other law the commissioner is designated the state agent to apply for, receive and accept federal or other funds made available to the state for the purposes of sections 116J.05 to 116J.30.

(c) Contract for professional services if such work or services cannot be satisfactorily performed by employees of the department or by any other state agency;

(d) Enter into interstate compacts to jointly carry out such research and planning with other states or the federal government where appropriate;

(e) Distribute informational material at no cost to the public upon reasonable request;

(f) Provide on-site technical assistance to units of local government in order to enhance local capabilities for dealing with energy problems;

(g) Administer for the state, energy programs pursuant to federal law, regulations or guidelines, except for the crisis fuel assistance and low income weatherization programs administered by the department of economic security, and coordinate the programs and activities with other state agencies, units of local government and educational institutions;

(h) *Design and administer a statewide program for the energy and economic development authority and actively involve major organizations and community leaders in its work and shall solicit funds from all sources;*

(i) *Develop a state energy investment plan with yearly energy conservation and alternative energy development goals, investment targets, and marketing strategies;*

(j) *Perform market analysis studies relating to conservation, alternative*

and renewable energy resources, and energy recovery;

(k) Assist with the preparation of proposals for innovative conservation, renewable, alternative, or energy recovery projects; and

(l) Manage and disburse funds made available for the purpose of research studies or demonstration projects related to energy conservation or other activities deemed appropriate by the commissioner.

Sec. 32. Minnesota Statutes 1982, section 116J.31, is amended to read:

116J.31 [ENERGY AUDITS.]

The commissioner, ~~in cooperation with the director of consumer services,~~ shall develop the state plan for the program of energy audits of residential and commercial buildings required by 42 United States Code, ~~Section title 42,~~ section 8211, et seq. ~~The consumer services division and the attorney general are authorized to may release information on consumer complaints about the operation of the program to the commissioner.~~

Sec. 33. Minnesota Statutes 1982, section 116J.42, subdivision 1, is amended to read:

Subdivision 1. [POWERS AND DUTIES.] ~~The commissioner~~ director shall:

(1) Prepare comprehensive, long range recommendations for the orderly and coordinated growth of the state including detailed recommendations ~~for long range plans of operating state departments and agencies on major public investment proposals and programs in the state.~~

(2) ~~The state, in the development of long range planning, shall take into consideration its relationship to local units of government and the planning to be accomplished on such levels. Develop and maintain a statewide long range policy planning process involving local units of government, regional development commissions, the metropolitan council, and state agencies.~~

(3) *Develop and analyze information and forecasts relating to the state's population, economy, natural resources and human services, including but not limited to: (a) collection and analysis of information necessary to enable him to report annually to the governor and the legislature on the status of the state's economy and on forecasts of medium and long-term economic prospects for the state; (b) analysis and reporting on the comparability of economic data, assumptions and analyses used by other planning entities, state agencies, and levels of government as he deems appropriate; (c) assessment of the implications of demographic, economic, and programmatic trends on state and local policies and institutions for providing health, education, and other human services; and (d) assessment of the availability and quality of data for long range planning and policy development.*

(4) *Assist the governor in developing and evaluating alternative long-range policies and strategies.*

(5) *Act in coordination with the commissioner of finance and affected state agencies in the planning and financing of major public programs, including but not limited to capital improvements.*

(6) *Initiate studies of major policy issues having long- range implications.*

(7) Provide planning assistance to local, regional, and state agencies, and coordinate these levels of planning with the state long-range policy planning process.

Sec. 34. Minnesota Statutes 1982, section 116J.42, subdivision 2, is amended to read:

Subd. 2. The ~~commissioner~~ director shall:

(1) Review ~~current programming and future planning plans, studies and proposed studies,~~ of all state departments and agencies.

(2) Report regularly and on or before November 15 of each even numbered year to the legislature, reviewing in each report the state planning program, and the progress and development thereof. Thereafter, as soon as practicable, he shall make recommendations for desirable legislation and necessary appropriations.

~~(3) To the extent practicable coordinate with state budgets the items therein relating to and reflecting statewide planning as authorized by the legislature and as recommended for the consideration of the legislature.~~

~~(4) Require each state department and agency having planning programs to regularly file copies thereof with him for review.~~

(5) Make available to the legislature or any authorized committee or commission thereof information concerning statewide development plans and basic research from which the plans have been developed.

(6) Act as the coordinating agency for the planning activities of all state departments and agencies and local levels of government.

~~(7) Review all plans filed with the federal government by state departments and agencies pursuant to section 16A.30, or any other law as a part of his duties prescribed by this section. The commissioner of finance shall furnish the commissioner the information required by this clause.~~

~~(8) Encourage the development of planning programs by state departments and agencies and local levels of government.~~

~~(9) Act as the coordinating agency for submission of the environmental impact statements required by the National Environmental Policy Act and the state's comments thereon to the appropriate federal agencies.~~

(4) Develop and maintain, in consultation with local government elected officials, a process and procedures for the review of federal grant applications, and the coordination of planning activities including state and local responsibilities as existed on January 1, 1983, in federal Office of Management and Budget Circular A-95, Parts I, II, III, and IV; and the federal Executive Order 12372.

(5) Assist the governor and the commissioner of finance in the review of biennial budget proposals and in the analysis of major public investments.

(6) Promote awareness by citizens and public officials of major long-range trends and policy issues.

Sec. 35. Minnesota Statutes 1982, section 116J.42, subdivision 4, is amended to read:

Subd. 4. The ~~commissioner~~ director shall:

(1) Undertake studies to obtain information and data on urban and rural needs, assistance programs, and activities. ~~The commissioner shall provide technical assistance and advice in the solution of such problems. The duties of the commissioner shall include, but are not limited to, the assembly, the correlation, and dissemination of physical, social, and economic development data to inform local governmental units and interested persons and organizations of the availability and status of federal, state, and local programs and other resources for the solution of urban and rural problems;~~

(2) Make available to the governor and the legislature pertinent information relating to federal grants in aid to local governmental units and an analysis thereof;

(3) ~~Inform local governmental units about federal programs of social or economic aid or assistance for which they are eligible, together with the criteria, standards, and conditions upon which the aid is based. Conduct research and make recommendations to the governor and the legislature concerning relationships among federal, state, and local governments; and review and report on changes in federal policies and budgets as they affect the state and state and local government programs;~~

(3) Provide regional development commissions, the metropolitan council, and units of local government with information, technical assistance, training, and advice in utilizing federal and state programs;

(4) Receive and administer the small cities community development block grant program authorized by the Congress under the Housing and Development Act of 1974, as amended; and

(5) Receive and administer other state and federal grants and grant programs for planning, community affairs, community development purposes, and other state and federal programs assigned to the agency by law or by the governor in accordance with section 4.07.

Sec. 36. Minnesota Statutes 1982, section 116J.42, subdivision 7, is amended to read:

Subd. 7. The ~~commissioner~~ director shall:

(1) Appoint the state demographer, who shall be compensated in accordance with section 43A.18, subdivision 3. The state demographer shall be professionally competent in the field of demography and shall possess demonstrated ability, based upon past performance;

~~(1) Shall~~ (2) Continuously gather and develop demographic data within the state;

~~(2) Shall~~ (3) Design and test methods of research and data collection;

~~(3) Shall have the power to call upon any agency of the state or political subdivision for data as may be available, and the agencies and political subdivisions shall cooperate to the fullest extent possible;~~

(4) ~~Shall~~ Periodically prepare population projections for designated regions and for the state and may periodically prepare projections for each county, or other political or geographic division as necessary to carry out

the purposes of this section;

(5) ~~Shall~~ Review, comment, and prepare analysis of population estimates and projections made by state agencies, political subdivisions, other states, federal agencies or nongovernmental persons, institutions or commissions;

(6) ~~Shall~~ Serve as the state liaison with the federal bureau of census, ~~shall~~ and coordinate his activities with federal demographic activities to the fullest extent possible, and shall aid the legislature in preparing a census data plan and form for each decennial census;

(7) ~~Shall~~ Compile an annual study of population estimates on the basis of county, regional or other political or geographic divisions as necessary to carry out the purposes of this subdivision and section 116J.43;

(8) ~~Shall~~, On or before January 1 of each year, issue a report to the legislature containing an analysis of the demographic implications of the annual population study and population projections;

(9) ~~Shall~~ Cause to be prepared maps of all counties in the state, all municipalities with a population of 10,000 or more, and any other municipalities as deemed necessary for census purposes, according to scale and detail recommended by the federal bureau of the census, with the maps of cities showing boundaries of precincts; and

(10) ~~Shall annually~~ Prepare a population estimate for each governmental subdivision for which the metropolitan council does not prepare an annual population estimate, and shall communicate the estimate to the governing body of each governmental subdivision by May 1 of each year.

Sec. 37. Minnesota Statutes 1982, section 116J.42, subdivision 9, is amended to read:

Subd. 9. [JUVENILE JUSTICE.] The governor shall designate the ~~department of energy, state planning, and development~~ agency as the sole agency responsible for supervising the preparation and administration of the state plan for juvenile justice required by the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

The governor shall designate the Juvenile Justice Advisory Committee as the supervisory board for the ~~department of energy, state planning and development~~ agency with respect to preparation and administration of the state plan and award of grants.

The governor shall appoint members to the Juvenile Justice Advisory Committee in accordance with the membership requirements of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

Sec. 38. Minnesota Statutes 1982, section 116J.60, is amended to read:

116J.60 [PROMOTIONAL EXPENSES.]

In the promotion of tourism and economic development of the state of Minnesota, the state commissioner of energy, ~~planning and economic development~~ may expend ~~from moneys~~ money appropriated by the legislature for ~~such these~~ purposes in the same manner as private persons, firms, corporations, and associations make expenditures for ~~such these~~ purposes. ~~For purposes of allotment, encumbrance and disbursement all transactions for promo-~~

~~tional purposes shall be coded under the commissioner of finance's object of expenditure code for advertising. The encumbrance shall be made on a miscellaneous encumbrance requisition. Any such expenditures~~ *An expenditure for food, lodging, or travel shall is not be governed by the travel regulations rules of the commissioner of administration employee relations. No money shall be expended for the appearance in radio or television broadcasts by an elected public official.*

Sec 39. Minnesota Statutes 1982, section 116J.61, is amended to read:

116J.61 [ADDITIONAL POWERS AND DUTIES.]

The commissioner shall:

(1) Have control of the work of carrying on a continuous program of education for businessmen;

(2) Publish, disseminate, and distribute information and statistics;

(3) Promote and encourage the expansion and development of markets for Minnesota products;

(4) Promote and encourage the location and development of new business in the state as well as the maintenance and expansion of existing business and for that purpose cooperate with state and local agencies and individuals, both within and outside the state;

(5) Advertise and disseminate information as to natural resources, desirable locations, and other advantages for the purpose of attracting business to locate in this state;

(6) Aid the various communities in this state in getting business to locate therein;

(7) Advise and cooperate with municipal, county, regional, and other planning agencies and planning groups within the state for the purpose of promoting coordination between the state and localities as to plans and development in order to maintain a high level of gainful employment in private profitable production and achieve commensurate advancement in social and cultural welfare; coordinate the activities of state-wide and local planning agencies, correlate information secured from them and from state departments and disseminate information and suggestions to the planning agencies; and encourage and assist in the organization and functioning of local planning agencies where none exist; and may provide at the request of any governmental subdivision hereinafter mentioned planning assistance, which includes but is not limited to surveys, land use studies, urban renewal plans, technical services and other planning work to any city or other municipality in the state or perform similar planning work in any county, metropolitan or regional area in the state. The commissioner shall not perform the planning work with respect to a metropolitan or regional area which is under the jurisdiction for planning purposes of a county, metropolitan, regional or joint planning body, except at the request or with the consent of the respective county, metropolitan, regional or joint planning body. The commissioner is authorized to receive and expend money from municipal, county, regional and other planning agencies; and may accept and disburse grants and other aids for planning purposes from the federal government and from other public or private sources, and may utilize moneys so re-

ceived for the employment of consultants and other temporary personnel to assist in the supervision or performance of planning work supported by money other than state appropriated money, and may enter into contracts with agencies of the federal government, units of local government or combinations thereof, and with private persons that are necessary in the performance of the planning assistance function of the commissioner. In furtherance of their planning functions, any city or town, however organized, may expend money and contract with agencies of the federal government, appropriate departments of state government, other local units of government and with private persons;

(8) Adopt measures calculated to promote public interest in and understanding of the problems of planning and, to that end, may publish and distribute copies of any plan or any report and may employ other means of publicity and education that will give full effect to the provisions of sections 116J.58 to 116J.63;

~~(9) Plan and conduct programs of information and publicity designed to attract tourists, visitors, and other interested persons from outside the state to this state, and in that connection encourage and coordinate the efforts of other public and private organizations or groups of citizens to publicize the facilities and attractions of the state and work with representatives of the tourist and resort industry in carrying out its programs.~~

Sec. 40. [116J.615] [OFFICE OF TOURISM.]

Subdivision 1. [DUTIES OF DIRECTOR.] The director of tourism shall:

(1) publish, disseminate, and distribute informational and promotional literature;

(2) promote and encourage the expansion and development of international tourism marketing;

(3) advertise and disseminate information about travel opportunities in the state of Minnesota;

(4) aid various local communities to improve their tourism marketing programs;

(5) coordinate and implement a comprehensive state tourism marketing program that takes into consideration all public and private businesses and attractions;

(6) conduct market research and analysis to improve marketing techniques in the area of tourism;

(7) investigate and study conditions affecting Minnesota's tourism industry, collect and disseminate information, and engage in technical studies, scientific investigations, and statistical research and educational activities necessary or useful for the proper execution of the powers and duties of the director in promoting and developing Minnesota's tourism industry, both within and outside the state;

(8) apply for, accept, receive, and expend any funds for the promotion of tourism in Minnesota. All money received by the director under this subdivision shall be deposited in the state treasury and is appropriated to the director for the purposes for which the money has been received. The money does

not cancel and is available until expended; and

(9) plan and conduct information and publicity programs to attract tourists, visitors, and other interested persons from outside the state to this state; encourage and coordinate efforts of other public and private organizations or groups of citizens to publicize facilities and attractions in this state; and work with representatives of the hospitality and tourism industry to carry out its programs.

Subd. 2. [ART AND HISTORICAL EXHIBITIONS.] In order to promote tourism, trade, and cultural enrichment, the director of tourism may arrange for the exhibition of art collections and historical displays from other nations in the state capitol and in other public buildings throughout the state of Minnesota. The director of tourism shall cooperate with the state historical society in implementing this cultural exchange program and may enter into any contracts or joint ventures that are necessary to achieve the objectives of this section.

Sec. 41. Minnesota Statutes 1982, section 116J.65, is amended by adding a subdivision to read:

Subd. 4a. "Authority" means the energy and economic development authority, formerly known as the small business finance agency.

Sec. 42. Minnesota Statutes 1982, section 116J.65, subdivision 5, is amended to read:

Subd. 5. The ~~commissioner~~ authority shall administer this section and shall enforce the rules related to the community development corporations promulgated by the ~~commissioner~~ authority. The ~~commissioner~~ authority may amend, suspend, repeal or otherwise modify these rules as provided for in chapter 14.

Sec. 43. Minnesota Statutes 1982, section 116J.67, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE; OBJECTIVES.] The ~~commissioner of energy, planning and development~~ energy and economic development authority may create, promote, and assist a state development company, also known as a "503" certified development company, which that will qualify as a certified development company for the purposes of 45 United States Code, title 15, section 697, and Code of Federal Regulations, title 13, section 108.503.

The ~~commissioner~~ authority shall utilize the development company program to stimulate the state's economic activity.

The development company and its directors and officers shall comply with the organizational, operational, regulatory, and reporting requirements as promulgated by the United States small business administration and the guidelines contained in the bylaws, articles of incorporation, and standard operating procedure prescribed by the small business administration.

Sec. 44. Minnesota Statutes 1982, section 116J.88, subdivision 2, is amended to read:

Subd. 2. [AUTHORITY.] "Agency" "Authority" means the ~~small business finance agency~~ energy and economic development authority created in section 116J.89.

Sec. 45. Minnesota Statutes 1982, section 116J.88, subdivision 4, is amended to read:

Subd. 4. [ELIGIBLE SMALL BUSINESS.] "*Eligible small business*" means an enterprise determined by the agency authority to constitute a small business concern as defined in regulations of the United States small business administration pursuant to 15 U. S. Code *United States Code, title 15*, sections 631 to 647, as in effect March 1, 1980, which is engaged in any industrial or commercial activity except:

- (a) banking or other financial service;
- (b) real estate brokerage, management, sale, ownership, or leasing;
- (c) legal, medical, dental, accounting, engineering, or any other professional or consulting service;
- (d) furnishing recreational or athletic facilities; and
- (e) serving food or beverages to be consumed on or adjacent to the premises where they are sold amended from time to time.

Sec. 46. Minnesota Statutes 1982, section 116J.88, subdivision 5, is amended to read:

Subd. 5. [TARGETED SMALL BUSINESS.] "*Eligible Targeted small business*" for the purpose of section 116J.90, subdivision 5, means a business entity organized for profit, including but not limited to any individual, partnership, corporation, joint venture, association, or cooperative, which entity:

- (a) has 20 or fewer full time employees or not more than the equivalent of \$1,000,000 in annual gross revenues in the preceding fiscal year; and
- (b) is not at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in its field of operation. For the purpose of this subdivision, "dominant in its field of operation" means having more than 20 full time employees and more than \$1,000,000 in annual gross revenues.

"*Farm business*" means a business entity "*Targeted small business*" includes a farm business engaged in farming, agricultural production or processing, or storage of agricultural products, which otherwise qualifies as a small business.

Sec. 47. Minnesota Statutes 1982, section 116J.88, subdivision 6, is amended to read:

Subd. 6. [FINANCIAL INSTITUTION.] "*Financial institution*" means any a bank or other financial corporation described in chapter 47, any insurance company licensed to do business under chapter 60A, and any securities broker-dealer licensed under chapter 80A, bank or trust company, trust company, mortgage company, mortgage banker, national banking association, savings bank, savings and loan association, building and loan association, insurance company, securities broker-dealer, financial organizations relating to commercial credit or venture capital or any other financial or lending institution, whether organized under federal law or the laws of any state of

the United States, and whether located within or without this state.

Sec. 48. Minnesota Statutes 1982, section 116J.88, subdivision 7, is amended to read:

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

Subd. 7a. [FARM LOAN.] "Farm loan" means a loan to a farm business for the acquisition, installation, improvement, construction or removal of buildings, or acquisition and installation of fixtures or equipment, useful for the conduct of a farm business.

Sec. 49. Minnesota Statutes 1982, section 116J.88, subdivision 8, is amended to read:

Subd. 8. [POLLUTION CONTROL LOAN.] "Pollution control loan" means a loan to ~~the owner of~~ *an eligible* small business for the acquisition, construction, or improvement of pollution control facilities *or operations*. Pollution control facilities *or operations* may include real and personal property likely to help prevent, reduce, abate, or control noise, air, or water pollution or contamination by removing, altering, disposing, or storing pollutants, contaminants, wastes, or heat, and real and personal property to be used for the collection, storage, treatment, utilization, processing, or final disposal of solid or liquid waste.

Sec. 50. Minnesota Statutes 1982, section 116J.88, is amended by adding a subdivision to read:

Subd. 9. [FUND.] "*Fund*" means the Minnesota economic development fund created by section 54.

Sec. 51. Minnesota Statutes 1982, section 116J.89, subdivision 1, is amended to read:

Subdivision 1. [CREATION ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY; PURPOSES.] ~~A~~ *The* small business finance agency is ~~renamed the energy and economic development authority is hereby created and is constituted as an authority to~~ and may act on behalf of the state within the scope of the powers granted to it in sections ~~116J.63 and~~ 116J.88 to 116J.91 to implement ~~a loan program~~ *loan programs and to provide financial assistance under the economic development fund by which, the authority alone or in cooperation with cities, towns, counties, and private or public lenders, may provide adequate funds may be provided or incentives to financing such as guarantees or insurance on sufficiently favorable terms to assist and encourage the establishment, maintenance, and growth of eligible small business businesses and employment opportunities in Minnesota and to reduce to a manageable level the cost of the control of pollution and disposal of waste resulting from the operations of eligible small business businesses.*

Because of its ability to pool or combine loans to be funded from one or more issues of bonds, whether or not the interest on the bonds is exempt

from federal income taxes, the ~~agency~~ authority will be able to spread its financing costs among the eligible small businesses to which the ~~agency makes loans~~ authority provides financing, thereby reducing costs incurred by each eligible small business.

Sec. 52. Minnesota Statutes 1982, section 116J.89, is amended by adding a subdivision to read:

Subd. 1a. In addition, the authority may use the economic development fund to provide financial assistance to eligible small businesses as follows:

(a) to provide loan guarantees or insurance, in whole or in part, to eligible small businesses in connection with business loans or pollution control loans;

(b) to invest directly and indirectly in eligible small businesses or to participate with other financial resources in connection with business loans or pollution control loans;

(c) to provide direct loans to eligible small businesses in connection with business loans or pollution control loans;

(d) to participate in other investment programs as appropriate under the terms of sections 116J.65, 116J.67, 116J.88 to 116J.91, and chapters 472 and 474;

(e) to purchase loan packages made to eligible small businesses by financial institutions in the state in connection with business loans or pollution control loans;

(f) to enter into or to pay fees on insurance contracts, letters of credit, municipal bond insurance, surety bonds, or similar obligations and other agreements or contracts with financial institutions;

(g) to guarantee or insure bonds and notes issued by the authority, in whole or in part, including without limitation the payment of the cost of issuing authority bonds and notes and authority administrative costs and expenses;

(h) the authority may create separate accounts within the fund for use in accordance with the separate purposes listed in this section and may irrevocably pledge and allocate moneys on deposit in the fund to the accounts for the purposes. The authority may make contracts with note and bond holders, trustees for them, financial institutions, or other persons interested in the disposition of moneys in the fund or its accounts with respect to the conditions upon which money in the fund or its accounts is to be held, invested, applied, and disposed of and the use of the fund and its accounts and the termination of accounts. The authority may determine to leverage amounts in accounts to be used to guarantee or insure bonds and notes of the authority or loans to eligible small businesses and may covenant as to the rate of leveraging with holders of the authority's bonds and notes or any trustee for them, financial institutions, or other persons. Money in the fund and its accounts shall, consistent with contracts with holders of the authority's bonds and notes or any trustee for them, financial institutions, or other interested persons, be invested in accordance with section 116J.91, subdivision 15, and the investment income from them, absent contractual provisions to the contrary, shall be added to and retained in the fund (or its accounts if provided by the authority). The repayments to the authority of any direct loans

made by the authority from money in the fund or its accounts shall be paid by the authority into the fund or, as provided by the authority, into an account. The authority may collect fees, initially or from time to time, or both, with respect to any direct loan it extends or any insurance or guarantee it grants. The authority may enter into contracts and security instruments with eligible small businesses, with bond and note holders or any trustee for them, or financial institutions or other persons to provide for and secure the repayment to the authority of money provided by the authority from the fund or its accounts for direct loans or which have been paid by the authority from the fund or accounts pursuant to an authority guarantee or insurance.

The state covenants with all holders of the authority's bonds and notes, financial institutions, and other persons interested in the disposition of money in the fund or its accounts, which money the authority has irrevocably pledged and allocated for any authorized purpose described in this subdivision, that the state will not take any action to limit the effect of the pledge and allocation and will not take any action to limit the effect of contracts entered into as authorized in this subdivision with respect to the pledge and allocation and will not limit or alter the rights vested in the authority or the state to administer the application of money pursuant to the pledge and allocation and to perform its obligations under the contracts. The authority may include and recite this covenant of the state in any of its bonds or notes benefitting from the pledge and allocation or contracts or related documents or resolutions;

- (i) to enter into contract with note and bond holders or other persons interested in the disposition of the fund; and*
- (j) for any legal purpose or program of the authority.*

Sec. 53. Minnesota Statutes 1982, section 116J.89, is amended by adding a subdivision to read:

Subd. 1b. (a) The following eligible small businesses have preference among business applicants:

- (1) businesses located in areas of the state that are experiencing the most severe unemployment rates in the state;*
- (2) eligible small businesses that are likely to expand and provide additional permanent employment;*
- (3) businesses located in border communities that experience a competitive disadvantage due to location;*
- (4) businesses that have been unable to obtain traditional financial assistance due to a disadvantageous location, minority ownership, or other factors rather than due to the business having been considered a poor financial risk;*
- (5) businesses that utilize state resources, thereby reducing state dependence on outside resources, and that produce products or services consistent with the long-term social and economic needs of the state; and*
- (6) businesses located in designated enterprise zones, as described in section 273.1312, subdivision 4.*

- (b) Direct equity or loan investments in particular businesses are not pro-*

hibited, but the authority shall prefer indirect investment such as loan, bond, or note guarantees or insurance or the purchase of loan packages. Except in the issuance of authority bonds or notes, the authority may not invest the fund in a program that does not have financial participation from the private sector, as determined by the authority.

Sec. 54. Minnesota Statutes 1982, section 116J.89, is amended by adding a subdivision to read:

Subd. 1c. [ECONOMIC DEVELOPMENT FUND.] There is created the economic development fund to be administered by the authority. All money in the fund is appropriated to the authority to effectuate the authority's purposes.

Sec. 55. Minnesota Statutes 1982, section 116J.89, subdivision 2, is amended to read:

Subd. 2. [PUBLIC PURPOSES.] Sections ~~116J.63~~ and 116J.88 to 116J.91 are enacted to promote the welfare and prosperity of the state by maintaining and increasing the career and job opportunities of its citizens; by reducing, controlling, and preventing environmental pollution and waste of resources; and by protecting and enhancing the tax base on which state and local governments depend for the financing of public services.

Sec. 56. Minnesota Statutes 1982, section 116J.89, subdivision 7, is amended to read:

Subd. 7. [TAXATION OF AGENCY AUTHORITY NOTES AND BONDS.] The state covenants with the purchasers and all subsequent holders and transferees of notes and bonds issued by the agency authority in consideration of the acceptance of and payment for the notes and bonds, that the notes and bonds of the agency issued pursuant to sections 116J.65, 116J.67, 116J.88 to 116J.91, sections 71 to 76, and chapters 472 and 474, and the income therefrom and all its fees, charges, gifts, grants, revenues, receipts, and other moneys received or to be received, pledges to pay or secure the payment of such notes or bonds shall at all times be free and exempt from all state, city, county or other taxation provided by the laws of the state, except for estate and gift taxes and taxes on transfers, and except for the Minnesota corporate franchise tax measured by income, so long as the interest on federal bonds is included in the income by which such tax is measured.

Sec. 57. Minnesota Statutes 1982, section 116J.89, subdivision 8, is amended to read:

Subd. 8. The members and governing body of the agency authority shall be the commissioner and ~~six~~ eight other members holding no other elective or appointive office of the state or any local government, appointed by the governor with advice and consent of the senate. The commissioner shall be vice chairman, and the governor shall designate the chairman from among the other members, to serve as chairman at the pleasure of the governor. The board shall elect a secretary from among its members. On the effective date of this act, the terms of the current members expire, provided that they will continue as members of the authority and may act on behalf of the authority until they are replaced and new members appointed in accordance with this subdivision. Section 15.0575 governs the terms, compensation, removal and fill-

ing of vacancies in the offices of members other than the commissioner. *Section 471.87 does not apply to a board member who acts in the member's official capacity for the authority.*

Sec. 58. Minnesota Statutes 1982, section 116J.89, subdivision 9, is amended to read:

Subd. 9. ~~The members shall be responsible for management and control of the agency powers of the authority are vested in the members.~~ A majority of the members, excluding vacant memberships, is a quorum. When a quorum is present at any meeting of which notice has been given to or waived by all absent members in the manner provided in bylaws adopted by the vote of a majority of all members, any action of the ~~agency authority~~ may be taken by the vote of a majority of the members present. Fewer than a quorum may hear reports and adjourn from time to time.

Sec. 59. Minnesota Statutes 1982, section 116J.89, subdivision 10, is amended to read:

Subd. 10. The commissioner shall designate an employee as executive director of the ~~agency authority~~ and ~~may shall~~ appoint permanent and temporary employees necessary for the administration of the ~~agency authority~~. ~~The governing body of the agency may enter into agreements under which the department will provide administrative support for the agency. The commissioner may enter into agreements under which staff from private corporations, agencies, or other organizations are loaned to the authority for the purpose of performing its duties.~~

Sec. 60. Minnesota Statutes 1982, section 116J.90, is amended to read:

116J.90 [LOANS.]

Subdivision 1. The ~~agency authority~~ may make or purchase or participate with financial institutions in making or purchasing business loans and, pollution control loans, and farm loans upon the conditions described in this section, and may enter into commitments therefor.

Subd. 2. The ~~agency authority~~ may make or purchase or participate with financial institutions in making or purchasing business loans not exceeding \$1,000,000 in principal amount; ~~to be serviced by such institutions; provided that:~~

(a) ~~The agency's share shall not exceed 90 percent of the total principal amount, and shall be payable with interest at the same times but not necessarily at the same interest rate as the share of the financial institution; and both shares shall be equally and ratably secured by a valid mortgage on or security interest in real or personal property or by any other security satisfactory to the agency to secure payment of the loan provided, that the agency's share may equal 100 percent of the total principal amount of the business loan if the financial institution participating in the making or purchasing of the business loan by servicing the loan, purchases 100 percent of the total amount of the bonds issued by the agency in connection with the loan;~~

(b) ~~The total principal amount shall not exceed 90 percent of the value of the property securing the loan, unless the amount in excess of 90 percent is:~~

(1) ~~Loaned from available funds which are not proceeds received directly~~

from the sale of the agency's bonds or notes and are not restricted under the terms of any resolution or indenture securing bonds or notes; or

(2) Insured or guaranteed by a federal agency or by a private insurer qualified to write such insurance in the state, insuring a percentage of any claim for loss at least equal to that percentage of the value by which the loan exceeds 90 percent thereof;

(c) The value of the property securing the loan shall be certified by the participating financial institution, on the basis of such appraisals, bids, purchase orders, and engineers' certificates as the agency may require; provided that the value of items purchased and constructed from the proceeds of the loan shall not be deemed to exceed the contract price of purchase or construction;

(d) The agency shall not disburse funds under a commitment to participate in a loan for the construction or substantial improvement of property until the construction or improvement has been completed, unless a financial institution furnishes an irrevocable letter of credit or a qualified corporate surety furnishes payment and performance bonds, satisfactory to the agency and in an aggregate amount equal to the amount payable under the construction contract; and

(e) No other indebtedness may be secured by a mortgage on or security interest in property securing a business loan made or purchased pursuant to this subdivision without the prior express written authorization of the agency with respect to business loans made or purchased by the authority and not exceeding \$1,000,000 principal amount with respect to the authority's share thereof when the authority participates in making or purchasing business loans.

With respect to business loans that the authority makes or purchases or participates with, the authority may determine or provide for their servicing, the percentage of authority participation, if any, the times the loans or participations shall be payable and the amounts of payment, their amount and interest rates, their security, if any, and other terms, conditions, and provisions necessary or convenient in connection with them and may enter into all necessary contracts and security instruments in connection with them. The authority may provide for or require the insurance or guaranteeing of the loans or participations in whole or in part by the federal government or a department, agency, or instrumentality of it, by an appropriate account created with respect to the economic development fund, or by a private insurer. In connection with making or purchasing business loans or participations in them, the authority may enter into commitments to purchase or participate with financial institutions upon the terms, conditions, and provisions determined by it. Business loans or participations may be serviced by financial institutions or other persons designated by the authority.

Subd. 3. The agency authority may make business loans or farm loans not exceeding \$100,000 in principal amount, at interest rates and subject to terms determined by the authority, provided that each loan shall be made only from the proceeds of a bond or note sold and issued to a financial institution, payable exclusively in whole or part from the repayments of principal and interest on the loan, which shall be assigned to and serviced by the financial institution. The loans may also be guaranteed or insured by money on deposit in the economic development fund or any special account

of it, and may be secured by reserve funds and other collateral and available money as determined by the authority. The authority may enter into all necessary contracts and security instruments in connection with them.

Subd. 4. The ~~agency~~ authority may make or purchase or participate in making or purchasing pollution control loans which are fully secured by the ~~guarantee or insurance of any agency or instrumentality of the United States or by a private insurer qualified to write the insurance in the state, or by reserves provided by the agency or any combination of the foregoing in any amount, which may be secured in whole or part by the guarantee or insurance of the federal government or any federal department, agency, or instrumentality, by a private insurer, from guarantees or insurance provided by the economic development fund or any special account of it, by reserves, moneys, funds, or other collateral required by the authority or any combination of the foregoing.~~ To the extent consistent with this subdivision, the authority may make or purchase or participate in the making or purchasing of pollution control loans in the manner provided in subdivision 2 or 3 with respect to business loans.

Subd. 5. The ~~agency~~ authority shall make every effort to assure that at least 50 percent of the principal amount of the loans made or purchased by the ~~agency~~ authority in each fiscal year consists of loans with a principal amount of \$100,000 or less to ~~eligible targeted~~ small businesses as defined in section 116J.88, subdivision 5, and the ~~financial management division~~ shall provide technical assistance needed by ~~eligible targeted~~ small ~~business owners~~ businesses to complete applications and meet other requirements for those loans. The ~~agency~~ authority shall report to the legislature annually on or before ~~October~~ February 1 as to its compliance with the requirements of this subdivision during the preceding fiscal year. *The inability of the authority to comply with this subdivision does not affect the validity of bonds and notes heretofore or hereafter issued.*

Subd. 6. (a) Each financial institution ~~which that~~ participates in a pollution control or business loan with the ~~agency~~ authority shall annually on or before March 1 submit a report for the prior calendar year to the ~~agency~~ authority on a form prescribed by the state auditor. The report shall include a listing of each new and outstanding loan in which the financial institution is a participant, the amount and terms of the loan, the purpose of the loan, and any other information as the state auditor may reasonably require.

(b) The ~~agency~~ authority shall annually on or before May 1 submit a report on a form prescribed by the state auditor for the prior calendar year to the state auditor on all loans ~~which that~~ it makes, purchases, or participates in. The report shall include a listing of each new and outstanding loan in which the financial institution is a participant, the amount and terms of the loan, the purpose of the loan, and any other information as the state auditor may reasonably require.

(c) The state auditor shall annually on or before July 1 submit a report for the prior calendar year to the governor and the legislature summarizing the report submitted pursuant to clause (b).

(d) The cost of preparing and submitting the reports required by this subdivision shall be borne by the party submitting it. Any financial institution ~~which that~~ fails to comply with the requirements of this subdivision shall be

prohibited from participating in future loans until it complies.

Sec. 61. Minnesota Statutes 1982, section 116J.91, subdivision 1, is amended to read:

Subdivision 1. In implementing ~~its corporate~~ *the* purposes and the programs described in sections ~~116J.63 and~~ 116J.88 to 116J.91, the ~~agency~~ *authority* shall have the powers and duties set forth in this section.

Sec. 62. Minnesota Statutes 1982, section 116J.91, subdivision 4, is amended to read:

Subd. 4. It may adopt, amend and repeal rules not inconsistent with the provisions of sections ~~116J.63 and~~ 116J.88 to 116J.91 as necessary to effectuate its ~~corporate~~ purposes.

Sec. 63. Minnesota Statutes 1982, section 116J.91, subdivision 9, is amended to read:

Subd. 9. It may procure insurance against any loss in connection with its property in ~~such~~ *the* amounts, and from ~~such~~ *the* insurers, as may be necessary or desirable. *It may obtain municipal bond insurance, letters of credit, surety obligations, or equivalent security for its bonds and notes.*

Sec. 64. Minnesota Statutes 1982, section 116J.91, subdivision 10, is amended to read:

Subd. 10. It may consent, whenever it deems it necessary or desirable in the fulfillment of its corporate purpose, to the modification of the rate of interest, time of payment, or any installment of principal or interest, or ~~any~~ other term, of ~~any mortgage loan, mortgage loan commitment, construction loan, temporary loan, a~~ contract or agreement of any kind to which the ~~agency~~ *authority* is a party.

Sec. 65. Minnesota Statutes 1982, section 116J.91, subdivision 11, is amended to read:

Subd. 11. It may borrow money to carry out and effectuate its ~~corporate purpose~~ *purposes* and may issue its negotiable bonds or notes as evidence of any such borrowing in accordance with sections 462A.08 to 462A.13, 462A.16 and 462A.17, all with the force and effect stated and the incidental powers granted and duties imposed in those sections. *The bonds and notes may be issued pursuant to a trust indenture that is substantially identical to a resolution pursuant to which the authority issues bonds and notes as provided in sections 462A.08 to 462A.13, 462A.16, and 462A.17, except that the authority may pledge money and securities to a trustee for the security of the holders of bonds and notes. The authority may refund bonds and notes and may guarantee or insure its bonds and notes in whole or in part with money from the economic development fund or an account created by the authority for that purpose.* The aggregate principal amount of the ~~agency's~~ *authority's* bonds and notes outstanding at any one time, excluding the amount satisfied and discharged by payment or provision for payment in accordance with their terms, and deducting amounts held in debt service reserve funds therefor and amounts used to make loans guaranteed or insured by *the federal government or a department, an agency or instrumentality of the federal government or by a private insurer or guarantor authorized to do business in the state of Minnesota and acceptable to the authority,* shall not exceed \$30,000,000

unless authorized by another law.

Sec. 66. Minnesota Statutes 1982, section 116J.91, subdivision 12, is amended to read:

Subd. 12. It may issue and sell bonds, notes, and other obligations payable solely from particular moneys, assets, or revenues derived from its programs, *or any business loan, farm loan, or pollution control loan*, notwithstanding section 462A.08, subdivision 3. Obligations issued to participate in making or purchasing business loans ~~pursuant to section 116J.90, subdivision 2,~~ *or pollution control loans* shall be payable solely from revenues derived by the ~~agency authority~~ *agency authority* from repayments of ~~such~~ *these* loans and from enforcement of the security therefor, or from a debt service reserve fund or funds, or from a general reserve fund or from a segregated portion thereof, *or from other funds or security specifically pledged by the authority*, irrevocably pledged and appropriated to pay principal and interest due, for which other funds are not available. A general reserve fund is ~~hereby~~ *created* and is eligible to receive direct appropriations from the state treasury *or a transfer from the economic development fund as the authority may provide by resolution*. The ~~agency authority~~ *agency authority* may irrevocably pledge and appropriate all or a segregated portion of the general reserve fund to pay principal and interest due on all or one or more series of its obligations for which other funds are not available, pursuant to the terms and conditions that the ~~agency authority~~ *agency authority* shall determine. Until so pledged and appropriated by the ~~agency authority~~ *agency authority* the general reserve fund shall not be available to pay principal and interest on the ~~agency's authority's~~ *agency's authority's* obligations. ~~No obligations shall be issued to participate in making or purchasing business loans pursuant to section 116J.90, subdivision 2, unless the obligations are secured at the time of issuance by a debt service reserve fund, a portion of the general reserve fund segregated to secure one or more series of bonds, or the portion of the general reserve fund not segregated to secure one or more series of bonds, and unless the amount then held or then deposited in the fund or segregated portion is at least equal to ten percent of the aggregate principal amount of all obligations secured by the fund or segregated portion thereof~~ *The authority may at its option provide by resolution that obligations issued to participate in making or purchasing business loans or pollution control loans be secured at the time of issuance in whole or in part by a debt service reserve fund or funds, a portion of the general reserve fund segregated to secure one or more series of bonds, or the portion of the general reserve fund not segregated to secure one or more series of bonds. The operation of the debt service reserve fund or funds or a segregated portion of the general reserve fund and other relevant terms or provisions shall be determined by resolution or indenture of the authority. Obligations issued to make or purchase business loans, farm loans, or pollution control loans may be issued pursuant to an indenture of trust or a resolution of the authority. It may pledge to holders of obligations, or to a trustee, repayments from the loans, any security or collateral for them, contract rights with respect to them, and any other funds or security specifically pledged by the authority for them.*

Sec. 67. Minnesota Statutes 1982, section 116J.91, subdivision 14, is amended to read:

Subd. 14. It may establish and collect reasonable interest and amortization payments on loans, and in connection therewith may establish and collect or

authorize the collection of reasonable fees and charges or require funds to be placed in escrow, sufficient to provide for the payment and security of its bonds, notes, commitments and other obligations and for the servicing thereof, to provide reasonable allowances for or insurance against losses which may be incurred and to cover the cost of issuance of obligations and technical, consultative, and project assistance services. ~~It shall require the payment of all processing, administrative and guarantee fees and the deposit in escrow of all funds required by the small business administration or other federal agency or instrumentality guaranteeing any loan and shall comply and enforce compliance with all terms and conditions of each guarantee, and the prompt filing of all claims which may arise thereunder.~~

Sec. 68. Minnesota Statutes 1982, section 116J.91, subdivision 16, is amended to read:

Subd. 16. It may provide general consultative and technical services to assist in financing small business facilities for which loans may be made ~~pursuant to section 116J.90~~. It may enter into agreements or other transactions concerning the receipt or provision of those services.

Sec. 69. Minnesota Statutes 1982, section 116J.91, subdivision 19, is amended to read:

Subd. 19. ~~All~~ Proceeds of the ~~agency's~~ *authority's* bonds, notes, and other obligations, ~~any~~; amounts granted or appropriated to the agency for the making or purchase or the insurance or guaranty of loans or for bond reserves; ~~all~~; income from ~~their~~ investment; *money in the economic development fund*; and all revenues from loans, fees, and charges of the ~~agency~~ *division* are annually appropriated to the agency for the accomplishment of its corporate purposes and shall be expended, administered, and accounted for in accordance with the applicable provisions of all bond and note resolutions, indentures, and other instruments, contracts, and agreements of the agency. Notwithstanding section 16A.28, these appropriations are available until expended.

Sec. 70. Minnesota Statutes 1982, section 116J.91, is amended by adding a subdivision to read:

Subd. 20. The authority may do all things necessary and proper to fulfill its purpose and the purposes of the economic development fund as provided in sections 116J.65, 116J.67, 116J.88 to 116J.91, sections 71 to 76, and chapters 472 and 474.

Sec. 71. [116J.921] [ENERGY FINANCING POLICIES.]

Subdivision 1. [FINDINGS.] A reliable, economic supply of energy is essential for the state's households, business establishments, and municipalities. Imported supplies are increasingly costly, unreliable, and environmentally disadvantageous. As a result, a partnership of the private and public sectors is needed to provide leadership, cooperation, and aid for the purposes of planning, developing, and managing economically viable energy conservation programs.

Subd. 2. [FUNDING POLICY.] Adequate funds and assistance must be provided to assist and to encourage the establishment, maintenance, and growth of energy conservation and indigenous energy resources in the state

and to reduce to a manageable level the cost of energy to households, business establishments, and municipalities, including, without limitation, the provision of loans to assist households and municipalities in the design, distribution, promotion, maintenance, installation, or acquisition of energy conservation and alternative energy resource materials and devices.

Subd. 3. [PARTNERSHIP POLICY.] A partnership of the private and public sectors will promote the purpose of reducing energy costs, increasing energy efficiency, and developing Minnesota's indigenous energy resources. By providing an arrangement to pool money, personnel, information, material, and technologies and to share costs, the partnership between the public and private sectors will promote the policies declared in this section more effectively than would be the case if these sectors acted independently.

Subd. 4. [HEALTH AND WELFARE PROMOTED.] The policies declared and actions authorized in sections 71 to 76 will promote the welfare and prosperity of the state by maintaining and increasing the career and job opportunities of the citizens of the state, by reducing waste of resources, and by protecting and enhancing the tax base on which state and local governments depend for the financing of public services.

Sec. 72. [116J.922] [DEFINITIONS.]

Subdivision 1. [GENERAL.] For purposes of sections 71 to 76, the terms defined in this section have the meanings given them, unless the context in which they are used clearly indicates otherwise or another meaning is specifically provided.

Subd. 2. [AUTHORITY.] "Authority" means the energy and economic development authority, formerly known as the small business finance agency.

Subd. 3. [PERSON.] "Person" includes an individual, firm, partnership, corporation, or association.

Subd. 4. [CONSERVATION.] "Conservation" means a capital investment designed to reduce the use of energy so that the estimated resulting fuel savings, assuming no increase in fuel cost rates, would amortize the cost of the investment over a period of ten years or less.

Subd. 5. [MUNICIPALITY.] "Municipality" means a city, town, county, school district, special taxing district, or a municipal power agency governed by chapter 453, or a group or combination of those units operating under an agreement to jointly undertake projects authorized by sections 71 to 76.

Subd. 6. [ALTERNATIVE ENERGY RESOURCE.] "Alternative energy resource" means a source of energy available from indigenous Minnesota resources including but not limited to peat, biomass, solar energy, wind, municipal wastes, agricultural or forestry wastes, hydro-power, and agricultural crops suitable for conversion to an energy fuel.

Subd. 7. [RENEWABLE ENERGY RESOURCE.] "Renewable energy resource" means a source of energy occurring in Minnesota which, when consumed for energy purposes, is replaced within a matter of days, months, or years by new or additional supplies of the energy source. Renewable

energy resources include, but are not limited to, forestry products and forest harvest residues, solar energy, wind energy, water-power, and agricultural wastes.

Subd. 8. [ENERGY RECOVERY.] "Energy recovery" means the extraction of energy from materials, components, or processes which would normally represent wasted energy resources. Municipal solid wastes, volatile sewer gases, and power plant waste heat, among others, offer the potential for energy recovery.

Sec. 73. [116J.923] [POWERS AND DUTIES OF COMMISSIONER AND AUTHORITY RELATING TO ENERGY PROGRAMS.]

Subdivision 1. [SERVICES.] The authority shall identify general consultative and technical services to assist in financing and marketing household and municipal energy conservation or alternative energy development. It may enter into agreements or other transactions concerning the receipt or provisions of those services.

Subd. 2. [DATA PRIVACY.] Financial information, including but not limited to credit reports, financial statements and net worth calculations, received or prepared by the authority regarding any loan or loan guarantee issued by the authority is private data on individuals, pursuant to section 13.02, subdivision 12.

Subd. 3. [BROAD INTERPRETATION.] The authority through the commissioner shall perform, direct, or closely oversee the functions and programs delegated to it. The powers granted to the authority shall be broadly interpreted to facilitate innovative leadership in all areas of energy including policy setting, goal definition, strategy planning, conservation, development of renewable and alternative energy resources, energy recovery, and monitoring.

Subd. 4. [CAMPAIGN FOR ENERGY EFFICIENCY.] The authority shall promote a campaign for energy efficiency. The authority shall actively promote public awareness of the potentials and benefits of energy efficiency.

Subd. 5. [JOB CREATION, LOW INCOME.] The authority shall assure that programs under its control and direction make accommodation wherever possible for job creation and the needs of low income families and persons.

Subd. 6. [FINANCING PROGRAMS.] The authority shall initiate and operate programs to assist the financing of qualified energy projects by:

(a) Insuring private loans to business enterprises; and

(b) Issuing its revenue bonds, notes, or other obligations for the purpose of making or purchasing or participating with financial institutions in making or purchasing loans to business enterprises.

Subd. 7. [LOANS TO MUNICIPALITIES.] The authority shall receive applications from municipalities for loans to finance improvements to public buildings for the purpose of energy conservation, reduction of the use of conventional energy sources, or the use of alternative energy resources, and make recommendations thereon to the commissioner of finance, in the event of the authorization and issuance of bonds of the state for this purpose. Fi-

nancial and technical support for this program shall be provided by the commissioner. This program shall include the district heating loan program established in section 116J.36.

Subd. 8. [RULES.] The authority may adopt temporary or permanent rules necessary to operate the programs authorized in subdivisions 6 and 7. The rules authorized under this section may be adopted without complying with chapter 14.

Subd. 9. [PLANNING AND REPORTS.] (a) The authority shall adopt a plan to use as the basis for its investment decisions.

(b) By the start of the 1984 legislative session, (1) the authority shall have identified various nongovernmental funding sources; (2) provided for the efficient administration of its affairs; (3) solicited public comment on its plans; and (4) prepared recommendations as to appropriate reserve and guarantee fund levels required by sections 71 to 76.

(c) The authority shall annually report not later than February 1 to the legislature. The report should contain recommendations for legislation as necessary to better coordinate its activities and the energy activities of state government.

Subd. 10. [CONSERVATION EQUIPMENT.] The authority may assist in the financing of the development and operation of conservation or alternative or renewable energy system equipment if the federal government or another funding source provides assistance in connection with the development and operation.

Subd. 11. [APPROPRIATIONS, GIFTS, GRANTS.] The authority may accept appropriations, gifts, grants, bequests, and devises and utilize or dispose of the same to carry out any provision of sections 71 to 76. All gifts, grants, bequests, and revenues from those sources are appropriated to the authority for the purposes of sections 71 to 76. The funding may include, but is not limited to, public utility investments and expenditures ordered by the public utilities commission pursuant to the provisions of section 216B.241.

Sec. 74. [116J.924] [ENERGY LOAN INSURANCE PROGRAM.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given:

(a) "Fund" means the energy loan insurance fund created by subdivision 2.

(b) "Lender" means any state or federally chartered bank, credit union, savings bank, savings and loan association, savings association, trust company or a lender certified by the secretary of housing and urban development or the administrator of veterans affairs or approved or certified by the administrator of the farmers home administration.

(c) "Energy loan" means a loan or advance of credit, with security as may be required by the authority.

(d) "Mortgage" means a mortgage on real property on which a qualified energy project is to be installed, which may be a second mortgage, including a security interest under sections 336.9-101 to 336.9-508, in personal property or fixtures included in the project, which the authority may require by

rule.

(e) "Qualified energy project" means acquiring, installing or constructing any conservation, renewable energy, alternative energy or other capital improvements for use in a trade or business and other projects described by rule of the authority.

Subd. 2. [ENERGY LOAN INSURANCE FUND.] An energy loan insurance fund is created. The fund shall be used by the authority as a revolving fund, and all money in the fund is appropriated to the authority, for carrying out the provisions of this section with respect to loans insured under subdivision 3.

Subd. 3. [INSURANCE OF LOANS.] (a) [AUTHORIZATION.] The authority is authorized, upon application by a lender, to insure any eligible loan as provided in this section; and under terms as the authority may prescribe by rule, to make commitments for the insuring of loans prior to the date of their execution or disbursement.

(b) [ELIGIBILITY REQUIREMENTS.] The authority may by rule establish requirements for energy loans to be eligible for insurance under this section, relating to:

(1) Maximum principal amount, amortization schedule, interest rate, delinquency charges, and other terms;

(2) The portion of the loan to be insured;

(3) Acceleration and other remedies;

(4) Covenants regarding insurance, repairs, and maintenance of the project;

(5) Conditions regarding subordination of the loan security, if any, of the project to other liens against the property;

(6) The aggregate principal amount of loans to be insured in relation to the reserves from time to time on hand in the insurance fund, and priorities as to the loans to be insured; and

(7) Any other matters determined by the authority.

(c) [CONCLUSIVE EVIDENCE OF INSURABILITY.] Any contract of insurance executed by the authority under this section shall be conclusive evidence of the eligibility of the loan for insurance, and the validity of any contract of insurance properly executed and in the hands of any approved lender shall not be contestable, except for fraud or misrepresentation on the part of the lender.

(d) [PREMIUMS.] The authority is authorized to fix premium charges for the insurance of loans under this section at levels which in its judgment, taking into account other amounts available in the fund, will be sufficient to cover and maintain a reserve for loan losses.

(e) [PROCEDURES UPON DEFAULT.] The authority may establish procedures to be followed by lenders and to be taken by the authority in the event of default upon an energy loan, including:

(1) time for filing claims;

(2) rights and interests to be assigned and documents to be furnished by the lender;

(3) principal and interest to be included in the claim; and

(4) conditions, if any, upon which the authority will pay the entire principal amount in default, after foreclosure and receipt of marketable title to the property.

Subd. 4. [INVESTMENT INTEREST.] All interest and profits accruing from investment of the fund's money shall be credited to and be a part of the fund, and any loss incurred in the principal of the investments of the fund shall be borne by the fund.

Subd. 5. [MAXIMUM AUTHORIZED INSURANCE.] The authority may not at any time issue insurance under this section aggregating in excess of an amount equal to the current balance contained in the fund multiplied by ten.

Sec. 75. [116J.925] [ENERGY LOAN PROGRAM.]

Subdivision 1. [AUTHORITY TO MAKE LOANS.] The authority may make loans to individuals, partnerships, corporations, or other entities for the financing of capital improvements to be used in connection with a trade or business if the principal purpose of improvement is energy conservation, to reduce the usage of conventional fuels as a source of energy, or to develop Minnesota's alternative energy resources as provided by the authority's rules.

Subd. 2. [REVENUE BONDS.] The authority may borrow money and may issue bonds, notes, or other obligations as evidence of the borrowing in accordance with sections 462A.08 to 462A.17, all with the force and effect stated and the incidental powers granted and duties imposed in those sections. The authority may sell any of its obligations at public or private sale, at the price or prices as the authority determines are appropriate, notwithstanding the limitations on sale price in section 462A.09.

Subd. 3. [ENERGY DEVELOPMENT FUND.] An energy development fund is created and is eligible to receive appropriations. The authority may irrevocably pledge and appropriate all or a segregated portion of the energy development fund to make principal and interest payments when due on all or one or more series of its obligations for which other funds are not available, pursuant to the terms and conditions the authority shall prescribe. Unless the energy development fund has been pledged and appropriated to secure the obligations, the energy development fund shall not be available to make principal or interest payments on the obligations.

Subd. 4. [INVESTMENT INCOME.] All interest and profits accruing from investment of the energy development fund's moneys shall be credited to and be part of the energy development fund, and any loss incurred in the principal of the investment of the reserve fund shall be borne by the fund.

Subd. 5. [ADDITIONAL POWERS.] In addition to the powers specifically enumerated, the authority shall have any corporate powers necessary to effectuate or appropriate to the efficient implementation and operation of the revenue bond loan program authorized by this section, except to the extent explicitly limited by this section.

Sec. 76. [116J.926] [LOANS TO MUNICIPALITIES.]

Subdivision 1. [APPLICATIONS.] The authority shall establish procedures, form, and the required contents of applications to be made by municipalities for loans to finance the acquisition or construction of qualified energy improvements when state bonds are authorized and issued for this purpose.

Subd. 2. [MUNICIPAL OBLIGATION.] A loan shall not be made to a municipality until it has entered into an agreement with the state providing that the municipality shall make payments of principal and interest at least equal in the aggregate to the principal amount of the loan plus interest at the rate payable on the state bonds. The annual amounts of the payments shall be determined by the commissioner of finance, and need not coincide with the principal and interest payments on the bonds. However, the amounts due each year shall be payable prior to the times transfers are required to be made pursuant to section 16A.65. The agreement shall obligate the municipality to levy an ad valorem property tax equal to the amounts necessary to make the payments. The amount required to be levied may be reduced by any other available amounts contained in a special fund dedicated to payment of the loan obligation.

Subd. 3. [RECEIPTS.] The principal and interest in repayment of the loans authorized by this section shall be deposited in the state treasury and credited to the state bond fund and are appropriated to the commissioner of finance for the purpose of that fund.

Sec. 77. [116J.931] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of section 78, the following terms have the meanings given them.

Subd. 2. [FINANCE AUTHORITY.] "Finance authority" means the export finance authority.

Subd. 3. [PRE-EXPORT.] "Pre-export" means that period of time between the formation of a sale and the actual shipment of the goods.

Sec. 78. [116J.932] [EXPORT FINANCE AUTHORITY.]

Subdivision 1. [CREATION; PURPOSE.] The export finance authority is created to aid and facilitate the financing of exports from this state. The finance authority powers shall be used exclusively to meet the pre-export credit needs of Minnesota exporters.

Subd. 2. [PRESIDENT AND BOARD OF DIRECTORS.] The governor shall appoint, upon the advice and consent of the senate, a president of the finance authority. The governor shall also appoint six members to the authority's board of directors. The six members shall be knowledgeable in international finance, exporting, or international law. The president of the finance authority shall also serve on the board. Membership, terms, compensation and removals are governed by section 15.0575. Board members shall perform their duties in a nonselfserving manner and in compliance with section 10A.07.

Subd. 3. [POWERS.] The finance authority has the power and authority to perform the following functions and may:

(1) insure, co-insure, and guarantee against commercial pre-export credit

risks;

(2) *sue and be sued;*

(3) *enter into agreements and transactions with any person, partnership, or corporation, both foreign and domestic, state, federal, and foreign governments and governmental agencies;*

(4) *acquire and hold personal and real property pursuant to the provisions of insurance and the granting of guarantees;*

(5) *pledge and appropriate collateral;*

(6) *charge premiums, interest, and fees;*

(7) *provide administrative, consultative, and technical services to assist in the financing of exports;*

(8) *prepare and receive reports regarding credit, insurance, and guarantees with respect to export finance;*

(9) *perform all necessary and appropriate operations, administration, processing, and marketing functions related to the authority's functions; and*

(10) *adopt rules necessary to carry out responsibilities under this act.*

Subd. 4. [WORKING CAPITAL ACCOUNT.] An export finance authority working capital account is created as a special account in the state treasury. Money in the account is appropriated to the finance authority for the purposes of this section.

Subd. 5. [ANNUAL REPORT.] The president and board of directors shall submit to the governor an annual report on the activities of the finance authority.

Subd. 6. [LIABILITY LIMITATION.] The finance authority may not have at any one time net liabilities greater than four times its capital and reserves.

Subd. 7. [INSURANCE AND GUARANTEES.] The finance authority may provide insurance and guarantees to the following extent:

(1) *the finance authority may not provide to any one person insurance or guarantees in excess of \$250,000;*

(2) *the policy of the finance authority is to provide insurance and guarantees for export credits that would otherwise not be made and that the president and the board deem to represent a reasonable risk and have a sufficient likelihood of repayment;*

(3) *the finance authority shall contract with, among others, the Foreign Credit Insurance Association, the U.S. Export-Import Bank, and private insurers to secure reinsurance for country and commercial risks for the finance authority's insurance program;*

(4) *losses incurred by the finance authority that relate to its insurance or guarantee activities shall be solely borne by the finance authority to the extent of its capital and reserves.*

Subd. 8. [STAFFING.] The commissioner shall provide staff to work for the finance authority.

Sec. 79. [116J.933] [EXPORT INFORMATION OFFICE.]

Subdivision 1. [DIRECTOR.] The commissioner shall appoint a director of the export information office in the unclassified service.

Subd. 2. [PURPOSE; DUTIES.] The export information office shall:

(1) create a worldwide foreign communication network to coordinate foreign trade information and activities;

(2) compile foreign trade information available from, among other places, the United States Department of Commerce and private sources, and produce readily consumable marketing information;

(3) create a program to assess the potential of international investment in Minnesota and promote international investment which results in the infusion of new capital and the creation of new jobs to the benefit of the state;

(4) disseminate to Minnesota businesses collected market information that relates to potential exporting, and to export trading companies, export management companies, and other interested persons;

(5) prepare a list of firms that provide export support services and disseminate the list to potential exporters to assist their endeavors;

(6) assist public and private universities or colleges to develop undergraduate or graduate level education programs to train persons in the knowledge of export trading; and

(7) coordinate the current international trading activities of various state and local agencies and organizations.

Sec. 80. [116K.02] [STATE PLANNING AGENCY.]

Subdivision 1. [CREATION.] A state planning agency is created in the executive branch of state government.

Subd. 2. [DIRECTOR.] The governor shall appoint a state planning director in the unclassified service. He shall be professionally competent in the fields of public administration and planning and shall possess demonstrated ability, based upon past performance, to perform the duties of state planning director.

Subd. 3. [ORGANIZATION.] The director shall organize the agency and employ the officers, employees, and agents as the director deems necessary to discharge the functions of the office, and define their duties. The director shall appoint a deputy director and division directors, who shall serve in the unclassified service of the state. To fulfill long range planning objectives requiring special projects anticipated to be of limited duration, the director shall request temporary unclassified positions pursuant to section 43A.08, subdivision 2a. All other officers, employees, and agents are in the classified service of the state civil service.

Subd. 4. [STAFF.] The director shall employ personnel with qualifications needed to perform the duties prescribed in sections 80 and 81.

Sec. 81. [116K.03] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 81 and 82, the terms defined in this section have the meanings given them.

Subd. 2. [DIRECTOR.] "Director" means the state planning director.

Subd. 3. [AGENCY.] "Agency" means the state planning agency.

Sec. 82. Minnesota Statutes 1982, section 144A.53, subdivision 4, is amended to read:

Subd. 4. [REFERRAL OF COMPLAINTS.] If a complaint received by the director relates to a matter more properly within the jurisdiction of an occupational licensing board, ~~the office of consumer services~~ or any other governmental agency, the director shall forward the complaint to that agency and shall inform the complaining party of the forwarding. The agency shall promptly act in respect to the complaint, and shall inform the complaining party and the director of its disposition. If a governmental agency receives a complaint which is more properly within the jurisdiction of the director, it shall promptly forward the complaint to the director, and shall inform the complaining party of the forwarding. If the director has reason to believe that ~~any~~ an official or employee of an administrative agency or health facility has acted in a manner warranting criminal or disciplinary proceedings, he shall refer the matter to the state commissioner of health, the commissioner of public welfare, an appropriate prosecuting authority, or ~~any~~ other appropriate agency.

Sec. 83. Minnesota Statutes 1982, section 155A.03, is amended by adding a subdivision to read:

Subd. 13. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.

Sec. 84. Minnesota Statutes 1982, section 155A.05, is amended to read:

155A.05 [RULES.]

The ~~director~~ commissioner shall develop and adopt rules to carry out the ~~provisions~~ of sections 155A.01 to 155A.18 ~~by December 31, 1982, pursuant according to~~ chapter 14. For purposes of sections 155A.01 to 155A.18, the ~~director~~ commissioner may adopt temporary rules, ~~pursuant according to~~ sections 14.29 to 14.36. ~~These rules may be reissued as temporary rules until permanent rules are adopted or until December 31, 1982, whichever is earlier.~~ These ~~temporary~~ rules may provide that for ~~any~~ a renewal license issued by the ~~director~~ commissioner within one year after July 1, 1981, the term of renewal shall be either one, two, or three years. The fee for a one-year renewal license shall be one-third of the fee for a three-year renewal license, and the fee for a two-year renewal shall be two-thirds of the three-year fee.

Sec. 85. Minnesota Statutes 1982, section 155A.18, is amended to read:

155A.18 [PRIOR LICENSES.]

All licenses which were issued by the ~~board of cosmetology~~ director of the ~~office of consumer services~~ under chapter ~~155~~ 155A, shall continue in effect under the ~~office of consumer services~~ commissioner until the licenses expire.

Sec. 86. Minnesota Statutes 1982, section 214.14, subdivision 1, is amended to read:

Subdivision 1. There is established a human services occupations advisory council to assist the commissioner of health in formulating policies and rules ~~pursuant~~ according to section 214.13. The commissioner shall determine the duties of the council, shall establish procedures for the proper

functioning of the council including, but not limited to the following: the method of selection of membership, the selection of a committee chairman and methods of communicating recommendations and advice to the commissioner for his consideration. Each of the health related licensing boards, the state examining committee for physical therapists, ~~the consumer services section of the department of commerce,~~ the state comprehensive health planning advisory council and the higher education coordinating board shall have a representative selected by the boards ~~or section, committee, or council.~~ The governor shall appoint the remaining members who shall not exceed 11 and shall include six persons broadly representative of human services, particularly human services professions not presently credentialed ~~pursuant according~~ to existing law, and five public members. The committee shall expire and the terms of the appointed members and the compensation and removal of all members shall be as provided in section 15.059.

Sec. 87. [216A.096] [ENERGY INTERVENTION.]

The department of public service may intervene before federal and other energy regulatory agencies outside of the state. The director may appoint an employee in the unclassified service to assist in carrying out intervention activities.

Sec. 88. Minnesota Statutes 1982, section 216B.62, subdivision 2, is amended to read:

Subd. 2. Whenever the commission or department, in a proceeding upon its own motion, on complaint, or upon an application to it, shall deem it necessary, in order to carry out the duties imposed by ~~Laws 1974, Chapter 429 under this chapter and section 87,~~ to investigate the books, accounts, practices, and activities of, or make appraisals of the property of any public utility, or to render any engineering or accounting services to any public utility, ~~or to intervene before an energy regulatory agency,~~ the public utility shall pay the expenses reasonably attributable to the investigation, appraisal, ~~or service, or intervention.~~ The commission and department shall ascertain the expenses, and the department shall render a bill therefor to the public utility, either at the conclusion of the investigation, appraisal, or services, or from time to time during its progress, which bill shall constitute notice of the assessment and a demand for payment. The amount of the bills so rendered by the department shall be paid by the public utility into the state treasury within 30 days from the date of rendition. The total amount, in any one calendar year, for which any public utility shall become liable, by reason of costs incurred by the commission within that calendar year, shall not exceed two-fifths of one percent of the gross operating revenue from retail sales of gas, or electric service by the public utility within the state in the last preceding calendar year. Where, pursuant to this subdivision, costs are incurred within any calendar year which are in excess of two-fifths of one percent of the gross operating revenues, the excess costs shall not be chargeable as part of the remainder under subdivision 3, but shall be paid out of the general appropriation to the department and commission. In the case of public utilities offering more than one public utility service only the gross operating revenues from the public utility service in connection with which the investigation is being conducted shall be considered when determining this limitation.

Sec. 89. Minnesota Statutes 1982, section 216B.62, subdivision 3, is

amended to read:

Subd. 3. The department and commission shall quarterly, at least 30 days before the start of each quarter, estimate the total of their expenditures in the performance of their duties relating to public utilities under *section 87, and sections 216B.01 to 216B.67*, other than amounts chargeable to public utilities under subdivision 2 or 6. The remainder shall be assessed by the commission and department to the several public utilities in proportion to their respective gross operating revenues from retail sales of gas or electric service within the state during the last calendar year. The assessment shall be paid into the state treasury within 30 days after the bill has been mailed to the several public utilities, which shall constitute notice of the assessment and demand of payment thereof. The total amount which may be assessed to the public utilities, under authority of this subdivision, shall not exceed one-eighth of one percent of the total gross operating revenues of the public utilities during the calendar year from retail sales of gas or electric service within the state. The assessment for the second quarter of each fiscal year shall be adjusted to compensate for the amount by which actual expenditures by the commission and department for the preceding fiscal year were more or less than the estimated expenditures previously assessed.

Sec. 90. Minnesota Statutes 1982, section 299A.04, is amended to read:

299A.04 [GRANTS-IN-AID TO YOUTH INTERVENTION PROGRAMS.]

Subdivision 1. The ~~commissioner~~ *director* may make grants to nonprofit agencies administering youth intervention programs in communities where the programs are or may be established.

“Youth intervention program” means a nonresidential community based program providing advocacy, education, counseling, and referral services to youth and their families experiencing personal, familial, school, legal, or chemical problems with the goal of resolving the present problems and preventing the occurrence of the problems in the future.

Subd. 2. Applications for a grant-in-aid shall be made by the administering agency to the ~~commissioner~~ *director*. The grant-in-aid is contingent upon the agency having obtained from the community in which the youth intervention program is established local matching money two times the amount of the grant that is sought.

The ~~commissioner~~ *director* shall provide by rule the application form, procedures for making application form, criteria for review of the application, and kinds of contributions in addition to cash that qualify as local matching money. No grant to any agency shall exceed \$25,000.

Sec. 91. Minnesota Statutes 1982, section 325E.09, subdivision 4a, is amended to read:

Subd. 4a. For the purposes of this section, octane rating shall be determined in the manner described in the American Society for Testing and Materials (ASTM) “Standard Specification for Gasoline”, D439-71 or such other manner as prescribed by the director of ~~consumer services by regulations~~ *the department of public service in accordance with applicable rules*, adopted ~~pursuant~~ *according* to the Administrative ~~procedures~~ *Procedure*

Act. ~~Such regulations shall~~ *The rules must only be promulgated adopted to* place Laws 1973, Chapter 687 in accordance with regulations promulgated by a federal agency.

Sec. 92. Minnesota Statutes 1982, section 325F.09, is amended to read:

325F.09 [DEFINITIONS.]

(a) "Child" means any person less than 14 years of age;

(b) A toy presents an electrical hazard if, in normal use or when subjected to reasonably foreseeable damage or abuse, its design or manufacture may cause personal injury or illness by electrical shock or electrocution;

(c) A toy presents a mechanical hazard if, in normal use or when subjected to reasonably foreseeable damage or abuse, its design or manufacture presents an unreasonable risk of personal injury or illness:

(1) from fracture, fragmentation, or disassembly of the article;

(2) from propulsion of the article or any part or accessory thereof;

(3) from points or other protrusions, surfaces, edges, openings, or closures;

(4) from moving parts;

(5) from lack or insufficiency of controls to reduce or stop motion;

(6) as a result of self-adhering characteristics of the article;

(7) because the article or any part or accessory thereof may be aspirated or ingested;

(8) because of instability;

(9) from stuffing material which is not free of dangerous or harmful substances; or

(10) because of any other aspect of the article's design or manufacture.

(d) A toy presents a thermal hazard if, in normal use or when subjected to reasonably foreseeable damage or abuse, its design or manufacture presents an unreasonable risk of personal injury or illness because of heat as from heated parts, substances, or surfaces.

(e) "Toxic" means able to produce personal injury or illness to a person through ingestion, inhalation, or absorption through any body surface and can apply to any substance other than a radioactive substance.

(f) "Flammable" means having a flash point up to 80 degrees Fahrenheit as determined by the Tagliabue Open Cup Tester. The flammability of solids and of the contents of self-pressurized containers shall be determined by methods generally recognized as applicable to the materials or containers and established by ~~regulations~~ *rules* issued by the ~~director~~ *commissioner*.

(g) A toy presents a hazard of asphyxiation or suffocation if, in normal use or when subject to reasonable foreseeable damage or abuse, its design, manufacture or storage presents a risk of personal injury or illness from interference with normal breathing.

(h) ~~"Director"~~ *"Commissioner"* means the ~~director~~ *commissioner* of the

consumer services section of the department of commerce.

(i) "Inspector" means an inspector of the consumer services section of the department of commerce.

Sec. 93. Minnesota Statutes 1982, section 325F.11, is amended to read:

325F.11 [TESTING OF ARTICLES TO DETERMINE AND INSURE COMPLIANCE.]

The ~~director~~ commissioner or an authorized and qualified employee or inspector, may undertake or provide for testing of toys and other articles as he deems necessary to determine their safety and fitness for commerce in this state in compliance with the provisions of sections 325F.08 to 325F.18. The ~~director~~ commissioner may contract or otherwise arrange with any testing facility, public or private, for testing and reporting the results. The ~~director~~ commissioner may, by ~~regulation~~ rule, require that any toy or other article within the provisions of sections 325F.08 to 325F.18 be adequately tested by the ~~consumer services section~~, a reputable testing facility, or the manufacturer or distributor of the article, and that the certified results of the test be filed with the ~~director~~ commissioner before the sale, distribution, or other movement in commerce within this state of the toys or articles. The ~~director~~ commissioner may by ~~regulation~~ rule provide for penalties for the failure to provide test results.

Sec. 94. Minnesota Statutes 1982, section 472.03, subdivision 2, is amended to read:

Subd. 2. ~~"State agency"~~ "Authority" means the ~~executive council created and established by section 9.01+~~ energy and economic development authority.

Sec. 95. Minnesota Statutes 1982, section 472.13, is amended to read:

472.13 [APPROPRIATION TO ECONOMIC DEVELOPMENT REVOLVING FUND.]

Subdivision 1. [APPROPRIATION.] There is ~~hereby~~ appropriated out of the general fund in the state treasury not otherwise appropriated the sum of \$1,500,000 to the ~~state executive council authority~~ to be used for the purposes set forth in ~~these~~ sections 472.01 to 472.16 excluding the necessary cost of administration thereof. The sum ~~hereby~~ appropriated shall be credited to a special account in the state treasury to be known as the economic development revolving fund created in section 54 to be drawn upon and used by the ~~state agency authority~~ in the manner and for the purposes provided for in ~~these~~ sections 472.01 to 472.16.

Subd. 2. [LOANS.] The ~~state agency authority~~ shall have the power, from time to time, to draw upon the special account in the economic development revolving fund ~~such~~ the amounts as the ~~state agency shall determine~~ authority determines for loans to local or area redevelopment agencies for the financing and planning of redevelopment projects. When the amounts so allocated by the ~~state agency authority~~ as loans to local or area redevelopment agencies are repaid to the ~~state agency authority~~ pursuant to the terms of its agreements with the local agency, the ~~state agency authority~~ shall pay ~~such~~ the amounts into the special account in the economic development revolving fund, it being the purpose and intent of this section that ~~said fund the account~~

shall operate as a revolving fund account whereby all appropriations and payments made thereto to it may be applied and reapplied to the purposes of these sections 472.01 to 472.16 and shall not revert to the general revenues fund of the state.

Subd. 3. [EXCESS FUNDS.] ~~In the event that~~ *If the state agency shall determine authority determines* that funds held for the credit of the special account in the economic development revolving fund are in excess of the amounts needed by the state agency authority to carry out the purposes of these sections 472.01 to 472.16, the state agency authority may by resolution release ~~such the excess from the development revolving fund; the same to be transferred account and transfer it to the general revenues fund of the state treasury.~~

Subd. 4. [MATCHING FUNDS.] The state agency authority may utilize any moneys in the revolving fund special account for the purpose of matching federal funds available under the Public Works and Economic Development Act of 1965.

Sec. 96. [INSTRUCTIONS TO REVISOR.]

Subdivision 1. The revisor of statutes shall substitute the term "commissioner of commerce" or "commissioner" or "department" or similar terms as appropriate for the following terms and similar terms, as necessary to reflect the transfers of powers, duties, and responsibilities prescribed by this act:

(a) "commerce commission" meaning the state commerce commission, "department of commerce," or "commerce department" where those terms appear in Minnesota Statutes;

(b) "commissioner of banks," "commissioner of banking," or "banking commissioner" where those terms appear in Minnesota Statutes;

(c) "commissioner of insurance" or "insurance commissioner" where those terms appear in Minnesota Statutes;

(d) "commissioner of securities and real estate" where that term appears in Minnesota Statutes;

(e) "division" where that term appears in chapters 46 to 59A, and "banking division" or "division of banking" where those terms appear in Minnesota Statutes;

(f) "division of insurance," "insurance division," "department of insurance," or "insurance department" where those terms appear in Minnesota Statutes;

(g) "department of securities and real estate," "securities and real estate department," "securities and real estate division," or "division of securities and real estate" where those terms appear in Minnesota Statutes;

(h) "department of administration" or "commissioner of administration" where those terms appear in chapter 238; and

(i) "director of office of consumer services," "office of consumer services," "consumer services section," where those terms appear in chapter 155A and sections 325F.08 to 325F.18.

Subd. 2. The revisor of statutes shall renumber each section specified in column A with the numbers set forth in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

Column A	Column B
45.04	46.041
45.05	46.042
45.06	46.043
45.07	46.044
45.071	46.045
45.08	46.046
45.16	8.32
45.17	8.33

Sec. 97. [INSTRUCTIONS TO REVISOR.]

Subdivision 1. [TERMS.] (a) The revisor of statutes shall substitute the terms "state planning director" or "director" or "state planning agency" or "agency" or similar terms as appropriate for the terms "commissioner" or "department" meaning the commissioner or department of energy, planning and development, and similar terms where those terms appear in chapters 116C, 116D, and 116G, sections 116J.40 to 116J.54, and other laws relating to the planning functions of the department of energy, planning and development.

(b) The revisor of statutes shall remove the term "planning" wherever it appears in Minnesota Statutes in reference to the department of energy, planning and development, the commissioner of energy, planning and development or similar terms to reflect the removal of the planning functions from that department.

(c) The revisor of statutes shall substitute the terms "commissioner of energy and economic development" or "commissioner" for the terms meaning the commissioner or department of energy, planning and development, where those terms appear in sections 116J.04 to 116J.36 and 116J.58 to 116J.91, and other laws relating to the energy and economic development functions of the department of energy, planning and development.

(d) The revisor of statutes shall change the words "commissioner," "commissioner of energy, planning and development," "department," "agency," "state agency," "executive council," or similar terms to "the energy and economic development authority" wherever it appears in sections 116J.65 and 116J.67; and in chapters 472 and 474.

Subd. 2. [RENUMBERING.] The revisor of statutes shall renumber each section specified in column A with the numbers in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

Column A	Column B
116J.40	116K.01
116J.42	116K.04
116J.43	116K.05
116J.44	116K.06
116J.45	116K.07
116J.48	116K.08

116J.49	116K.09
116J.50	116K.10
116J.51	116K.11
116J.52	116K.12
116J.53	116K.13
116J.54	116K.14
299A.04	116K.15

Sec. 98. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall change the words "agency" or "small business finance agency" or similar terms to "energy and economic development authority" wherever it appears in chapter 116J and other laws to reflect the change of name made by this act.

Sec. 99. [APPROPRIATION.]

The sum of \$196,900 is appropriated from the general fund to the director of the department of public service for intervention in energy regulatory proceedings, to be available for the fiscal year ending June 30 in the years indicated.

1984	1985
\$98,400	\$98,500

Sec. 100. [REPEALER.]

Minnesota Statutes 1982, sections 45.01; 45.02; 45.021; 45.03; 45.031; 45.032; 45.033; 45.034; 45.15; 45.16, subdivisions 4 and 5; 45.17, subdivision 6; 116J.02; 116J.41; 116J.42, subdivisions 3, 5, and 6; 116J.46; 116J.47; 116J.62; 116J.88, subdivision 3; 155A.03, subdivision 10; and 155A.17 are repealed.

Sec. 101. [EFFECTIVE DATE.]

This act is effective July 1, 1983."

Delete the title and insert:

"A bill for an act relating to the operation of state government; reorganizing the department of commerce; providing for appointment of a commissioner of commerce; prescribing his powers and duties; transferring certain powers and duties from the commissioners of administration, banks, insurance, securities and real estate, and the director of the office of consumer services, to the commissioner of commerce; transferring certain powers and duties from the chairman of the commerce commission to the commissioner of commerce; transferring certain powers and duties from the director of the office of consumer services to the commissioner of commerce and the attorney general; eliminating certain positions and divisions in the department of commerce; reorganizing the department of energy, planning and development; creating a state planning agency, a department of energy and economic development, and an office of tourism; renaming the small business finance agency the energy and economic development authority; creating an information office and an export financing authority; creating energy financing programs; appropriating money; amending Minnesota Statutes 1982, sections 15.039; 15.06, subdivisions 1 and 8; 43A.08, subdivision 1a; 45.04; 45.05; 45.06; 45.07; 45.071, subdivision 2; 45.08, subdivision

3, and by adding a subdivision; 45.16, subdivisions 1 and 2; 45.17, subdivisions 1, 2, 3, 4, 5, 7, and by adding a subdivision; 116J.01, subdivisions 1, 2, and 3; 116J.03; 116J.09; 116J.10; 116J.31; 116J.42, subdivisions 1, 2, 4, 7, and 9; 116J.60; 116J.61; 116J.65, subdivision 5, and by adding a subdivision; 116J.67, subdivision 1; 116J.88, subdivisions 2, 4, 5, 6, 7, 8, and by adding a subdivision; 116J.89, subdivisions 1, 2, 7, 8, 9, 10, and by adding subdivisions; 116J.90; 116J.91, subdivisions 4, 9, 10, 11, 12, 14, 16, 19, and by adding a subdivision; 144A.53, subdivision 4; 155A.03, by adding a subdivision; 155A.05; 155A.18; 214.14, subdivision 1; 216B.62, subdivisions 2 and 3; 299A.04; 325E.09, subdivision 4a; 325F.09; 325F.11; 472.03, subdivision 2; 472.13; proposing new law coded in Minnesota Statutes, chapters 45, 116J, and 216A; proposing new law coded as Minnesota Statutes, chapter 116K; repealing Minnesota Statutes 1982, sections 45.01; 45.02; 45.021; 45.03; 45.031; 45.032; 45.033; 45.034; 45.15; 45.16, subdivisions 4 and 5; 45.17, subdivision 6; 116J.02; 116J.41; 116J.42, subdivisions 3, 5, and 6; 116J.46; 116J.47; 116J.62; 116J.88, subdivision 3; 155A.03, subdivision 10; and 155A.17.”

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

MINORITY REPORT

We, the undersigned members of the Committee on Finance, to which was referred:

S. F. No. 810: A bill for an act relating to energy; providing for comprehensive energy programs; reorganizing the energy functions of state government; providing for energy related bonds; appropriating money; amending Minnesota Statutes 1982, sections 116C.03, subdivision 2; 116J.03, subdivision 1; 116J.09; 116J.10; 116J.88, subdivisions 4, 5, 6, 7, and 8, and by adding a subdivision; 116J.89, subdivisions 1, 2, and 7, and by adding subdivisions; 116J.90, subdivisions 2, 4, and 5; 116J.91, subdivisions 1, 4, 10, 11, 12, 14, 16, and 19, and by adding a subdivision; 462A.02, subdivision 10; 462A.05, by adding subdivisions; proposing new law coded in Minnesota Statutes, chapters 116J; 216A; and 462A; proposing new law coded as Minnesota Statutes, chapter 116L; repealing Minnesota Statutes 1982, sections 116J.62; 116J.88, subdivision 3; and 116J.89, subdivisions 8, 9, and 10.

as a minority report, do hereby report the same back with the recommendation that the committee report be further amended as follows:

Page 31, after line 21, insert:

“The legislature expressly determines that department of commerce statistics of recent years indicate historically high rates of unemployment within Minnesota, the unemployment rate within some areas of the state being higher than the national average; that within the last decade thousands of jobs and job opportunities have left the state; that there has been a deterioration of the business climate within Minnesota with respect to employment, this seriously adversely affecting the economy of the state and the prosperity, safety, health, and general welfare of its inhabitants and their standard of living; that there is an urgent need to correct these adverse

conditions and to build a climate that is favorable to business and business activity to prevent their recurrence; that financial assistance to eligible small businesses in the form of loan programs or the economic development fund would greatly ameliorate these adverse conditions by promoting the maintenance and expansion of employment in the state, in part because eligible small businesses provide most of the private sector employment opportunities within the state; that it is in the public interest and it is a public purpose for the authority to induce and to accelerate opportunity for employment in eligible small businesses by providing assistance for eligible small businesses from its loan programs and the economic development fund; and that the accomplishment of these objectives is a public purpose for which public money, through the appropriation of state funds to the economic development fund, may be spent."

Jim Ramstad, Howard A. Knutson, Dennis R. Frederickson, Dean E. Johnson, Earl W. Renneke, Nancy Brataas, Patricia L. Kronebusch, Lyle G. Mehrkens, Glen Taylor

SECOND READING OF SENATE BILLS

S.F. No. 810 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Kroening moved that H.F. No. 1290 be laid on the table. The motion prevailed.

MEMBERS EXCUSED

Mrs. Brataas was excused from the Session of today until 1:00 p.m. Mr. Laidig was excused from the Session of today from 10:00 to 11:20 a.m. Mr. Solon was excused from the Session of today from 12:00 noon to 2:00 p.m. Mr. Sieloff was excused from the Session of today from 12:30 to 3:00 p.m. Mr. Johnson, D.E. was excused from the Session of today at 3:15 p.m. Mr. Stumpf was excused from the Session of today from 3:30 to 4:45 p.m. Mr. Pogemiller was excused from the Session of today from 5:00 to 5:30 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Friday, May 13, 1983. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-THIRD DAY

St. Paul, Minnesota, Friday, May 13, 1983

The Senate met at 9:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Robert Moritz.

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

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

The President declared a quorum present.

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Nelson moved that the following members be excused for a Conference Committee on H.F. No. 92:

Messrs. Nelson; Pehler; Merriam; Peterson, R.W. and Peterson, D.L. The motion prevailed.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

May 12, 1983

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 664, 987, 1067 and 1104.

Sincerely,
Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 883.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 11, 1983

Mr. President:

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

S.F. No. 1233: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and for other agencies with certain conditions; fixing and limiting fees; providing for adjustments of responsibilities of the department of agriculture for soil and water conservation; allowing limited donation of accumulated vacation time by certain law enforcement employees to their union representative; providing for deposit of proceeds of assessment by the assigned risk review board; regulating financial assistance to public transit systems; limiting certain hearing functions of the transportation regulation board; transferring certain rules authority to the transportation regulation board; reducing membership and establishing terms of members of the public utilities commission; defining enforcement powers of the hazardous material specialists and transportation representatives of the department of transportation; defining terms and requirements for building movers; crediting certain receipts of the commissioner of transportation to the trunk highway fund; providing for certain costs to be paid from the trunk highway fund; authorizing the commissioner of transportation to enforce certain carrier regulations; extending retirement coverage of certain employees of the department of transportation from age 60 to age 62 and providing for disability benefits; transferring and renaming the air transportation revolving account; instructing the commissioner of transportation to charge users of certain air transportation services for certain costs; limiting fare increases by the metropolitan transit commission; basing taxing for the metropolitan transit taxing district upon the level of transit service provided; providing for the disposition of proceeds of certain trunk highway bonds; reducing the amount appropriated from the bridge construction account in the trunk highway fund to the department of transportation; amending Minnesota Statutes 1982, sections 12.14; 17A.04, subdivision 5; 18.51, subdivision 2; 18.52, subdivision 5; 18.53; 18.54; 18A.22, subdivisions 5 and 7; 18A.26; 27.041, subdivision 2; 28A.08; 28A.09; 32.075; 32.59; 34.02; 34.05, sub-

division 1; 40.03, subdivision 2, as amended; 43A.04, by adding a subdivision; 79.251, subdivision 1; 155A.07, subdivision 7; 155A.08, subdivision 5; 169.81, subdivision 3b; 169.86, subdivision 5; 169.862; 170.23; 171.26; 171.29, subdivision 2; 173.07, subdivision 2; 173.08, subdivision 1; 173.13, subdivision 4; 174.24, subdivision 3; 174A.02, subdivision 2; 174A.06; 216A.03, subdivision 1; 221.061; 221.071; 221.131; 221.221; 221.296, subdivision 5; 221.64; 221.81; 296.17, subdivisions 10, 17, and 20; 296.25, subdivision 1; 299C.46, subdivision 3; 352.86, subdivisions 1, 2, and by adding a subdivision; 360.018, subdivision 1; 360.63; 473.408, subdivision 3 and by adding a subdivision; 473.446, subdivision 1, as amended; 500.221, subdivision 4; 626.88, subdivision 2; Laws 1975, chapter 235, section 2; Laws 1977, chapter 277, sections 1 and 3, subdivision 1; and Laws 1983, chapter 17, section 12; proposing new law coded in Minnesota Statutes, chapters 10A; 221; 299C; and 360; repealing Minnesota Statutes 1982, sections 24.24; 24.25; 24.26; 24.27; 24.28; 24.29; 24.30; 24.31; 160.26, subdivision 3; 174.265; and 174A.07.

Senate File No. 1233 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 1983

Mr. Langseth moved that the Senate do not concur in the amendments by the House to S.F. No. 1233, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 292: A bill for an act relating to public welfare; defining persons responsible for a child's care under the child abuse reporting law; amending Minnesota Statutes 1982, section 626.556, subdivisions 2, 7, and 10.

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

Ellingson, Scheid and Olsen.

Senate File No. 292 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 1983

Mr. President:

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

S.F. No. 1234: A bill for an act relating to the organization and operation of state government; appropriating money for welfare, corrections, health,

and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines commission, corrections ombudsman, and health related boards; providing an entitlement to certain child care services; increasing marriage license and dissolution fees; providing for distribution of federal maternal and child health block grant money; requiring cost increase limits and other cost containment measures in medical care programs; amending eligibility standards; changing general assistance to allow flat grants, employment through grant diversion and work registration requirements, and federal benefit application incentives; providing for job training for certain persons; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines commission, corrections ombudsman, and health related boards; amending Minnesota Statutes 1982, sections 129A.03; 144.653, subdivision 2; 144A.04, subdivision 5; 144A.10, subdivision 2; 145.882; 145.921, subdivision 1; 245.62; 245.66; 245.83; 245.84, subdivisions 1, 2, and 5; 245.85; 245.86; 245.87; 256.045, subdivision 3; 256.82, by adding a subdivision; 256.966, subdivision 1; 256.968; 256B.02, subdivision 8; 256B.04, subdivision 14, and by adding a subdivision; 256B.06, subdivision 1; 256B.07; 256B.14, subdivision 2; 256B.17, subdivision 4, and by adding subdivisions; 256B.27, subdivision 3; 256B.48, by adding a subdivision; 256D.01, subdivision 1; 256D.02, subdivision 4; 256D.03, subdivisions 3 and 4, and by adding subdivisions; 256D.05, subdivision 1a; 256D.06, subdivision 5; 256D.09, subdivision 2, and by adding a subdivision; 260.191, subdivision 2; 260.242, subdivision 2; 261.23; 357.021, subdivisions 2 and 2a; 401.14, by adding a subdivision; 401.15, subdivision 1; 517.08, subdivisions 1b and 1c; proposing new law coded in Minnesota Statutes, chapters 145; 252; 256; 256B; 256D; and 268; repealing Minnesota Statutes 1982, sections 256D.02, subdivision 14; 256D.05, subdivision 1a; 256D.06, subdivision 1a; 256D.22; and Laws 1981, chapter 360, article II, section 54, as amended.

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

Wynia, Greenfield, Murphy, Staten and St. Onge.

Senate File No. 1234 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 280, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 280: A bill for an act relating to data privacy; establishing standards and procedures for the release of financial information; proposing new law coded as Minnesota Statutes, chapter 13A.

Senate File No. 280 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 1983

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 409.

H.F. No. 409: A bill for an act relating to liquor; restrictions upon joint purchases and volume discounts at wholesale; amending Minnesota Statutes 1982, sections 340.408; and 340.983.

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

Jacobs, St. Onge and Dempsey have been appointed as such committee on the part of the House.

House File No. 409 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 12, 1983

Mr. Purfeerst moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 409, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 72: A bill for an act relating to occupations and professions; authorizing the commissioner of public safety to provide administrative support services to the board of peace officer standards and training; amending Minnesota Statutes 1982, sections 214.04, subdivision 1; 626.843, subdivision 1; 626.845, subdivision 1; and 626.849.

Senate File No. 72 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 1983

Mr. Wegscheid moved that the Senate do not concur in the amendments by the House to S.F. No. 72, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 652: A bill for an act relating to agriculture; adopting recom-

mended federal rules relating to milk quality for manufacturing purposes; providing for phase in of inspections and compliance; proposing new law coded in Minnesota Statutes, chapter 32.

Senate File No. 652 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 1983

Mr. Wegscheid moved that the Senate do not concur in the amendments by the House to S.F. No. 652, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 1029.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 12, 1983

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 1029: A bill for an act relating to transportation; modifying the definition of truck-tractor to include the power unit of automobile carriers; adjusting the motor vehicle registration tax on certain trailers; requiring proof of payment of the federal heavy use tax on heavy trucks; increasing the maximum allowable width on vehicles from 8 to 8-1/2 feet; modifying vehicle length requirements to allow longer semitrailers and vehicle combinations; modifying the gross weight seasonal increase to include all axle combinations; modifying the distance a peace officer may require a vehicle to travel to a scale; increasing width requirement on loads of baled hay before flashing amber lights are required; amending Minnesota Statutes 1982, sections 168.011, subdivision 12; 168.013, subdivision 1d, and by adding a subdivision; 169.01, subdivision 7; 169.80, subdivision 2; 169.81, subdivisions 2 and 3; 169.825, subdivision 11; 169.85; 169.862; 169.871, subdivision 1; and 169.872, by adding a subdivision; repealing Minnesota Statutes 1982, sections 169.80, subdivision 2a; and 169.81, subdivisions 3a, 3b, and 7.

Mr. Novak moved that H.F. No. 1029 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 920: A bill for an act relating to metropolitan government; regulating airport development; amending Minnesota Statutes 1982, section 473.611, subdivision 5.

Reports the same back with the recommendation that the report from the Committee on Local and Urban Government, shown in the Journal for April 26, 1983, be amended to read:

"the bill be amended and when so amended the bill do pass and be referred to the Committee on Transportation". Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 709: A bill for an act relating to liens on personal property; adopting the Council of State Government Model Act; proposing new law coded in Minnesota Statutes, chapter 514.

Reports the same back with the recommendation that the report from the Committee on Judiciary, shown in the Journal for April 20, 1983, be adopted; that committee recommendation being

"the bill be amended and when so amended the bill do pass." Amendments adopted. Report adopted.

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

H.F. No. 1124: A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, omitted, and obsolete references and text; eliminating certain redundant, conflicting, and superseded provisions; providing instructions to the revisor; amending Minnesota Statutes 1982, sections 10A.275; 10A.31, subdivision 2; 10A.32, subdivision 3b; 10A.335; 11A.24, subdivision 6; 15.06, subdivision 1; 16.861, subdivision 3; 17A.06, subdivision 3; 32.212; 32.213; 35.251; 43A.18, subdivision 5; 45.16, subdivision 2; 48.605, subdivision 1; 60A.07, subdivision 8; 60A.17, subdivision 7a; 93.20, subdivision 9; 98.46, subdivision 16; 100.27, subdivision 9; 112.85, subdivision 2; 116D.05; 116G.03, subdivision 5; 116J.70, subdivision 2a; 120.80, subdivision 1; 120.81, subdivision 1; 121.904, subdivision 11b; 168.021, subdivision 2; 169.451; 169.974, subdivision 2; 169.974, subdivision 6; 169.99, subdivision 1; 171.131, subdivision 2; 179.70, subdivision 1; 238.04, subdivision 2; 244.09, subdivision 1; 252A.13, subdivision 2; 253B.19, subdivision 5; 256.871, subdivision 7; 256.976, subdivision 4; 260.185, subdivision 1; 260.193, subdivision 6; 268.18, subdivision 2; 273.13, subdivisions 6 and 7d; 275.125, subdivision 1; 282.38, subdivisions 1 and 2; 290.012, subdivision 2; 297.02, subdivision 5; 298.28, subdivision 1; 326.241, subdivision 1; 327B.01, subdivisions 11 and 14; 327B.04, subdivision 4; 327B.05, subdivision 1; 327B.09, subdivision 1; 340.069; 354.532, subdivision 4; 363.03, subdivision 10; 367.41, subdivisions 1 and 5; 367.42, subdivision 1; 375B.01; 381.12, subdivision 2; 383A.35; 398A.01, subdivision 8; 462.355, subdivision 4; 462.36, subdivision 1; 462.445, subdivision 14;

462C.04, subdivision 2; 474.03; 508A.46; 515A.1-102; 518.24; and 525.619; amending Laws 1982, chapter 581, section 18, subdivision 4; and Laws 1982, Third Special Session chapter 1, article II, section 7; repealing Minnesota Statutes 1982, section 609.01, subdivision 2; repealing Laws 1976, chapters 2, section 62; and 173, section 53; Laws 1981, chapter 224, section 18; Laws 1982, chapters 416, section 1; 424, sections 3 and 8; and 642, section 8.

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 1041: A bill for an act relating to the city of Plymouth; giving the city the powers of a port authority.

Reports the same back with the recommendation that the report from the Committee on Local and Urban Government, shown in the Journal for April 26, 1983, be adopted; that committee recommendation being

“the bill do pass”. Report adopted.

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

S.F. No. 863: A resolution memorializing the President and Secretary of State of the United States to protest discrimination against Soviet Jews and seek an end to restrictions on their emigration.

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

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

S.F. No. 531: A resolution memorializing the President and Congress of the United States to provide medical care for former members of the military forces who were exposed to atomic radiation in the course of their duties.

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

Page 1, line 17, delete “all”

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

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

S.F. No. 1126: A resolution memorializing the United States Congress to conduct an in-depth investigation of the steel industry.

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

Page 2, line 8, delete "RESOVLED" and insert "RESOLVED"

Page 2, line 9, after "investigation" insert "be conducted"

Page 2, line 9, after "the" insert "trade policies and practices of the United States government as they affect the American steel industry and the"

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

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

S.F. No. 751: A resolution memorializing the Commission on Wartime Relocation and Internment of Civilians to recommend to the United States Congress to provide adequate compensation to internees.

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

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

H.F. No. 836: A bill for an act relating to the legislative reference library; permitting the library to require certain identification of documents deposited; amending Minnesota Statutes 1982, sections 3.195; and 3.302, by adding a subdivision.

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 415: A bill for an act relating to state government; providing for salaries for constitutional officers, agency heads, metropolitan agency heads, and certain judicial positions; establishing a compensation council; limiting local government salaries; prohibiting cash payments for accumulated vacation pay; expanding the authority of the commissioner of employee relations to set salaries; requiring the governor to recommend certain salaries; removing salary setting authority of certain state agencies; removing additional compensation for the career executive service; requiring approval of the Minneapolis city council of compensation and benefits of employees of the Minneapolis employees retirement fund board; ratifying state and University of Minnesota labor agreements, compensation plans, and plans for early retirement incentives; amending Minnesota Statutes 1982, sections 3.855, subdivision 3; 3.922, subdivision 5; 15A.081, subdivisions 1, 6, and 7; 15A.083, subdivisions 1, 2, and 4; 43A.17, by adding a subdivision; 43A.18, subdivisions 3, 4, and 5; 43A.21, by adding a subdivision; 105.71, subdivision 2; 136.034; 136A.03; 179.741, subdivision 1; 244.09, subdivision 10; 256.482, subdivision 2; 298.22, subdivision 1; 326.241, subdivision 2; 352.03, subdivision 4; 354.06, subdivision 2; 422A.03, subdivision 2; 484.68, subdivision 6; and Laws 1980, chapter 564, article XII, section 1, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 15A; repealing Minnesota Statutes 1982, section

136A.035.

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

Page 8, lines 10 to 12, after the stricken language, insert:

*“Effective
July 1
1983”*

Page 8, line 13, reinstate “Governor” and after the stricken language, insert “\$70,000”

Page 8, line 14, reinstate “Attorney general” and after the stricken language, insert “62,500”

Page 8, line 15, reinstate “Lieutenant governor” and after the stricken language, insert “43,000”

Page 8, line 16, reinstate “Auditor” and after the stricken language, insert “43,000”

Page 8, line 17, reinstate “Secretary of state” and after the stricken language, insert “43,000”

Page 8, line 18, reinstate “Treasurer” and after the stricken language, insert “43,000”

Page 8, delete lines 19 to 27

Page 10, line 35, strike the second “Effective”

Page 10, line 36, strike the second “July 1,”

Page 11, line 2, delete “1984”

Page 11, line 5, delete “\$65,000” and insert “\$70,000” and delete “\$73,000”

Page 11, line 8, delete “61,000” and insert “62,500” and delete “68,000”

Page 11, line 10, delete “61,000” and insert “62,500” and delete “68,000”

Page 11, line 12, delete “58,000” and insert “60,000” and delete “63,000”

Page 11, strike line 15

Page 11, line 18, delete “53,000” and insert “54,000” and delete “58,000”

Page 11, lines 19 to 22, strike the old language and delete the new language

Page 12, line 21, delete “and fourth” and insert “, fourth, and sixth”

Page 13, line 6, delete “58,000” and insert “54,000”

Page 13, line 10, delete “adopt or approve” and insert “recommend”

Page 13, line 13, delete “be paid cash for” and insert “convert”

Page 13, line 14, after "*leave*" insert "*into cash or deferred compensation*"

Page 22, line 35, delete "*section*" and insert "*chapter*"

Pages 25 and 26, delete section 25

Page 28, line 20, delete "29" and insert "28"

Page 28, line 20, delete "30" and insert "29"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 27, delete "422A.03, subdivision 2;"

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

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

Senate Resolution No. 35: A Senate resolution urging various officials and groups to assist on raising funds for an epilepsy education center.

Reports the same back with the recommendation that the resolution be adopted. Report adopted.

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

H.F. No. 652 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
652	660				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 652 be amended as follows:

Page 1, line 16, delete "*teachers*" and insert "*teachers*"

Page 1, line 23, delete "*teachers*" and insert "*teachers*"

Page 1, line 26, before the period insert "*thereof and all substitutes therefor*"

Page 3, delete subdivision 5

Pages 3 and 4, delete section 3

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete line 4

Page 1, line 8, delete "sections 356.61;" and insert "section"

And when so amended H.F. No. 652 will be identical to S.F. No. 660, and further recommends that H.F. No. 652 be given its second reading and

substituted for S.F. No. 660, and that the Senate File be indefinitely postponed.

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

Mr. Willet from the Committee on Finance, to which was referred

H.F. No. 575: A bill for an act relating to labor; providing for comprehensive reform of all aspects of workers' compensation; ratifying changes in the state employee bargaining unit composition schedule; ratifying state and University of Minnesota labor agreements, compensation plans, and plans for early retirement incentives; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 43A.23, by adding a subdivision; 79.071, subdivisions 1 and 1a; 79.211, subdivision 1; 79.251; 79.34, subdivisions 1, 2, and by adding a subdivision; 79.35; 79.37; 79.51, subdivisions 1 and 3; 79.52, by adding a subdivision; 175.006, subdivision 1; 175.007, subdivision 1; 175.08; 175.10; 175.101, subdivisions 1 and 2; 176.011, by adding subdivisions; 176.012; 176.021, subdivision 3; 176.041, subdivision 1; 176.061; 176.101, subdivisions 2, 3, 6, and by adding subdivisions; 176.102, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and by adding subdivisions; 176.105, by adding a subdivision; 176.111, subdivisions 6, 7, 8, and 18, and by adding a subdivision; 176.121; 176.131, subdivisions 1, 1a, 2, 3, 4, 5, 6, 7, and 8; 176.132, subdivision 1, and by adding a subdivision; 176.134, subdivision 4; 176.135, subdivisions 1 and 3; 176.136; 176.155, subdivisions 3 and 5; 176.179; 176.182; 176.183, subdivisions 1, 1a, and by adding subdivisions; 176.185, by adding a subdivision; 176.191, by adding subdivisions; 176.195, subdivision 2, and by adding subdivisions; 176.221; 176.225, subdivisions 1, 2, and 3; 176.231, subdivisions 3, 4, 5, 9, and 10; 176.241, subdivisions 2 and 4; 176.281; 176.285; 176.321, subdivision 1; 176.331; 176.341; 176.361; 176.371; 176.421, subdivisions 3, 4, 6, and 7; 176.442; 176.461; 176.521, subdivisions 2, 2a, and 3; 176.561; 176.571, subdivision 6; 176.645, subdivision 1; 176.66, by adding subdivisions; 179.741, subdivision 1, and by adding a subdivision; 268.08, subdivision 3; and 471.982, subdivision 2, and by adding a subdivision; Laws 1981, chapter 346, sections 145 and 146; proposing new law coded in Minnesota Statutes, chapters 79 and 176; repealing Minnesota Statutes 1982, sections 79.51, subdivision 2; 79.63; 175.07; 175.101, subdivision 3; 175.36; 176.102, subdivision 12; 176.131, subdivisions 9, 10, 11, and 12; 176.152; and 176.262.

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

Delete everything after the enacting clause and insert:

“Article 1

Section 1. Minnesota Statutes 1982, section 179.741, subdivision 1, is amended to read:

Subdivision 1. [STATE EMPLOYEES.] Subject to the provisions of section 179.742, subdivision 5, all appropriate units of state employees certified as of April 25, 1980 are abolished. The following shall be the appro-

priate units of executive branch state employees for the purposes of sections 179.61 to 179.76. All units shall exclude employees excluded by section 179.74, subdivision 4 and supervisory employees shall only be assigned to units 12 and 16. Unclassified employees, unless otherwise excluded, are included within the units which include the classifications to which they are assigned for purposes of compensation. No additional units of executive branch state employees shall be recognized for the purpose of meeting and negotiating.

(1) Law enforcement unit. This unit shall consist of all sworn state patrol personnel, all uniformed conservation officers, and all criminal apprehension agents.

(2) Craft, maintenance, and labor unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ *May 4, 1982*.

(3) Service unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ *May 4, 1982*.

(4) Health care non-professional unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ *May 4, 1982*.

(5) Health care professional unit. This unit shall consist of all positions which are required to be filled by registered nurses.

(6) Clerical and office unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ *May 4, 1982*.

(7) Technical unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ *May 4, 1982*.

(8) Correctional Guards unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ *May 4, 1982*.

(9) State university instructional unit. This unit shall consist of those positions assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ *May 4, 1982*.

(10) Community college instructional unit. This unit shall consist of those positions assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ *May 4, 1982*.

(11) State university administrative unit. This unit shall consist of those

positions assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ May 4, 1982.

(12) Professional engineering supervisory unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ May 4, 1982.

(13) Health treatment unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ May 4, 1982.

(14) General professional unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ May 4, 1982.

(15) Professional state residential instructional unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ May 4, 1982.

(16) Supervisory employees unit. This unit shall consist of those positions assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ May 4, 1982.

Sec. 2. Minnesota Statutes 1982, section 179.741, is amended by adding a subdivision to read:

Subd. 1a. [UNIT 12 EMPLOYEES.] Notwithstanding the changes made in the composition of unit 12 by this act, employees in unit 12 shall continue to be treated as supervisory employees for purposes of the right to strike and for purposes of interest arbitration.

Sec. 3. [AMENDED UNIT COMPOSITION SCHEDULE.]

The unit composition schedule for state employees adopted by the legislative commission on employee relations on March 24, 1980, as amended through the effective date of this section, is amended by striking the job classifications entitled "police training course supervisor" and "police training instructor" from unit (14) and inserting those job classifications into unit (1).

Sec. 4. [STATE EMPLOYEE RATIFICATION.]

Subdivision 1. [NEGOTIATED SUPPLEMENTAL AGREEMENTS.] The supplemental agreements negotiated between the state and the exclusive representatives of state bargaining units 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 14, and 16, providing for early retirement incentives, which were given interim approval by the legislative commission on employee relations after adjournment of the 1982 legislature, are ratified.

Subd. 2. [COMMISSIONER'S PLAN.] The terms of the commissioner of employee relations' plan for unrepresented state employees, as amended and given interim approval by the legislative commission on employee relations

after adjournment of the 1982 legislature, are ratified.

Sec. 5. [UNIVERSITY RATIFICATION.]

Subdivision 1. [EARLY RETIREMENT.] The supplemental labor agreements and other compensation plans approved by the board of regents, providing early retirement incentives for University of Minnesota employees, as approved by the legislative commission on employee relations after adjournment of the 1982 legislature, are ratified.

Subd. 2. [UNREPRESENTED EMPLOYEES SALARY SUPPLEMENTS.] The salary supplements provided in the University of Minnesota regents' compensation plans, as approved by the legislative commission on employee relations after adjournment of the 1982 legislature, are approved for the following groups of unrepresented employees: nursing, clerical and office, technical, twin city instructional, noninstructional professional, out-state instructional, supervisory, managerial and confidential, and graduate assistants.

Subd. 3. [DULUTH AND WASECA.] The salary supplements provided in the labor agreement between the regents of the University of Minnesota and the university education association, representing the organized faculty at the Duluth and Waseca campuses, is ratified, as approved by the legislative commission on employee relations on January 31, 1983.

Sec. 6. [EFFECTIVE DATE.]

Sections 1, 2, 4, and 5 are effective the day following final enactment. Section 3 is effective July 1, 1983.

Article 2

Section 1. Minnesota Statutes 1982, section 43A.23, is amended by adding a subdivision to read:

Subd. 3. [CONTRACT WITH INSURANCE CARRIERS.] The commissioner of labor and industry may contract with carriers authorized to provide coverage under the state employees group insurance plan to extend coverage to eligible employees who incur medical expenses due to a personal injury which results from their state employment which is compensable under chapter 176.

Sec. 2. Minnesota Statutes 1982, section 79.071, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall adopt a schedule of workers' compensation insurance rates for use in this state for each classification under which business is written until January 1, ~~1986~~ 1984. The schedule of rates shall not be excessive, inadequate, or unfairly discriminatory. In adopting a schedule of rates, the commissioner may act on the written petition of the association or any other interested party requesting that a hearing be held for modification of the schedule of rates. The commissioner may include the expense of a reasonable charge for the services of an agent of record, for the service of rejected risks as set forth in sections 79.24 to 79.27.

Sec. 3. Minnesota Statutes 1982, section 79.071, subdivision 1a, is amended to read:

Subd. 1a. If the legislature enacts amendments to the workers' compensation laws of this state which indicate a reduction in the schedule of rates, or the commissioner determines that the loss experience of Minnesota workers' compensation insurers indicates a change in the existing schedule of rates, the commissioner may, in his discretion, order a change in the schedule of rates or order a hearing to determine whether and by what percentage the schedule of rates should be changed. A hearing held pursuant to this subdivision is not subject to the contested case proceeding requirements of sections 79.071 and 79.072, notwithstanding section 79.076. *The commissioner is prohibited from granting approval of any proposed increase in rates after May 1, 1983.*

Sec. 4. Minnesota Statutes 1982, section 79.211, subdivision 1, is amended to read:

Subdivision 1. [CERTAIN WAGES EXCLUDED FOR RATE MAKING.] The rating association or an insurer shall not include wages paid for a vacation, holiday, or sick leave in the determination of a workers' compensation insurance premium. *An insurer shall not include that portion of an employee's wages which exceeds 1-1/2 times the maximum temporary total compensation allowed pursuant to section 176.101, subdivision 1, in the determination of a workers' compensation insurance premium.*

Sec. 5. Minnesota Statutes 1982, section 79.251, is amended to read:

79.251 [ADMINISTRATION OF ASSIGNED RISK PLAN.]

Subdivision 1. [ASSIGNED RISK PLAN REVIEW BOARD.] (1) An assigned risk plan review board is created for the purposes of review of the operation of sections ~~79.24 to 79.27 6 and 79.251~~. The board shall have all the usual powers and authorities necessary for the discharge of its duties under this section and may contract with individuals in discharge of those duties.

(2) The board shall consist of ~~five~~ six members to be appointed by the commissioner of insurance. ~~Two~~ Three members shall be insureds holding policies or contracts of coverage issued pursuant to ~~section 79.25 subdivision 4~~. Two members shall be ~~members of the association~~ insurers licensed pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b). The commissioner shall be the ~~fifth~~ sixth member and shall vote.

Initial appointments shall be made by September 1, 1981, and terms shall be for three years duration. Removal, the filling of vacancies and compensation of the members other than the commissioner shall be as provided in section 15.059.

(3) The assigned risk plan review board shall audit the reserves established by insurers (a) for individual cases arising under policies and contracts of coverage issued under ~~section 79.25 subdivision 4~~ and (b) for the total book of business issued under ~~section 79.25 subdivision 4~~.

(4) The assigned risk plan review board shall monitor the operations of sections ~~79.24 to 79.27 6 and 79.251~~ and shall periodically make recommendations to the commissioner, and to the governor and legislature when appropriate, for improvement in the operation of those sections.

(5) All ~~members of the association~~ insurers and self-insurance administra-

tors issuing policies or contracts under section 79.25 subdivision 4 shall pay and the commissioner shall receive and disburse, on behalf of the board, a .25 percent assessment on premiums for policies and contracts of coverage issued under section 79.25 subdivision 4 for the purpose of defraying the costs of the assigned risk plan review board.

(6) *The assigned risk plan and the assigned risk plan review board shall not be deemed a state agency.*

Subd. 2. [APPROPRIATE MERIT RATING PLAN.] The commissioner shall develop an appropriate merit rating plan which shall be applicable to all insureds holding policies or contracts of coverage issued pursuant to section 79.25 whose premium is less than the amount necessary to qualify for experience rating subdivision 4 and to the insurers or self-insurance administrators issuing those policies or contracts. The plan shall provide a maximum merit payment adjustment equal to ten percent of earned premium. The actual payment adjustment may vary with insured's loss experience.

Subd. 3. [RATES.] *Insureds served by the assigned risk plan shall be charged premiums based upon a rating plan, including a merit rating plan adopted by the commissioner by rule. The commissioner shall annually, not later than January 1 of each year, establish the schedule of rates applicable to assigned risk plan business. Assigned risk premiums shall not be lower than rates generally charged by insurers for the business. The commissioner shall fix the compensation received by the agent of record. The establishment of the assigned risk plan rates and agent fees are not subject to chapter 14.*

Subd. 4. [ADMINISTRATION.] *The commissioner shall enter into service contracts as necessary or beneficial to accomplishing the purposes of the assigned risk plan. Services related to the administration of policies or contracts of coverage shall be performed by one or more qualified insurance companies licensed pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b), or self-insurance administrators licensed pursuant to section 176.181, subdivision 2, clause (2), paragraph (a). A qualified insurer or self-insurance administrator shall possess sufficient financial, professional, administrative, and personnel resources to provide the services contemplated in the contract. Services related to assignments, data management, assessment collection, and other services shall be performed by a licensed data service organization. The cost of those services is an obligation of the assigned risk plan.*

Subd. 5. [ASSESSMENTS.] *The commissioner shall assess all insurers licensed pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b) an amount sufficient to fully fund the obligations of the assigned risk plan, if the commissioner determines that the assets of the assigned risk plan are insufficient to meet its obligations. The assessment of each insurer shall be in a proportion equal to the proportion which the amount of compensation insurance written in this state during the preceding calendar year by that insurer bears to the total compensation insurance written in this state during the preceding calendar year by all licensed insurers.*

Sec. 6. [79.252] [ASSIGNED RISK PLAN.]

Subdivision 1. [PURPOSE.] *The purpose of the assigned risk plan is to provide workers' compensation coverage to employers rejected by a li-*

censed insurance company, pursuant to subdivision 2.

Subd. 2. [REJECTED RISKS.] An insurer that refuses to write insurance for an employer shall furnish the employer a written notice of refusal. The employer shall file a copy of the notice of refusal with the data service organization under contract with the commissioner pursuant to section 79.251, subdivision 4.

Subd. 3. [COVERAGE.] Policies and contracts of coverage issued pursuant to section 79.251, subdivision 4, shall contain the usual and customary provisions of workers' compensation insurance policies, and shall be deemed to meet the mandatory workers' compensation insurance requirements of section 176.181, subdivision 2.

Subd. 4. [RESPONSIBILITIES.] Assigned risk policies and contracts of coverage shall be subject to premium tax pursuant to section 60A.15, and special compensation fund assessments pursuant to section 176.131, subdivision 10. The assigned risk plan shall be a member of the reinsurance association for the purposes of sections 79.34 to 79.40 and shall be deemed to have selected the higher retention limit provided in section 79.34, subdivision 2.

Subd. 5. [RULES.] The commissioner may adopt rules, including temporary rules, as may be necessary to implement sections 6 and 79.251.

Sec. 7. Minnesota Statutes 1982, section 79.34, subdivision 1, is amended to read:

Subdivision 1. A nonprofit association known as the workers' compensation reinsurance association is created, which may be incorporated under chapter 317 with all the powers of a corporation formed under that chapter, except that if the provisions of that chapter are inconsistent with sections 79.34 to 79.40 or any amendments thereto, sections 79.34 to 79.40 shall govern. Each insurer as defined by section 79.01, subdivision 2, shall as a condition of its authority to transact workers' compensation insurance in this state, be a member of the reinsurance association and shall be bound by the plan of operation of the reinsurance association; provided, that all affiliated insurers within a holding company system as defined in sections 60D.01 to 60D.13 shall be considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association. Each self-insurer approved pursuant to section 176.181 and each political subdivision which self-insures shall, as a condition of its authority to self-insure workers' compensation liability in this state, be a member of the reinsurance association and shall be bound by its plan of operation; provided, that (a) all affiliated companies within a holding company system, as determined by the commissioner in a manner consistent with the standards and definitions in sections 60D.01 to 60D.13, shall be considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association, and (b) all group self-insurers granted authority to self-insure pursuant to section 176.181 shall be considered a single entity for purposes of the exercise of all the rights and duties of membership in the reinsurance association. *As a condition of its authority to self-insure workers' compensation liability, and for losses incurred on or after January 1, 1984, the state shall be a member of the reinsurance association and is bound by its plan of operation. The commissioner of labor and industry rep-*

resents the state in the exercise of all the rights and duties of membership in the reinsurance association. The state treasurer shall pay the premium to the reinsurance association from the state compensation revolving fund upon warrants of the commissioner of labor and industry. For the purposes of this section "state" means the administrative branch of state government, the legislative branch, the judicial branch, the University of Minnesota, and any other entity whose workers' compensation liability is paid from the state revolving fund. The commissioner may calculate, prorate, and charge a department or agency the portion of premiums paid to the reinsurance association for employees who are paid wholly or in part by federal funds, dedicated funds, or special revenue funds. The reinsurance association shall is not be deemed a state agency. Actions of the reinsurance association and its board of directors and actions of the commissioner of insurance with respect to the reinsurance association shall are not be subject to chapter chapters 13, 14, and 15. The reinsurance association shall be is exempt from taxation under the laws of this state and all property owned by the association shall be is exempt from taxation. The reinsurance association shall is not be obligated to make any payments or pay any assessments to any funds or pools established pursuant to this chapter or chapter 176 or any other law.

Sec. 8. Minnesota Statutes 1982, section 79.34, subdivision 2, is amended to read:

Subd. 2. The reinsurance association shall provide and each member shall accept indemnification for 100 percent of the amount of ultimate loss sustained in each loss occurrence relating to one or more claims arising out of a single compensable event, including aggregate losses related to a single event or occurrence which constitutes a single loss occurrence, under chapter 176 on and after October 1, 1979, in excess of \$300,000 or \$100,000 retention limit, at the option of the member. In case of occupational disease causing disablement on and after October 1, 1979, each person suffering such disablement shall be due to occupational disease is considered to be involved in a separate loss occurrence. The lesser lower retention limit shall be increased to the nearest \$10,000, on January 1, 1982 and on each January 1 thereafter by the percentage increase in the statewide average weekly wage, as determined in accordance with section 176.011, subdivision 20. On January 1, 1982 and on each January 1 thereafter, the greater higher retention limit shall be increased by the amount necessary to retain a \$200,000 difference between the two retention limits. Ultimate loss as used in this section means the actual loss amount which a member is obligated to pay and which is paid by the member for workers' compensation benefits payable under chapter 176 and shall not include claim expenses, assessments, damages or penalties. For losses incurred on or after January 1, 1979, any amounts paid by a member pursuant to sections 176.183, 176.221, 176.225, and 176.82 shall not be included in ultimate loss and shall not be indemnified by the reinsurance association. A loss is incurred by the reinsurance association on the date on which the accident or other compensable event giving rise to the loss occurs, and a member is liable for a loss up to its retention limit in effect at the time that the loss was incurred, except that members which are determined by the reinsurance association to be controlled by or under common control with another member, and which are liable for claims from one or more employees entitled to compensation for a single compensable event, including aggregate losses relating to a single loss occurrence, may aggregate their losses and obtain indemnification from the reinsurance association for the aggregate losses in excess of the higher retention limit in effect at the time the loss was

incurred. Each member is liable for payment of its ultimate loss and shall be entitled to indemnification from the reinsurance association for the ultimate loss in excess of the member's retention limit in effect at the time of the loss occurrence.

A member that chooses the higher retention limit shall retain the liability for all losses below the higher retention limit itself and shall not transfer the liability to any other entity or reinsure or otherwise contract for reimbursement or indemnification for losses below its retention limit, except in the following cases: (a) when the reinsurance or contract is with another member which, directly or indirectly, through one or more intermediaries, control or are controlled by or are under common control with the member; (b) when the reinsurance or contract provides for reimbursement or indemnification of a member if and only if the total of all claims which the member pays or incurs, but which are not reimbursable or subject to indemnification by the reinsurance association for a given period of time, exceeds a dollar value or percentage of premium written or earned and stated in the reinsurance agreement or contract; (c) when the reinsurance or contract is a pooling arrangement with other insurers where liability of the member to pay claims pursuant to chapter 176 is incidental to participation in the pool and not as a result of providing workers' compensation insurance to employers on a direct basis under chapter 176; (d) when the reinsurance or contract is limited to all the claims of a specific insured of a member which are reimbursed or indemnified by a reinsurer which, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the insured of the member so long as any subsequent contract or reinsurance of the reinsurer relating to the claims of the insured of a member is not inconsistent with the bases of exception provided under clauses (a), (b) and (c) above; or (e) when the reinsurance or contract is limited to all claims of a specific self-insurer member which are reimbursed or indemnified by a reinsurer which, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the self-insurer member so long as any subsequent contract or reinsurance of the reinsurer relating to the claims of the self-insurer member are not inconsistent with the bases for exception provided under clauses (a), (b) and (c) above.

Whenever it appears to the commissioner that any member that chooses the higher retention limit has participated in the transfer of liability to any other entity or reinsured or otherwise contracted for reimbursement or indemnification of losses below its retention limit in a manner inconsistent with the bases for exception provided under clauses (a), (b), (c), (d), and (e), the commissioner may, after giving notice and an opportunity to be heard, order the member to pay to the state of Minnesota an amount not to exceed twice the difference between the reinsurance premium for the higher and lower retention limit applicable to the member for each year in which the prohibited reinsurance or contract was in effect. Any member subject to this penalty provision shall continue to be bound by its selection of the higher retention limit for purposes of membership in the reinsurance association.

Sec. 9. Minnesota Statutes 1982, section 79.34, is amended by adding a subdivision to read:

Subd. 7. For losses incurred on or after January 1, 1984, the reinsurance

association shall indemnify the member for the ultimate loss, in excess of the retention limit in effect at the time of the loss occurrence, sustained in each loss occurrence relating to one or more claims arising out of a single compensable event in another state provided that:

(a) the injured worker is eligible for benefits under section 176.041, subdivision 2 or 3, but elects to receive benefits under the workers' compensation statute of another state in lieu of benefits under chapter 176; and

(b) the ultimate loss indemnified by the reinsurance association shall be determined as provided in this chapter, except that the benefits shall be equal to those required to be paid under the workers' compensation statute of the state elected.

Sec. 10. Minnesota Statutes 1982, section 79.35, is amended to read:

79.35 [DUTIES; RESPONSIBILITIES; POWERS.]

The reinsurance association shall do the following on behalf of its members:

(a) Assume 100 percent of the liability as provided in section 79.34;

(b) Establish procedures by which members shall promptly report to the reinsurance association each claim which, on the basis of the injury sustained, may reasonably be anticipated to involve liability to the reinsurance association if the member is held liable under chapter 176. Solely for the purpose of reporting claims, the member shall in all instances consider itself legally liable for the injury. The member shall advise the reinsurance association of subsequent developments likely to materially affect the interest of the reinsurance association in the claim;

(c) Maintain relevant loss and expense data relative to all liabilities of the reinsurance association and require each member to furnish statistics in connection with liabilities of the reinsurance association at the times and in the form and detail as may be required by the plan of operation;

(d) Calculate and charge to members a total premium sufficient to cover the expected liability which the reinsurance association will incur in excess of the higher retention limit but less than the prefunded limit, together with incurred or estimated to be incurred operating and administrative expenses for the period to which this premium applies and actual claim payments to be made by members, during the period to which this premium applies, for claims in excess of the prefunded limit in effect at the time the loss was incurred. The prefunded limit shall be \$2,500,000 on and after October 1, 1979, provided that the prefunded limit shall be increased on January 1, 1983 and on each January 1 thereafter by the percentage increase in the statewide average weekly wage, to the nearest \$100,000, as determined in accordance with section 176.011, subdivision 20. Each member shall be charged a proportion of the total premium in an amount equal to its proportion of the ~~total standard earned premium~~ exposure base of all members during the period to which the reinsurance association premium will apply; ~~as determined by the commissioner.~~ *The exposure base shall be determined by the board and is subject to the approval of the commissioner. In determining the exposure base, the board shall consider, among other things, equity, administrative convenience, records maintained by members, amenability to*

audit, and degree of risk refinement. Each member exercising the lower retention option shall also be charged a premium established by the board as sufficient to cover incurred or estimated to be incurred claims for the liability the reinsurance association is likely to incur between the lower and higher retention limits for the period to which the premium applies. Each member shall also be charged a premium determined by the board to equitably distribute excess or deficient premiums from previous periods including any excess or deficient premiums resulting from a retroactive change in the refunded limit. ~~An equitable basis for determining standard earned premium for self-insurers shall be established by the commissioner.~~ The premiums charged to members shall not be unfairly discriminatory as defined in section 79.074. All premiums shall be approved by the commissioner;

(e) Require and accept the payment of premiums from members of the reinsurance association;

(f) Receive and distribute all sums required by the operation of the reinsurance association;

(g) Establish procedures for reviewing claims procedures and practices of members of the reinsurance association. If the claims procedures or practices of a member are considered inadequate to properly service the liabilities of the reinsurance association, the reinsurance association may undertake, or may contract with another person, including another member, to adjust or assist in the adjustment of claims which create a potential liability to the association ~~and~~. *The reinsurance association may charge the cost of the adjustment under this paragraph to the member, except that any penalties or interest incurred under sections 176.183, 176.221, 176.225, and 176.82 as a result of actions by the reinsurance association after it has undertaken adjustment of the claim shall not be charged to the member but shall be included in the ultimate loss and listed as a separate item; and*

(h) Provide each member of the reinsurance association with an annual report of the operations of the reinsurance association in a form the board of directors may specify.

Sec. 11. Minnesota Statutes 1982, section 79.37, is amended to read:

79.37 [BOARD OF DIRECTORS.]

A board of directors of the reinsurance association is created and ~~shall be~~ *is* responsible for the operation of the reinsurance association consistent with the plan of operation and sections 79.34 to 79.42. The board ~~shall consist~~ *consists* of ~~nine~~ 13 directors and the ~~commissioner~~ *commissioners* of insurance and labor and industry who shall be ~~an~~ ex officio ~~member~~ *members*. Four members of the board shall represent insurers, ~~three~~ *six* members of the board shall represent employers, at least one, but not more than ~~two~~ *three*, of whom shall represent self-insurers, and ~~two~~ *three* members of the board shall represent employees. Members shall elect the insurer directors, and the commissioner of insurance shall appoint the employer and employee directors *from a list presented to the commissioner by the workers' compensation advisory council established in chapter 175*, for the terms authorized in the plan of operation. Each board member ~~shall be~~ *is* entitled to one vote. Terms of the directors shall be staggered so that the terms of all the directors do not expire at the same time and so that a director does not serve a term of

more than four years. The board shall select a chairman and other officers it deems appropriate.

A majority of the board ~~shall constitute~~ *constitutes* a quorum, notwithstanding any vacancies. Action may be taken by a majority vote of the directors present.

Sec. 12. Minnesota Statutes 1982, section 79.51, subdivision 3, is amended to read:

Subd. 3. [RULES; SUBJECT MATTER.] (a) The commissioner in issuing rules shall consider:

(1) Data reporting requirements, including types of data reported, such as loss and expense data;

(2) Experience rating plans;

(3) Retrospective rating plans;

(4) General expenses and related expense provisions;

(5) Minimum premiums;

(6) Classification systems and assignment of risks to classifications;

(7) Loss development and trend factors;

(8) The workers' compensation reinsurance association;

~~(9) Restrictions, prohibitions, and requirements with respect to the activities of the workers' compensation insurers rating association of Minnesota during the period from July 1, 1983 to January 1, 1986;~~

~~(10) Requiring substantial compliance with the rules mandated by this section as a condition of workers' compensation carrier licensure;~~

~~(11) Imposing limitations on the functions of workers' compensation data service organizations consistent with the introduction of competition;~~

~~(12) The rules contained in the workers' compensation rating manual adopted by the workers' compensation insurers rating association; and~~

~~(13) Any other factors that the commissioner deems relevant to achieve the purposes of chapter 79.~~

(b) The rules shall provide for the following:

(1) Competition in workers' compensation insurance rates in such a way that the advantages of competition are introduced with a minimum of employer hardship ~~during the transition period~~;

(2) Adequate safeguards against excessive or discriminatory rates in workers' compensation ~~during the transition period~~;

(3) Encouragement of workers' compensation insurance rates which are as low as reasonably necessary, but shall make provision against inadequate rates, insolvencies and unpaid benefits;

(4) Assurances that employers are not unfairly relegated to the assigned risk pool;

(5) Requiring all appropriate data and other information from insurers for

the purpose of issuing rules and, making legislative recommendations pursuant to this section and monitoring the effectiveness of competition; and

(6) Preserving a framework for risk classification, data collection, and other appropriate joint insurer services where these will not impede the introduction of competition in premium rates.

(e) ~~The rules shall expire on January 1, 1986.~~

Sec. 13. Minnesota Statutes 1982, section 79.52, is amended by adding a subdivision to read:

Subd. 16. [ATTORNEY'S FEES.] No loss adjustment expense used to pay attorney fees or other costs in defense of a workers' compensation claim shall be charged to an insured in a merit rating plan or to a plan under section 79.251, subdivision 2.

Sec. 14. Laws 1981, chapter 346, section 145, is amended to read:

Sec. 145. [REPEALER.]

Minnesota Statutes 1980, Sections ~~79.071, Subdivision 1; 79.074, Subdivision 1; 79.075; 79.076; 79.08; 79.09; 79.11; 79.12; 79.13; 79.14; 79.15; 79.16; 79.17; 79.171; 79.18; 79.19; 79.20; 79.21; 79.22, Subdivision 1; 79.221; 79.23; 79.24; 79.25; and 79.26; 79.27; 79.28; 79.29; 79.30; 79.31; 79.32; and 79.33~~ are repealed effective July 1, 1983. Minnesota Statutes 1980, Sections ~~79.071, Subdivisions 2, 3, 4, 5, 6, and 7; 79.072; and 79.073; 79.074, Subdivision 1; 79.075; 79.076; 79.08; 79.09; 79.11; 79.12; 79.13; 79.14; 79.15; 79.16; 79.17; 79.171; 79.18; 79.19; 79.20; 79.21; 79.22, Subdivision 1; 79.221; 79.23; 79.27; 79.28; 79.29; 79.30; 79.31; 79.32; and 79.33~~ are repealed effective January 1, ~~1986~~ 1984. Minnesota Statutes 1980, Sections 175.006, Subdivisions 1a and 2; 175.0061; 175.09; 176.111, Subdivision 11; and 176.441, Subdivision 2, are repealed.

Sec. 15. Laws 1981, chapter 346, section 146, is amended to read:

Sec. 146. [EFFECTIVE DATE.]

Sections 11, 21, 22, 23, 35, 36, 37, 38, 53, 54, 141, and 142 are effective the day following enactment. Sections 1 to 8, 12, 39 to 52, 55 to 95, 99 to 138, 140, and 143 to 145 are effective July 1, 1981. Sections 96 to 98 are effective October 1, 1981. Sections 9, 10, and 13 to 20 are effective January 1, 1982. Sections ~~24 30~~ 30 to 34 are effective July 1, 1983. Sections ~~24 to 29~~ 24 to 29 are effective January 1, 1984. Section 139 is effective retroactively to April 12, 1980.

Sec. 16. Minnesota Statutes 1982, section 147.02, is amended by adding a subdivision to read:

Subd. 3. [CONTINUING EDUCATION.] The board shall adopt rules requiring continuing education for physicians, surgeons, and osteopaths licensed under this chapter. These rules shall include rules relating to continuing education designed to assure the coordination of treatment, rehabilitation, and other medical services provided to injured employees under chapter 176. Rules relative to education regarding treatment under chapter 176 shall be adopted jointly with the commissioner of labor and industry.

Sec. 17. [148.031] [CONTINUING EDUCATION.]

The board shall adopt rules requiring continuing education for chiropractors licensed under this chapter. These rules shall include rules relating to continuing education designed to assure the coordination of treatment, rehabilitation, and other chiropractic services provided to injured employees under chapter 176. Rules relative to education under chapter 176 shall be adopted jointly with the commissioner of labor and industry.

Sec. 18. Minnesota Statutes 1982, section 175.006, subdivision 1, is amended to read:

Subdivision 1. [CREATION AND ORGANIZATION.] The division of workers' compensation, generally administering the workers' compensation law, is created within the department of labor and industry. ~~There is created as a separate appellate tribunal for workers' compensation, the workers' compensation court of appeals.~~

~~The workers' compensation court of appeals shall be composed of five judges each serving in the unclassified service of the state civil service. Of the five judges, at least three shall be learned in the law. Each judge of the workers' compensation court of appeals shall be appointed by the governor, by and with the advice and consent of the senate, for a term of six years. The judges of the workers' compensation court of appeals as now created shall be the judges of the workers' compensation court of appeals until the expiration of the terms for which they have been appointed and qualified.~~

Sec. 19. Minnesota Statutes 1982, section 175.007, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall appoint an advisory council on workers' compensation, which ~~shall consist~~ *consists* of five representatives of employers and five representatives of employees and ~~three~~ *five nonvoting* members representing the general public. The council may consult with ~~the judges of the workers' compensation court of appeals~~ *any party it desires*. The ~~council shall expire and the terms,~~ *compensation and removal of members shall be as provided in section 15.059. The council is not subject to section 15.059, subdivision 5.*

Sec. 20. Minnesota Statutes 1982, section 175.08, is amended to read:

175.08 [OFFICE.]

~~The workers' compensation court of appeals and the department of labor and industry shall maintain their~~ *its* ~~main offices~~ *office* within the Minneapolis-Saint Paul metropolitan area and be provided by the commissioner of administration with suitable rooms and necessary furniture. ~~The offices of the workers' compensation court of appeals and the department of labor and industry shall be in separate buildings. They~~ *It* may hold sessions at any other place in the state when ~~their convenience and that of the parties interested so requires~~ *it is convenient*.

Sec. 21. Minnesota Statutes 1982, section 175.10, is amended to read:

175.10 [SESSIONS TO BE PUBLIC.]

The department of labor and industry shall be open for the transaction of business during all business hours of each and every day, excepting Saturdays, Sundays and legal holidays. The hearings of ~~the workers' compensa-~~

tion court of appeals and the workers' compensation division shall be are open to the public and may be adjourned from time to time. All the proceedings of the workers' compensation court of appeals and the division shall be shown on their its records, which shall be are public records.

Sec. 22. Minnesota Statutes 1982, section 175.101, subdivision 1, is amended to read:

Subdivision 1. It is the legislative purpose in creating a division of workers' compensation, and in assigning to the commissioner of the department of labor and industry specific duties and responsibilities, to:

(a) provide for a unified department of labor and industry for the limited purposes of organization and administration of common administrative functions; and

(b) assure the autonomy and maximum independence of the necessary adjudicative functions and quasi-legislative administrative duties of the division; and;

(c) separate and limit the functions and responsibilities of the existing workers' compensation court of appeals to those appropriate to an independent appellate reviewing body.

The commissioner of the department of labor and industry as head of the workers' compensation division is the administrator of the workers' compensation division. He The commissioner shall possess only such the powers and shall perform only such the duties as are specifically prescribed by law.

Sec. 23. Minnesota Statutes 1982, section 175.101, subdivision 2, is amended to read:

Subd. 2. The commissioner of the department of labor and industry shall keep a full and true record of all proceedings of the workers' compensation division and the workers' compensation court of appeals, issue all necessary processes, writs, warrants, and notices which the division or workers' compensation court of appeals are is required or authorized to issue and generally act as the administrator of the division of workers' compensation in the department of labor and industry. Notices and other documents required to be served or filed on the division of workers' compensation or the workers' compensation court of appeals shall be served on the commissioner of the department of labor and industry.

Sec. 24. Minnesota Statutes 1982, section 176.011, subdivision 9, is amended to read:

Subd. 9. [EMPLOYEE.] "Employee" means any person who performs services for another for hire; and includes the following:

(1) an alien;

(2) a minor;

(3) a sheriff, deputy sheriff, constable, marshal, policeman, firefighter, a county highway engineer, and a peace officer while engaged in the enforcement of peace or in and about the pursuit or capture of any person charged with or suspected of crime and any person requested or commanded to aid an officer in arresting any person, or in retaking any person who has

escaped from lawful custody, or in executing any legal process in which case, for purposes of calculating compensation payable under this chapter, the daily wage of the person requested or commanded to assist an officer or to execute a legal process shall be the prevailing wage for similar services where the services are performed by paid employees;

(4) a county assessor;

(5) an elected or appointed official of the state, or of any county, city, town, school district or governmental subdivision therein but an officer of a political subdivision elected or appointed for a regular term of office or to complete the unexpired portion of any such regular term, shall be included only after the governing body of the political subdivision has adopted an ordinance or resolution to that effect;

(6) an executive officer of a corporation except an officer of a family farm corporation as defined in section 500.24, subdivision 1, clause (c), nor shall it include an executive officer of a closely held corporation who is referred to in section 176.012;

(7) a voluntary uncompensated worker, other than an inmate, rendering services in state institutions under the commissioner of public welfare and state institutions under the commissioner of corrections similar to those of officers and employees of these institutions, and whose services have been accepted or contracted for by the commissioner of public welfare or the commissioner of corrections as authorized by law, shall be employees within the meaning of this subdivision. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(8) a voluntary uncompensated worker engaged in peace time in the civil defense program when ordered to training or other duty by the state or any political subdivision thereof, shall be an employee. The daily wage of the worker for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services where the services are performed by paid employees;

(9) a voluntary uncompensated worker participating in a program established by a county welfare board shall be an employee within the meaning of this subdivision. In the event of injury or death of the voluntary uncompensated worker, the wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid in the county at the time of the injury or death for similar services where the services are performed by paid employees working a normal day and week;

(10) a voluntary uncompensated worker accepted by the commissioner of natural resources who is rendering services as a volunteer pursuant to section 84.089 shall be an employee. The daily wage of the worker for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of injury or death for similar services where the services are performed by paid employees;

(11) a member of the military forces, as defined in section 190.05, while in "active service" or "on duty" as defined in section 190.05, when the

service or duty is ordered by state authority. The daily wage of the member for the purpose of calculating compensation payable under this chapter shall be based on the member's usual earnings in civil life. If there is no evidence of previous occupation or earning, the trier of fact shall consider the member's earnings as a member of the military forces;

(12) a voluntary uncompensated worker, accepted by the director of the Minnesota historical society, rendering services as a volunteer, pursuant to chapter 138, shall be an employee. The daily wage of the worker, for the purposes of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of injury or death for similar services where the services are performed by paid employees;

(13) a voluntary uncompensated worker, other than a student, who renders services at the Minnesota school for the deaf or the Minnesota braille and sight-saving school, and whose services have been accepted or contracted for by the state board of education, as authorized by law, shall be an employee within the meaning of this subdivision. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(14) a voluntary uncompensated worker, other than a resident of the veterans home, who renders services at a Minnesota veterans home, and whose services have been accepted or contracted for by the commissioner of veterans affairs, as authorized by law, is an employee within the meaning of this subdivision. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(15) a worker who renders in-home attendant care services to a physically handicapped person, and who is paid directly by the commissioner of public welfare for these services, shall be an employee of the state within the meaning of this subdivision, but for no other purpose; *and*

(16) those students enrolled in and regularly attending the medical school of the University of Minnesota, whether in the graduate school program or the post graduate program, as provided in section 147.20, notwithstanding that the students shall not be considered employees for any other purpose. In the event of the student's injury or death, the weekly wage of the student for the purpose of calculating compensation payable under chapter 176, shall be the annualized educational stipend awarded to the student, divided by 52 weeks. The institution in which the student is enrolled shall be considered the "employer" for the limited purpose of determining responsibility for paying benefits payable under chapter 176.

In the event it is difficult to determine the daily wage as provided in this subdivision, then the trier of fact may determine the wage upon which the compensation is payable.

Sec. 25. Minnesota Statutes 1982, section 176.011, is amended by adding

a subdivision to read:

Subd. 23. [RETRAINING.] "Retraining" means a formal course of study in a school setting which is designed to train an employee to return to suitable gainful employment.

Sec. 26. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

Subd. 24. [HEALTH CARE PROVIDER.] "Health care provider" means a physician, podiatrist, chiropractor, dentist, optometrist, osteopath, psychologist, psychiatric social worker, or any other person who furnishes a medical or health service to an employee under this chapter but does not include a qualified rehabilitation consultant or approved vendor.

Sec. 27. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

Subd. 25. [MAXIMUM MEDICAL IMPROVEMENT.] "Maximum medical improvement" means the date after which no further significant recovery from or significant lasting improvement to a personal injury can reasonably be anticipated, based upon reasonable medical probability.

Sec. 28. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

Subd. 26. [MONITORING PERIOD.] "Monitoring period" means the number of weeks during which economic recovery compensation pursuant to section 176.101, subdivision 3a, would have been paid if that compensation were payable.

Sec. 29. Minnesota Statutes 1982, section 176.012, is amended to read:

176.012 [ELECTION OF COVERAGE.]

The persons, partnerships and corporations described in this section may elect to provide the insurance coverage required by this chapter.

(a) An owner or owners of a business or farm may elect coverage for themselves.

(b) A partnership owning a business or farm may elect coverage for any partner.

(c) A family farm corporation as defined in section 500.24, subdivision 2, clause (c) may elect coverage for any executive officer.

(d) A closely held corporation which had less than 22,880 hours of payroll in the previous calendar year may elect coverage for any executive officer if that executive officer is also an owner of at least 25 percent of the stock of the corporation.

(e) A person, partnership, or corporation hiring an independent contractor, as defined by rules adopted by the commissioner, may elect to provide coverage for that independent contractor.

The persons, partnerships and corporations described in this section may also elect coverage for an employee who is a spouse, parent or child, regardless of age, of an owner, partner, or executive officer, who is eligible for coverage under this section. Coverage may be elected for a spouse,

parent or child whether or not coverage is elected for the related owner, partner or executive director and whether or not the person, partnership or corporation employs any other person to perform a service for hire. Any person for whom coverage is elected pursuant to this section shall be included within the meaning of the term employee for the purposes of this chapter.

Notice of election of coverage or of termination of election under this section shall be provided in writing to the insurer. Coverage or termination of coverage is effective the day following receipt of notice by the insurer or at a subsequent date if so indicated in the notice. The insurance policy shall be endorsed to indicate the names of those persons for whom coverage has been elected or terminated under this section. An election of coverage under this section shall continue in effect as long as a policy or renewal policy of the same insurer is in effect.

Nothing in this section shall be construed to limit the responsibilities of owners, partnerships or corporations to provide coverage for their employees, if any, as required under this chapter.

Sec. 30. Minnesota Statutes 1982, section 176.021, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION, COMMENCEMENT OF PAYMENT.] All employers shall commence payment of compensation at the time and in the manner prescribed by this chapter without the necessity of any agreement or any order of the division. Except for medical, burial, and other non-periodic benefits, payments shall be made as nearly as possible at the intervals when the wage was payable, provided, however, that payments for permanent partial disability shall be governed by ~~subdivision 3a section 176.101~~. If doubt exists as to the eventual permanent partial disability, payment for the economic recovery compensation or impairment compensation, whichever is due, pursuant to ~~subdivision 3a section 176.101~~, shall be then made when due for the minimum permanent partial disability ascertainable, and further payment shall be made upon any later ascertainment of greater permanent partial disability. ~~Prior to or at the time of any tender commencement of the lump sum payment of economic recovery compensation or lump sum or periodic payment of impairment compensation, the employee and employer shall be furnished with a copy of the medical report upon which the payment is based and all other medical reports which the insurer has that indicate a permanent partial disability rating, together with a statement by the insurer as to whether the tendered payment is for minimum permanent partial disability or final and eventual disability. Compensation for permanent partial disability After receipt of all reports available to the insurer that indicate a permanent partial disability rating, the employee shall make available or permit the insurer to obtain any medical report that the employee has or has knowledge of that contains a permanent partial disability rating which the insurer does not already have. Economic recovery compensation or impairment compensation pursuant to section 176.101 is payable in addition to but not concurrently with compensation for temporary total disability and but is payable concurrently with temporary partial disability pursuant to section 176.101, subdivisions 1 and 2, as provided in subdivision 3a. Compensation for permanent partial disability Impairment compensation is payable concurrently and in addition to compensation for permanent total disability pursu-~~

ant to section 176.101; ~~subdivision 5, as provided in subdivision 3a. Compensation for permanent partial disability Economic recovery compensation or impairment compensation pursuant to section 176.101 shall be withheld pending completion of payment for temporary total and temporary partial disability but shall not be withheld pending payment of compensation for permanent total disability, and no credit shall be taken for payment of permanent partial disability economic recovery compensation or impairment compensation~~ against liability for temporary total or future permanent total disability. Liability on the part of an employer or ~~his~~ *the* insurer for disability of a temporary total, temporary partial, and permanent total nature shall be considered as a continuing product and part of the employee's inability to earn or reduction in earning capacity due to injury or occupational disease and ~~shall be compensation is~~ payable accordingly, subject to ~~subdivision 3a section 176.101. Permanent partial disability Economic recovery compensation or impairment compensation~~ is payable for functional loss of use or impairment of function, permanent in nature, and payment therefore shall be separate, distinct, and in addition to payment for any other compensation, subject to ~~subdivision 3a section 176.101~~. The right to receive temporary total, temporary partial, ~~permanent partial~~ or permanent total disability payments ~~shall vest vests~~ in the injured employee or ~~his~~ *the* employee's dependents under this chapter or, if none, in ~~his~~ *the* employee's legal heirs at the time the disability can be ascertained and the right ~~shall is not be~~ abrogated by the employee's death prior to the making of the payment.

The right to receive economic recovery compensation or impairment compensation vests in an injured employee at the time the disability can be ascertained provided that the employee lives for at least 30 days beyond the date of the injury. Upon the death of an employee who is receiving economic recovery compensation or impairment compensation, further compensation is payable pursuant to section 176.101. Impairment compensation is payable under this paragraph if vesting has occurred, the employee dies prior to reaching maximum medical improvement, and the requirements and conditions under section 176.101, subdivision 3e, are not met.

Sec. 31. Minnesota Statutes 1982, section 176.041, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYMENTS EXCLUDED.] This chapter does not apply to persons employed by any common carrier by railroad engaged in interstate or foreign commerce; ~~which persons who~~ are covered by the Federal Employers' Liability Act (45 U.S.C. 51-60) or other comparable federal law; persons employed by family farms as defined by section 176.011, subdivision 11a, the spouse, parent and child, regardless of age, of a farmer employer working for ~~him~~ *the farmer employer*; partners engaged in any farm operation or partners engaged in a business and the spouse, parent, and child, regardless of age, of any of the partners of the farm operation or business; an executive officer of a family farm corporation; an executive officer of a closely held corporation referred to in section 176.012; any spouse, parent, or child, regardless of age, of an executive officer of a family farm corporation as defined in section 500.24, subdivision 2, employed by that family farm corporation; any spouse, parent, or child, regardless of age, of an executive officer of a closely held corporation referred to in section 176.012; or other farmers or members of their families ex-

changing work with the farmer employer or family farm corporation operator in the same community, or persons whose employment at the time of the injury is casual, and not in the usual course of the trade, business, profession, or occupation of ~~his the~~ employer; *persons who are independent contractors as defined by rules adopted by the commissioner pursuant to section 176.83 except that this exclusion does not apply to an employee of an independent contractor*; nor does it apply to officers or members of veteran's organizations whose employment relationship arises solely by virtue of attending meetings or conventions of their organization, unless the veteran's organizations elect by resolution to provide coverage under this chapter for the officers or members. ~~Neither shall~~ The chapter *also does not* apply to any person employed as a household worker in, for, or about, a private home or household who earns less than \$500 in cash in any three month period from a single private home or household provided that any household worker who has earned \$500 or more from ~~his the~~ *household worker's* present employer in any three month period within the previous year ~~shall be~~ *is* covered by this chapter regardless of whether or not ~~he the~~ *household worker* has earned \$500 in the present quarter ~~earned \$500~~. This chapter does not apply to those persons employed by a corporation where those persons are related by blood or marriage, within the third degree of kindred according to the rules of civil law, to all of the officers of the corporation, and if the corporation files a written election with the commissioner of ~~labor and industry~~ to have those persons excluded from this chapter *except that a written election is not required for a person who is otherwise excluded from this chapter by this section*. This chapter does not apply to a nonprofit association which does not pay more than \$500 in salary or wages in a year.

Sec. 32. Minnesota Statutes 1982, section 176.061, is amended to read:

176.061 [THIRD PARTY LIABILITY.]

Subdivision 1. [ELECTION OF REMEDIES.] ~~Where~~ *If* an injury or death for which benefits are payable occurs under circumstances which create a legal liability for damages on the part of a party other than the employer and at the time of ~~such the~~ injury or death that party was insured or self-insured in accordance with this chapter, the employee, in case of injury, or ~~his the~~ *employee's* dependents, in case of death, may proceed either at law against that party to recover damages or against the employer for benefits, but not against both.

Subd. 2. [ACTION FOR RECOVERY OF DAMAGES.] If the employee, in case of injury, or ~~his the~~ *employee's* dependents, in case of death, brings an action for the recovery of damages, the amount ~~thereof of the~~ *damages*, the manner in which *they are paid*, and the persons to whom ~~the same~~ *they are* payable, ~~shall be~~ *are* as provided in this chapter. In no case shall ~~such the~~ party be liable to any person other than the employee or ~~his the~~ *employee's* dependents for any damages resulting from ~~such the~~ injury or death.

Subd. 3. [ELECTION TO RECEIVE BENEFITS FROM EMPLOYER; SUBROGATION.] If the employee or ~~his the~~ *employee's* dependents elect to receive benefits from the employer, or the special compensation fund, the employer, or the special compensation fund, *has a right of indemnity or is* subrogated to the right of the employee or ~~his the~~ *employee's* dependents to recover damages against the other party. The employer, or the attorney

general on behalf of the special compensation fund, may bring legal proceedings against ~~such~~ *the* party and recover the aggregate amount of benefits payable to or on behalf of the employee or ~~his~~ *the employee's* dependents, together with costs, disbursements, and reasonable attorney's fees of the action.

If an action as provided in this chapter *is* prosecuted by the employee, the employer, or the attorney general on behalf of the special compensation fund, against the third person, *and* results in judgment against the third person, or settlement by the third person, the employer ~~shall have~~ *has* no liability to reimburse or hold the third person harmless on the judgment or settlement in absence of a written agreement to do so executed prior to the injury.

Subd. 4. [APPLICATION OF SUBDIVISIONS 1, 2, AND 3.] The provisions of subdivisions 1, 2, and 3 apply only ~~where~~ *if* the employer liable for benefits and the other party legally liable for damages are insured or self-insured and engaged, in the due course of business in, (a) furtherance of a common enterprise, or (b) in the accomplishment of the same or related purposes in operations on the premises where the injury was received at the time ~~thereof~~ *of the injury*.

Subd. 5. [CUMULATIVE REMEDIES.] ~~Where~~ *If* an injury or death for which benefits are payable is caused under circumstances which created a legal liability for damages on the part of a party other than the employer, that party being then insured or self-insured in accordance with this chapter, and the provisions of subdivisions 1, 2, 3, and 4 do not apply, or the party other than the employer is not then insured or self-insured as provided by this chapter, legal proceedings may be taken by the employee or ~~his~~ *the employee's* dependents in accordance with clause (a), or by his employer, or by the attorney general on behalf of the special compensation fund, in accordance with clause (b), against the other party to recover damages, notwithstanding the payment *of benefits* by the employer, or the special compensation fund or their liability to pay benefits.

(a) If an action against the other party is brought by the injured employee or ~~his~~ *the employee's* dependents and a judgment is obtained and paid or settlement is made with the other party, the employer or the special compensation fund may deduct from the benefits payable the amount actually received by the employee or dependents or paid on their behalf in accordance with subdivision 6. If the action is not diligently prosecuted or if the court deems it advisable in order to protect the interests of the employer, or the special compensation fund, upon application the court may grant the employer, or the special compensation fund, the right to intervene in ~~any such~~ *the* action for the prosecution ~~thereof~~ *of the action*. If the injured employee or ~~his~~ *the employee's* dependents or any party on their behalf receives benefits from the employer, or the special compensation fund, or ~~institute~~ *institutes* proceedings to recover ~~the same benefits~~ or ~~accept~~ *accepts* from the employer, or the special compensation fund, any payment on account of the benefits, the employer, or the special compensation fund, is subrogated to the rights of the employee or ~~his~~ *the employee's* dependents or *has a right of indemnity against a third party*. ~~This~~ *The* employer, or the attorney general on behalf of the special compensation fund, may maintain ~~an~~ *a separate* action or continue an action already instituted. This action may be maintained in the name of the employee or the names of the *employee's* dependents, or in the name of the employer, or in the name of the attorney general on behalf of the special compensation fund, against ~~such~~ *the* other party for the recovery of damages.

If the action is not diligently prosecuted by the employer, or the attorney general on behalf of the special compensation fund, or the court deems it advisable in order to protect the interest of the employee, the court, upon application, may grant to the employee or ~~his~~ *the employee's* dependents the right to intervene in the action for the prosecution ~~thereof~~ *of the action*. The proceeds of ~~such~~ *the* action or settlement ~~thereof~~ *of the action* shall be paid in accordance with subdivision 6.

(b) If an employer, being then insured, sustains damages due to a change in workers' compensation insurance premiums, whether by a failure to achieve a decrease or by a retroactive or prospective increase, as a result of the injury or death of ~~his~~ *an* employee which was caused under circumstances which created a legal liability for damages on the part of a party other than the employer, the employer, notwithstanding other remedies provided, may maintain an action against the other party for recovery of ~~such~~ *the* premiums. This cause of action may be brought either by joining in an action described in clause (a) or by a separate action. Damages recovered under this clause ~~shall be~~ *are* for the benefit of the employer and the provisions of subdivision 6 ~~shall be~~ *are* not applicable to ~~such~~ *the* damages.

(c) The third party is not liable to any person other than the employee or ~~his~~ *the employee's* dependents, or ~~his~~ *the* employer, or the special compensation fund, for any damages resulting from the injury or death.

A co-employee working for the same employer is not liable for a personal injury incurred by another employee unless the injury resulted from the gross negligence of the co-employee or was intentionally inflicted by the co-employee.

Subd. 6. [COSTS, ATTORNEY FEES, EXPENSES.] The proceeds of all actions for damages or *of a settlement thereof of an action* under this section, except for damages received under subdivision 5, clause (b) received by the injured employee or ~~his~~ *the employee's* dependents or by the employer, or the special compensation fund, as provided by subdivision 5, shall be divided as follows:

(a) After deducting the reasonable cost of collection, including but not limited to attorneys fees and burial expense in excess of the statutory liability, then

(b) One-third of the remainder shall in any event be paid to the injured employee or ~~his~~ *the employee's* dependents, without being subject to any right of subrogation.

(c) Out of the balance remaining, the employer, or the special compensation fund, shall be reimbursed in an amount equal to all benefits paid under this chapter to or on behalf of the employee or ~~his~~ *the employee's* dependents by the employer, or special compensation fund, less the product of the costs deducted under clause (a) divided by the total proceeds received by the employee or his dependents from the other party multiplied by all benefits paid by the employer, or the special compensation fund, to the employee or ~~his~~ *the employee's* dependents.

(d) Any balance remaining shall be paid to the employee or ~~his~~ *the employee's* dependents, and shall be a credit to ~~the~~ *the* employer, ~~and~~ *or* the special compensation fund, for any benefits which ~~the~~ *the* employer or ~~the~~ *the* special

compensation fund is obligated to pay, but has not paid, and for any benefits that ~~such the employer shall be or the special compensation fund~~ is obligated to make in the future.

There shall be no reimbursement or credit to the employer, or to the special compensation fund, for interest or penalties.

Subd. 7. [MEDICAL TREATMENT.] The liability of an employer, or the special compensation fund, for medical treatment or payment of any other compensation under this chapter shall is not be affected by the fact that his the employee was injured through the fault or negligence of a third party, against whom the employee may have a cause of action which may be sued under this chapter, but the employer, or the attorney general on behalf of the special compensation fund, shall have has a separate additional cause of action against such the third party to recover any amounts paid for medical treatment or for other compensation payable under this section resulting from the negligence of such the third party. This separate cause of action of the employer, or the attorney general on behalf of the special compensation fund, may be asserted in a separate action brought by the employer, or the attorney general on behalf of the special compensation fund, against such the third party or in the action commenced by the employee or the employer, or the attorney general on behalf of the special compensation fund, under this chapter, but in the latter case the cause of action shall be separately stated, the amount awarded thereon in the action shall be separately set out in the verdict, and the amount recovered by suit or otherwise as reimbursement for medical expenses or other compensation shall be for the benefit of the employer, or the special compensation fund, to the extent that the employer, or the special compensation fund, has paid or will be required to pay compensation or pay for medical treatment of the injured employee and shall does not affect the amount of periodic compensation to be paid.

Subd. 8. [STATE AS EMPLOYER.] In every case arising under subdivision 5 when the state is the employer and a settlement between the third party and the employee is made it is not valid unless prior notice thereof is given to the state within a reasonable time. If the state pays compensation to the employee under the provisions of this chapter and becomes subrogated to the rights of the employee or his dependents any settlement between the employee or his dependents and the third party is void as against the state's right of subrogation. When an action at law is instituted by an employee or his dependents against a third party for recovery of damages a copy of the complaint and notice of trial or note of issue in such action shall be served on the state. Any judgment rendered therein is subject to a lien of the state for the amount to which it is entitled to be subrogated under the provisions of subdivision 5.

Subd. 8a. [NOTICE TO EMPLOYER.] In every case arising under subdivision 5, a settlement between the third party and the employee is not valid unless prior notice of the intention to settle is given to the employer within a reasonable time. If the employer or insurer pays compensation to the employee under the provisions of this chapter and becomes subrogated to the right of the employee or the employee's dependents or has a right of indemnity, any settlement between the employee or the employee's dependents and the third party is void as against the employer's right of subrogation or indemnity. When an action at law is instituted by an employee or the employee's dependents against a third party for recovery of damages, a copy of the complaint and notice of trial or note of issue in the action shall be served on the employer or insurer. Any judgment rendered in the action is subject to a lien of the employer for the amount to which it is entitled to be subrogated

or indemnified under the provisions of subdivision 5.

Subd. 9. [SERVICE OF NOTICE ON ATTORNEY GENERAL.] In every case in which the state is liable to pay compensation or is subrogated to the rights of the employee or ~~his the employee's~~ dependents or has a right of indemnity, all notices required to be given the state shall be served on the attorney general and the commissioner of the department of labor and industry.

Subd. 10. [INDEMNITY.] Notwithstanding the provisions of chapter 65B or any other law to the contrary, an employer has a right of indemnity for any compensation paid or payable pursuant to this chapter, including temporary total compensation, temporary partial compensation, permanent partial disability, economic recovery compensation, impairment compensation, medical compensation, rehabilitation, death, and permanent total compensation.

Sec. 33. Minnesota Statutes 1982, section 176.081, subdivision 1, is amended to read:

Subdivision 1. ~~No claim for legal services or disbursements pertaining to any demand made or suit or proceeding brought under the provisions of this chapter is an enforceable lien against the compensation or is valid or binding in any other respect unless approved in writing by the division, a compensation judge, a judge of the district court, or the workers' compensation court of appeals, if the claim arises out of a proceeding for compensation under this chapter, or by the judge presiding at the trial in an action for damages, or by a judge of the district court in a settlement of a claim for damages without trial. The division, a compensation judge, a judge of the district court or the workers' compensation court of appeals shall in matters before them, including settlement proceedings, have authority to approve (a) A fee for legal services of up to 25 percent of the first \$4,000 of compensation awarded to the employee and up to 20 percent of the next \$27,500 of compensation awarded to employee is permissible and does not require approval by the commissioner, compensation judge, or any other party except as provided in clause (b). If the employer or his the insurer or the defendant is given written notice of such claims for legal services or disbursements, the same claim shall be a lien against the amount paid or payable as compensation, subject to determination of the amount and approval provided by this chapter. Provided, however, that~~ In no case shall fees be calculated on the basis of any undisputed portion of compensation awards. Allowable fees under this chapter shall be based solely upon genuinely disputed portions of claims, including disputes related to the payment of rehabilitation benefits or to other aspects of a rehabilitation plan.

(b) An attorney who is claiming legal fees under this section shall file a statement of attorney's fees with the commissioner, compensation judge, before whom the matter was heard, or workers' compensation court of appeals on cases before the court. A copy of the signed retainer agreement shall also be filed. The employee and insurer shall receive a copy of the statement. The statement shall be on a form prescribed by the commissioner and shall clearly and conspicuously state that the employee or insurer has ten calendar days to object to the attorney fees requested. If no objection is timely made by the employee or insurer, the amount requested shall be conclusively presumed reasonable providing the amount does not exceed the limitation in

subdivision 1. The commissioner, compensation judge, or court of appeals shall issue an order granting the fees and the amount requested shall be awarded to the party requesting the fee.

If a timely objection is filed, the commissioner, compensation judge, or court of appeals shall review the matter and make a determination based on the criteria in subdivision 5.

If no timely objection is made by an employer or insurer, reimbursement under subdivision 7 shall be made if the statement of fees requested this reimbursement.

Sec. 34. Minnesota Statutes 1982, section 176.081, subdivision 2, is amended to read:

Subd. 2. ~~Any~~ An application for attorney fees in excess of the amount authorized in subdivision 1 shall be made to the ~~workers' compensation court of appeals division, compensation judge, or district judge, before whom the matter was heard. An appeal of a decision on additional fees may be made to the workers' compensation court of appeals.~~ The application shall set forth the fee requested and the basis for ~~such~~ the request and whether or not a hearing is requested. The application, with affidavit of service upon the employee, shall be filed by the attorney requesting the fee. If a hearing is requested by an interested party, a hearing shall be set with notice of ~~such~~ the hearing served upon known interested parties. In all cases the employee shall be served with notice of hearing.

Sec. 35. Minnesota Statutes 1982, section 176.081, subdivision 5, is amended to read:

Subd. 5. In the determination of ~~the reasonable value of attorney fees arising out of a claim or proceeding under this chapter~~ an award of fees in excess of the amount authorized under subdivision 1, the following principles are to be applied:

- (a) The fee in each individual case must be a reasonable one.
- (b) There is no set standard fee to be awarded in any workers' compensation matter.
- (c) No attorney-client fee contract or arrangement is binding in any workers' compensation matter.
- (d) In determining a reasonable attorney fee, important factors to be taken into account are: the amount involved, the time and expense necessary to prepare for trial, the responsibility assumed by counsel, the expertise of counsel in the workers' compensation field, the difficulties of the issues involved, the nature of proof needed to be adduced and the results obtained. The amount of money involved shall not be the controlling factor.
- (e) The determination of the fee in each specific workers' compensation matter must be done with the same care as the determination of any other fact question in the matter.
- (f) The determiner of the attorney fee in each matter must ascertain whether or not a retainer fee has been paid to the attorney and if so, the amount of the retainer fee.
- (g) The determiner of attorney fees in each case must personally see that

the workers' compensation file contains fully adequate information to justify the fee that is determined.

Sec. 36. Minnesota Statutes 1982, section 176.081, subdivision 6, is amended to read:

Subd. 6. The *commissioner, office of administrative hearings, and the workers' compensation court of appeals* may adopt reasonable and proper *joint* rules to effect ~~its~~ *each of their* obligations under this section.

Sec. 37. Minnesota Statutes 1982, section 176.081, subdivision 7, is amended to read:

Subd. 7. If the employer or insurer ~~shall file~~ *files* a denial of liability, notice of discontinuance, or ~~shall fail~~ *fails* to make payment of compensation or medical expenses within the statutory period after notice of injury or occupational disease, or ~~shall~~ otherwise ~~resist~~ *unsuccessfully resists* the payment of compensation or medical expenses, or ~~unsuccessfully disputes~~ *the payment of rehabilitation benefits or other aspects of a rehabilitation plan*, and the injured person ~~shall have~~ *has* employed an attorney at law, who successfully procures payment on behalf of the employee or *who enables the resolution of a dispute with respect to a rehabilitation plan*, the compensation judge, commissioner of the department of labor and industry, or the workers' compensation court of appeals upon appeal, upon application, shall award to the employee against the insurer or self-insured employer or uninsured employer, in addition to the compensation benefits paid or awarded to the employee, an amount equal to 25 percent of that portion of the attorney's fee which has been awarded pursuant to this section that is in excess of \$250.

Sec. 38. Minnesota Statutes 1982, section 176.081, is amended by adding a subdivision to read:

Subd. 11. [WHEN FEES DUE.] Attorney fees and other disbursements for a proceeding under this chapter shall not be due or paid until the issue for which the fee or disbursement was incurred has been resolved.

Sec. 39. Minnesota Statutes 1982, section 176.101, subdivision 1, is amended to read:

Subdivision 1. [TEMPORARY TOTAL DISABILITY.] For injury producing temporary total disability, *the compensation is 66 2/3 percent of the daily weekly wage at the time of injury*

(1) provided that during the year commencing on October 1, 1979, and each year thereafter, commencing on October 1, the maximum weekly benefits payable ~~shall be~~ *is* the statewide average weekly wage for the period ending December 31, of the preceding year.

(2) The minimum weekly compensation benefits for temporary total disability shall be not less than 50 percent of the statewide average weekly wage or the injured employee's actual weekly wage, whichever is less. In no case shall a weekly benefit be less than 20 percent of the statewide average weekly wage.

Subject to subdivisions 3a to 3u this compensation shall be paid during the period of disability, payment to be made at the intervals when the wage was

payable, as nearly as may be.

Sec. 40. Minnesota Statutes 1982, section 176.101, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY PARTIAL DISABILITY.] In all cases of temporary partial disability the compensation shall be $66 \frac{2}{3}$ percent of the difference between the ~~daily~~ weekly wage of the ~~worker~~ employee at the time of injury and the wage ~~he~~ the employee is able to earn in ~~his~~ the employee's partially disabled condition. This compensation shall be paid during the period of disability *except as provided in section 176.101*, payment to be made at the intervals when the wage was payable, as nearly as may be, and subject to a maximum compensation equal to the statewide average weekly wage. ~~If the employer does not furnish the worker with work which he can do in his temporary partially disabled condition and he is unable to procure such work with another employer, after reasonably diligent effort, the employee shall be paid at the full compensation rate for his or her temporary total disability.~~

Sec. 41. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3a. [ECONOMIC RECOVERY COMPENSATION.] *If an employee is not eligible for an impairment award pursuant to subdivision 3b, then the employee shall receive economic recovery compensation for a permanent partial disability pursuant to this subdivision. The compensation shall be $66\frac{2}{3}$ percent of the weekly wage at the time of injury subject to a maximum equal to the statewide average weekly wage. For permanent partial disability up to the percent of the whole body in the following schedule the compensation shall be paid for the proportion that the loss of function of the disabled part bears to the whole body multiplied by the number of weeks aligned with that percent.*

Percent of disability	Weeks of compensation
0-25	600
26-30	640
31-35	680
36-40	720
41-45	760
46-50	800
51-55	880
56-60	960
61-65	1040
66-70	1120
71-100	1200

The percentage loss in all cases under this subdivision is determined according to section 176.1011 and in cases not covered by that section according to rules adopted by the commissioner.

Sec. 42. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3b. [IMPAIRMENT COMPENSATION.] *An employee who suffers a permanent partial disability due to a personal injury and receives impairment compensation under this section shall receive compensation in an*

amount as provided by this subdivision. For permanent partial disability up to the percent of the whole body shown in the following schedule the amount shall be equal to the proportion that the loss of function of the disabled part bears to the whole body multiplied by the amount aligned with that percent in the following schedule:

Percent of disability	Amount
0-25	\$ 75,000
26-30	80,000
31-35	85,000
36-40	90,000
41-45	95,000
46-50	100,000
51-55	120,000
56-60	140,000
61-65	160,000
66-70	180,000
71-75	200,000
76-80	240,000
81-85	280,000
86-90	320,000
91-95	360,000
96-100	400,000

For all cases under this subdivision the percentage loss of function of a part of the body is determined according to section 176.1011 and in cases not covered by that section according to rules adopted by the commissioner.

Sec. 43. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3c. [MAXIMUM PAYABLE.] The maximum amount payable under subdivisions 3a and 3b is the maximum compensation payable to an employee who has a 100 percent disability to the body as a whole and under no conditions shall an employee receive more than those amounts even if the employee sustains a disability to two or more body parts.

Sec. 44. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3d. [GENERAL.] An employee who has incurred a personal injury shall receive temporary total compensation until these benefits are no longer payable pursuant to this section. If the injury results in a permanent partial disability the employee shall receive compensation as provided in this section.

Sec. 45. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3e. [END OF TEMPORARY TOTAL COMPENSATION.] (a) 90 days after an employee has reached maximum medical improvement or 90 days after the end of an approved retraining program, whichever is later, the employee's temporary total compensation shall cease. This cessation shall occur at an earlier date if otherwise provided by this chapter. If during this 90-day period the employee retires or the employer furnishes work to the employee that is consistent with an approved plan of rehabilitation or, if no

plan has been approved, that the employee can do in his or her physical condition and that job produces an economic status as close as possible to that the employee would have enjoyed without the disability, or the employer procures this employment with another employer or the employee accepts this job with another employer, temporary total compensation shall cease and the employee shall, if appropriate, receive impairment compensation pursuant to subdivision 3b. This impairment compensation is in lieu of economic recovery compensation under subdivision 3a, and the employee shall not receive both economic recovery compensation and impairment compensation. Temporary total compensation and impairment compensation shall not be paid concurrently. Once temporary total compensation ceases no further temporary total compensation is payable except as specifically provided by this section.

Upon receipt of a written medical report indicating that the employee has reached maximum medical improvement, the employer or insurer shall serve a copy of the report upon the employee and shall file a copy with the division.

(b) If the job offered under clause (a) is not the job the employee had at the time of injury it shall be offered in writing and shall state the nature of the job, the rate of pay, the physical requirements of the job, and any other information necessary to fully and completely inform the employee of the job duties and responsibilities.

The employee has 14 calendar days to accept or reject the job offer. If the employee does not respond within this period it is deemed a refusal of the offer.

(c) Self employment may be an appropriate job under this subdivision. The commissioner shall monitor application of this subdivision and may adopt rules to assure its proper application.

Sec. 46. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3f. [JOB PRIOR TO MAXIMUM MEDICAL IMPROVEMENT.] If the employer offers a job prior to the employee reaching maximum medical improvement and the job is consistent with an approved plan of rehabilitation or if no rehabilitation plan has been approved and the job is within the employee's physical limitations, or the employer procures a job for the employee with another employer which meets the requirements of this subdivision or the employee accepts this job with another employer, the employee's temporary total compensation shall cease. However, no economic recovery compensation or impairment compensation is due or payable until the employee reaches maximum medical improvement and a job offer consistent with the requirements of subdivision 3e is made and the other conditions in subdivision 3e are also met.

Sec. 47. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3g. [ACCEPTANCE OF JOB OFFER.] If the employee accepts a job offer described in subdivision 3e and begins work at that job, not necessarily within the 90-day period specified in that subdivision the impairment compensation shall be paid in a lump sum 30 calendar days after the return to work.

Sec. 48. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3h. [TEMPORARY PARTIAL COMPENSATION.] An employee who accepts a job under subdivision 3e or subdivision 3f and begins that job shall receive temporary partial compensation pursuant to subdivision 2, if appropriate.

Sec. 49. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3i. [LAYOFF BECAUSE OF LACK OF WORK OR RELEASED FOR OTHER THAN SEASONAL CONDITIONS.] (a) If an employee accepts a job under subdivision 3e and begins work at that job and is subsequently unemployed because of economic conditions, other than seasonal conditions, the employee shall receive monitoring period compensation pursuant to clause (b). In addition, the employer who was the employer at the time of the injury shall provide rehabilitation consultation by a qualified rehabilitation consultant if the employee remains unemployed for 45 calendar days. The commissioner may waive this rehabilitation consultation if the commissioner deems it appropriate. Further rehabilitation, if deemed appropriate, is governed by section 176.102.

(b) Upon the employee's initial return to work the monitoring period begins to run. If the employee is unemployed for the reason in clause (a), prior to the end of the monitoring period the employee shall receive monitoring period compensation. This compensation shall be paid for the lesser of (1) the weeks remaining in the monitoring period, or (2) the weeks equal to the monitoring period minus the impairment compensation paid to the employee. For purposes of this clause the impairment compensation shall be converted to weeks by dividing the impairment compensation received by the employee by the employee's compensation rate for temporary total disability at the time of the injury. No monitoring period compensation is payable if the unemployment occurs after the expiration of the monitoring period. Monitoring period compensation is payable at the same intervals and in the same amount as when temporary total compensation ceased.

(c) If the employee returns to work and is still receiving monitoring period compensation, this compensation shall cease. Any period remaining in the monitoring period upon this return to work shall be used to determine further benefits if the employee is again unemployed under clause (a).

(d) Upon the employee's return to work pursuant to this section the insurer shall notify the employee of the length of the employee's monitoring period and shall notify the employee of the amount of impairment to be paid and the date of payment.

Sec. 50. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3j. [MEDICALLY UNABLE TO CONTINUE WORK.] (a) If the employee has started the job offered under subdivision 3e and is medically unable to continue at that job because of the permanent partial disability, that employee shall receive temporary total compensation pursuant to clause (b). In addition, the employer who was the employer at the time of the injury shall provide rehabilitation consultation by a qualified rehabilitation con-

sultant. Further rehabilitation, if deemed appropriate, is governed by section 176.102.

(b) *Temporary total compensation shall be paid for up to 90 days after the employee has reached maximum medical improvement or 90 days after the end of an approved retraining plan, whichever is later. The temporary total compensation shall cease at any time within the 90-day period that the employee begins work meeting the requirements of subdivision 3e. If no job is offered to the employee by the end of this 90-day period, the employee shall receive economic recovery compensation pursuant to this section but reduced by the impairment compensation previously received by the employee for the same disability.*

Sec. 51. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3k. [UNEMPLOYMENT DUE TO SEASONAL CONDITION.] An employee who has started the job offered under subdivision 3e and is subsequently unemployed from that job because of the job's seasonal nature, the employee shall receive any unemployment compensation the employee is eligible for pursuant to chapter 268. The employee shall receive, in addition and concurrently, the amount that the employee was receiving for temporary partial disability at the time of the layoff. No further or additional compensation is payable under this chapter because of the seasonal layoff.

Sec. 52. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3l. [FAILURE TO ACCEPT JOB OFFER:] If the employee has been offered a job under subdivision 3e and has refused the offer, the impairment compensation shall not be paid in a lump sum but shall be paid in the same interval and amount that temporary total compensation was initially paid. Temporary total compensation shall cease upon the employee's refusal to accept the job offered and no further or additional temporary total compensation is payable for that injury. The payment of the periodic impairment compensation shall cease when the amount the employee is eligible to receive under subdivision 3b is reached, after which time the employee shall not receive additional impairment compensation or any other compensation under this chapter unless the employee has a greater permanent partial disability than already compensated for.

Sec. 53. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3m. [RETURN TO WORK AFTER REFUSAL OF JOB OFFER.] If the employee has refused the job offer under subdivision 3e and is receiving periodic impairment compensation and returns to work at another job, the employee shall receive the remaining impairment compensation due, in a lump sum, 30 days after return to work.

Sec. 54. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3n. [NO TEMPORARY PARTIAL COMPENSATION OR REHABILITATION IF JOB OFFER REFUSED.] An employee who has been offered a job under subdivision 3e and has refused that offer and who sub-

sequently returns to work shall not receive temporary partial compensation pursuant to subdivision 2 if the job the employee returns to provides a wage less than the wage at the time of the injury. No rehabilitation shall be provided to this employee.

Sec. 55. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3o. [INABILITY TO RETURN TO WORK.] (a) An employee who is permanently totally disabled pursuant to subdivision 5 shall receive impairment compensation pursuant to subdivision 3b. This compensation is payable in addition to permanent total compensation pursuant to subdivision 4 and is payable concurrently. In this case the impairment compensation shall be paid in the same intervals and amount as the permanent total compensation is paid, and the impairment compensation shall cease when the amount due under subdivision 3b is reached. If this employee returns to work at any job during the period the impairment compensation is being paid, the remaining impairment compensation due shall be paid in a lump sum 30 days after the employee has returned to work and no further temporary total compensation shall be paid.

(b) If an employee is receiving or has received economic recovery compensation and is determined to be permanently totally disabled no offset shall be taken against future permanent total compensation for the compensation paid. No further economic recovery compensation is payable even if the amount due the employee pursuant to subdivision 3a has not yet been reached.

(c) An employee who has received periodic economic recovery compensation and who meets the criteria under clause (b) of this subdivision shall receive impairment compensation pursuant to clause (a) of this subdivision even if the employee has previously received economic recovery compensation for that disability.

(d) Rehabilitation consultation pursuant to section 176.102 shall be provided to an employee who is permanently totally disabled.

Sec. 56. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3p. [NO JOB OFFER.] Where the employee has a permanent partial disability and has reached maximum medical improvement or upon completion of an approved retraining program, whichever is later, that employee shall receive economic recovery compensation pursuant to subdivision 3a if no job offer meeting the criteria of the job in subdivision 3e is made within 90 days after reaching maximum medical improvement or 90 days after the end of an approved retraining plan, whichever is later.

Temporary total compensation shall cease upon commencement of the payment of economic recovery compensation. Temporary total compensation shall not be paid concurrently with economic recovery compensation.

Sec. 57. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3q. [METHOD OF PAYMENT OF ECONOMIC RECOVERY COMPENSATION.] (a) Economic recovery compensation is payable at the

same intervals and in the same amount as temporary total compensation was paid. If the employee returns to work and the economic recovery compensation is still being paid, the remaining economic recovery compensation due without further adjustments under section 176.645 shall be paid in a lump sum 30 days after the employee has returned to work.

(b) Periodic economic recovery compensation paid to the employee shall be adjusted pursuant to section 176.645.

Sec. 58. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3r. [PAYMENT OF COMPENSATION AT DEATH.] If an employee receiving economic recovery compensation or impairment compensation in periodic amounts dies during the period from causes unrelated to the injury, the compensation shall be paid in the following manner:

(a) *If the deceased employee leaves a dependent surviving spouse and no dependent children, as defined by section 176.111, subdivision 1, the spouse shall receive the weekly economic recovery or impairment compensation that the deceased was receiving before the death. This compensation shall be paid for a period of up to ten years after the date of death at which time payments and future entitlement to it ceases.*

(b) *If the deceased employee leaves a dependent spouse and dependent children, as defined in section 176.111, subdivision 1, the periodic economic recovery or impairment compensation shall continue to be paid to the surviving spouse for up to ten years after the last child is no longer dependent after which time payments and future entitlement to the compensation ceases.*

(c) *Payment of compensation under this subdivision shall cease prior to the end of the ten-year periods in this subdivision if the amount to which the employee is entitled to receive under subdivision 3, 3a, or 3b, is reached prior to the end of the ten-year period. If the deceased employee is not survived by dependent children or a dependent spouse as defined in section 176.111, no further economic recovery compensation or impairment compensation is payable to any person under this subdivision.*

(d) *If the death results from the injury, the payment of economic recovery compensation or impairment compensation shall cease upon the death and death benefits are payable pursuant to section 176.111.*

Sec. 59. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3s. [ADDITIONAL ECONOMIC RECOVERY COMPENSATION OR IMPAIRMENT COMPENSATION.] No additional economic recovery compensation or impairment compensation is payable to an employee who has received that compensation to which the employee is entitled pursuant to subdivision 3a or 3b unless the employee has a greater permanent partial disability than already compensated.

Sec. 60. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3t. [MINIMUM ECONOMIC RECOVERY COMPENSATION.] (a) Economic recovery compensation pursuant to this section shall be at least

120 percent of the impairment compensation the employee would receive if that compensation were payable to the employee. The monitoring period shall be at least 120 percent of the weeks during which impairment compensation would be payable if paid weekly.

(b) An employee who has suffered a personal injury for which temporary total compensation is payable but which produces no permanent partial disability shall receive 26 weeks of economic recovery compensation if no job is offered within the time specified in and meeting the criteria of subdivision 3e.

Sec. 61. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3u. [MEDICAL BENEFITS.] This section does not in any way limit the medical benefits to which an injured employee is otherwise entitled pursuant to this chapter.

Sec. 62. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3v. [ADMINISTRATIVE CONFERENCE.] The provisions of section 176.242 apply if there exists a dispute regarding maximum medical improvement or whether the job offered meets the criteria under subdivision 3e or 3f.

Sec. 63. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 4a. [PREEXISTING CONDITION OR DISABILITY; APPORTIONMENT.] (a) If a personal injury results in a disability which is attributable in part to a preexisting disability that arises from a congenital condition or is the result of a traumatic injury or incident, whether or not compensable under this chapter, the compensation payable for the permanent partial disability pursuant to this section shall be reduced by the proportion of the disability which is attributable only to the preexisting disability. An apportionment of a permanent partial disability under this subdivision shall be made only if the preexisting disability is clearly evidenced in a medical report or record made prior to the current personal injury. Evidence of a copy of the medical report or record upon which apportionment is based shall be made available to the employee by the employer at the time compensation for the permanent partial disability is begun.

(b) The compensable portion of the permanent partial disability under this section shall be paid at the rate at which the entire disability would be compensated but for the apportionment.

Sec. 64. Minnesota Statutes 1982, section 176.101, subdivision 6, is amended to read:

Subd. 6. [MINORS.] If any employee entitled to the benefits of this chapter is a minor or is an apprentice of any age and sustains a personal injury arising out of and in the course of employment resulting in permanent total or a compensable permanent partial disability, for the purpose of computing the compensation to which he the employee is entitled for said the injury the compensation rate for temporary total, temporary partial, ~~retraining, permanent partial~~ or a permanent total disability or economic recovery compensation shall be the larger of either the statewide average weekly wage

or the employees weekly wage, but in no case shall the compensation exceed the maximum weekly compensation rate payable under this chapter.

Sec. 65. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 8. [RETIREMENT PRESUMPTION.] For injuries occurring after the effective date of this subdivision an employee who receives social security old age and survivors insurance retirement benefits is presumed retired from the labor market. This presumption is rebuttable by a preponderance of the evidence.

Sec. 66. [176.1011] [PERMANENT PARTIAL DISABILITY, WHOLE BODY SCHEDULE.]

Subdivision 1. [GENERAL.] For permanent partial disability the percentage loss of a part of the body as it relates to the whole body is as indicated in this section.

Subd. 2. [MEMBERS.] (a) For the loss of a hand, not including wrist movement, 42 percent of the whole body;

(b) For the loss of a hand, including wrist movement, 48 percent of the whole body;

(c) For the loss of an arm, 60 percent of the whole body;

(d) For the loss of a foot, including ankle movement, 32 percent of the whole body;

(e) For loss of a leg, if enough remains to permit the use of an effective artificial member, 40 percent of the whole body;

(f) For the loss of a leg so close to the hip that no effective artificial member can be used, 50 percent of the whole body;

(g) For loss of the great toe, eight percent of the whole body;

(h) For loss of a toe other than the great toe, three percent of the whole body;

Subd. 3. [VISION.] For the complete loss of vision, 85 percent of the whole body. In determining the degree of vision impairment as it relates to complete loss of vision, clauses (1) to (6) must be used.

(1) [MAXIMUM AND MINIMUM LIMITS OF THE PRIMARY COORDINATE FACTORS OF VISION.] In order to determine the various degrees of visual efficiency, normal or maximum, and minimum, limits for each coordinate function must be established those being, the 100 percent point and the zero percent point.

(a) [MAXIMUM LIMITS.] The maximum efficiency for each of these is established by existing and accepted standards.

1. [CENTRAL VISUAL ACUITY.] The ability to recognize letters or characters which subtend an angle of five minutes, each unit part of which subtends a one-minute angle at the distance viewed is accepted as standard. Therefore a 20/20 Snellen or A.M.A. and a 14/14 A.M.A. are employed as the maximum acuity of central vision, or 100 percent acuity for distance vision and near vision respectively.

2. [FIELD VISION.] A visual field having an area which extends from the point of fixation outward 65 degrees, down and out 65 degrees, down 55 degrees, down and in 5 degrees, inward 45 degrees, in and up 45 degrees, upward 45 degrees, and up and out 55 degrees is accepted as 100 percent industrial visual field efficiency.

3. [BINOCULAR VISION.] Maximum binocular vision is present if there is absence of diplopia in all parts of the field of binocular fixation, and if the two eyes give useful binocular vision.

(b) [MINIMUM LIMITS.] The minimum limit, or the zero percent of the coordinate functions of vision, is established at that degree of efficiency which reduces vision to a state of industrial uselessness.

1. [CENTRAL VISUAL ACUITY.] The minimum limit of this function is established as the loss of light perception, light perception being qualitative vision. The practical minimum limit of quantitative visual acuity is established as the ability to distinguish form. Experience, experiment, and authoritative opinion show that for distance vision 20/200 Snellen or A.M.A. Chart is 80 percent loss of visual efficiency, 20/380 is 96 percent loss, and 20/800 is 99.9 percent loss, and that for near vision 14/141 A.M.A. Reading Card is 80 percent loss of visual efficiency, 14/266 is 96 percent loss, and 14/560 is 99.9 percent loss. Table 1 shows the percentage loss of visual efficiency corresponding to the Snellen and other notations for distance and for near vision, for the measurable range of quantitative visual acuity.

2. [FIELD VISION.] The minimum limit for this function is established as a concentric central contraction of the visual field to five degrees. This degree of contraction of the visual field of an eye reduces the visual efficiency to zero.

3. [BINOCULAR VISION.] The minimum limit is established by the presence of diplopia in all parts of the motor field, or by lack of useful binocular vision. This condition constitutes 50 percent motor field efficiency.

TABLE 1

Percentage of Central Visual Efficiency Corresponding to
Specified Readings for Distance and for Near Vision for
Measurable Range of Quantitative Visual Acuity

A.M.A. Test Chart or Snellen Reading for Distance	A.M.A. Card Reading for Near	Percentage of Visual Efficiency	Percent- age Loss of Vision
20/20	14/14	100.00	0.0
20/15	14/17.5	95.7	4.3
20/25.7	—	95.0	5.0
20/30	14/21	91.5	8.5
20/32.1	—	90.0	10.0
20/35	14/24.5	7.5	12.5
20/38.4	—	85.0	15.0
20/40	14/28	83.6	16.4
20/44.9	14/31.5	80.0	20.0
20/50	14/35	76.5	23.5

20/52.1	—	75.0	25.0
20/60	14/42	69.9	30.1
20/60.2	—	70.0	30.0
20/68.2	—	65.0	35.0
20/70	14/49	64.0	36.0
20/77.5	—	60.0	40.0
20/80	14/56	58.5	41.5
20/86.8	—	55.0	45.0
20/90	14/63	53.4	46.6
20/97.5	—	50.0	50.0
20/100	14/70	48.9	51.1
20/109.4	—	45.0	55.0
20/120	14/84	40.9	59.1
—	14/89	38.4	61.6
20/122.5	—	40.0	60.0
20/137.3	—	35.0	65.0
20/140	14/98	34.2	65.8
20/155	—	30.0	70.0
20/160	14/112	28.6	71.4
20/175	—	25.0	75.0
20/180	14/126	23.9	76.1
20/200	14/141	20.0	80.0
20/220	14/154	16.7	83.3
20/240	14/168	14.0	86.0
14/178	—	12.3	87.7
20/260	14/182	11.7	88.3
20/280	14/196	9.7	90.3
20/300	14/210	8.2	91.8
20/320	14/224	6.8	93.2
20/340	14/238	5.7	94.3
20/360	14/252	4.8	95.2
20/380	14/266	4.0	96.0
20/400	14/280	3.3	96.7
20/450	14/315	2.1	97.9
20/500	14/350	1.4	98.6
20/600	14/420	0.6	99.4
20/700	14/490	0.3	99.7
20/800	14/560	0.1	99.9

Where distance vision is less than 20/200 and the A.M.A. Chart is used, readings will be at ten feet. The percentage of efficiency and loss may be obtained from this table by comparison with corresponding readings on the basis of 20 feet, interpolating between readings if necessary. In view of the lack of uniform standards among the various near vision charts, readings for near vision, within the range of vision covered thereby, are to be according to the American Medical Association Rating Reading Card of 1932.

(2) [MEASUREMENT OF COORDINATE FACTORS OF VISION AND THE COMPUTATION OF THEIR PARTIAL LOSS.] (a) [Central visual acuity.] 1. Central visual acuity shall be measured both for distance and for near, each eye being measured separately, both with and without correction. Where the purpose of the computation is to determine loss of vision resulting from injury, if correction is needed for a presbyopia due to age or for some other condition clearly not due to the injury, the central visual acuity "without correction," as the term is used in this section, shall be measured with a correction applied for the presbyopia or other preexisting condition but without correction for any condition which may have resulted from the in-

jury. The central visual acuity with correction shall be measured with correction applied for all conditions present.

2. *The percentage of central visual acuity efficiency of the eye for distance vision shall be based on the best percentage of central visual acuity between the percentage of central visual acuity with and without correction. No subtraction for glasses may be taken at more than 25 percent, or less than five percent, of total central visual acuity efficiency. If a subtraction of five percent reduces the percentage of central visual acuity efficiency below that obtainable without correction, the percentage obtainable without correction shall be adopted unless correction is necessary to prevent eye strain or for other reasons.*

3. *The percentage of central visual acuity efficiency of the eye for near vision shall be based on a similar computation from the near vision readings, with and without correction.*

4. *The percentage of central visual acuity efficiency of the eye in question shall be the result of the weighted values assigned to these two percentages for distance and for near. A onefold value is assigned to distance vision and a twofold value to near vision. If the central visual efficiency for distance 70 percent and that for near is 40 percent, the percentage of central visual efficiency for the eye in question would be:*

<i>Distance (taken once)</i>	<i>70 percent</i>
<i>Near (taken twice)</i>	<i>40</i>
	<i>40</i>
	<i>150 divided by 3 = 50 percent</i>
	<i>central visual acuity efficiency</i>

5. *The Snellen test letters or characters as published by the Committee on Compensation for Eye Injuries of the American Medical Association and designated "Industrial Vision Test Charts" subtend a five-minute angle, and their component parts a one-minute angle. These test letters or the equivalent are to be used at an examining distance of 20 feet for distant vision (except as otherwise noted on the chart where vision is very poor), and 14 inches for near vision, from the patient. The illumination is to be not less than three-foot candles, nor more than ten-foot candles on the surface of the chart.*

6. *Table 1 shows the percentage of central visual acuity efficiency and the percentage loss of efficiency, both for distance and for near, for partial loss between 100 percent and zero vision for either eye.*

(b) [FIELD VISION.] 1. *The extent of the field of vision shall be determined by the use of the usual perimetric test methods, a white target being employed which subtends a one-degree angle under illumination of not less than three-foot candles, and the result plotted on the industrial visual field chart. The readings should be taken, if possible, without restriction to the field covered by the correction worn.*

2. *The amount of radial contraction in the eight principal meridians shall be determined. The sum of the degrees of field vision remaining on these meridians, divided by 420 (the sum of the eight principal radii of the industrial visual field) will give the visual field efficiency of one eye in percent, except that a concentric central contraction of the field to a diameter of five degrees reduces the visual efficiency to zero.*

3. *Where the impairment of field is irregular and not fairly disclosed by the eight radii, the impaired area should be sketched upon the diagram on the report blank, and the computation be based on a greater number of radii, or*

otherwise, as may be necessary to a fair determination.

(c) [BINOCULAR VISION.] 1. Binocular vision shall be measured in all parts of the motor field, recognized methods being used for testing. It shall be measured with any useful correction applied.

2. Diplopia may involve the field of binocular fixation entirely or partially. When diplopia is present, this shall be plotted on the industrial motor field chart. This chart is divided into 20 rectangles, four by five degrees in size. The partial loss due to diplopia is that proportional area which shows diplopia as indicated on the plotted chart compared with the entire motor field area.

3. If diplopia involves the entire motor field, causing an irremediable diplopia, or when there is absence of useful binocular vision due to lack of accommodation or other reason, the loss of coordinate visual efficiency is equal to 50 percent loss of the vision existing in one eye (ordinarily the injured, or the more seriously injured, eye). If the diplopia is partial, the loss in visual efficiency shall be proportional and based on the efficiency factor value of one eye as stated in table 2. If useful correction is applied to relieve diplopia, five percent of total motor field efficiency of one eye shall be deducted from the percent of the efficiency obtainable with the correction. A correction which does not improve motor field efficiency by at least five percent of total will not ordinarily be considered useful.

TABLE 2

Loss in Binocular Vision

No loss	equals	100.0%	Motor Field Efficiency
1/20	equals	99.0	Motor Field Efficiency
2/20	equals	97.7	Motor Field Efficiency
3/20	equals	96.3	Motor Field Efficiency
4/20	equals	95.0	Motor Field Efficiency
5/20	equals	93.7	Motor Field Efficiency
6/20	equals	92.3	Motor Field Efficiency
7/20	equals	90.7	Motor Field Efficiency
8/20	equals	89.0	Motor Field Efficiency
9/20	equals	87.3	Motor Field Efficiency
10/20	equals	85.7	Motor Field Efficiency
11/20	equals	83.7	Motor Field Efficiency
12/20	equals	81.7	Motor Field Efficiency
13/20	equals	79.7	Motor Field Efficiency
14/20	equals	77.3	Motor Field Efficiency
15/20	equals	75.0	Motor Field Efficiency
16/20	equals	72.7	Motor Field Efficiency
17/20	equals	69.7	Motor Field Efficiency
18/20	equals	66.0	Motor Field Efficiency
19/20	equals	61.0	Motor Field Efficiency
20/20	equals	50.0	Motor Field Efficiency

(3) [INDUSTRIAL VISUAL EFFICIENCY OF ONE EYE.] The industrial visual efficiency of one eye is determined by obtaining the product of the computed coordinate efficiency values of central visual acuity, of field of vision, and of binocular vision. Thus, if central visual acuity efficiency is 50 percent, visual field efficiency is 80 percent and the binocular vision efficiency is 100 percent, the resultant visual efficiency of the eye will be 50 times 80 times 100 equals 40 percent. Should useful binocular vision be absent in all of the motor field so that binocular efficiency is reduced to 50

percent, the visual efficiency would be 50 times 80 times 50 equals 20 percent.

(4) [COMPUTATION OF COMPENSATION FOR IMPAIRMENT OF VISION.] *When the percentage of industrial visual efficiency of each eye has been determined, it is subtracted from 100 percent. The difference represents the percentage impairment of each eye for industrial use. These percentages are applied directly to the specific schedules of chapter 176.*

(5) [TYPES OF OCULAR INJURY NOT INCLUDED IN THE DISTURBANCE OF COORDINATE FACTORS.] *Certain types of ocular disturbance are not included in the foregoing computations and these may result in disabilities, the value of which cannot be computed by any scale as yet scientifically possible of deduction. These are disturbances of accommodation not previously provided for in these rules, of color vision, of adaptation to light and dark, metamorphopsia, entropion, ectropion, lagophthalmos, epiphora, and muscle disturbances not included under diplopia. For these disabilities additional compensation shall be awarded, but in no case shall the additional award make the total compensation for loss in industrial visual efficiency greater than that provided by law for total permanent disability.*

(6) [MISCELLANEOUS RULES.] (a) *Compensation shall not be computed until all adequate and reasonable operations and treatment known to medical science have been attempted to correct the defect. Prior to the final examination on which compensation is to be computed, at least three months shall have elapsed after the last trace of visible inflammation has disappeared. If in cases of disturbance of extrinsic ocular muscles, optic nerve atrophy, injury of the retina, sympathetic ophthalmia, and traumatic cataract, at least 12 months and preferably not more than 16 months shall intervene before the examination is made on which final compensation is to be computed. In case the injury is one which may cause cataract, optic atrophy, disturbance of the retina, or other conditions, which may further impair vision after the time of the final examination, a note of that fact should be made by the examining physician on his report.*

(b) *In cases of additional loss in visual efficiency, when it is known that there was present a preexisting subnormal vision, compensation shall be based on the loss incurred as a result of eye injury or occupational condition specifically responsible for the additional loss. If there exists no record or no adequate and positive evidence of preexisting subnormal vision, it shall be assumed that the visual efficiency prior to any injury was 100 percent. An examining physician must carefully distinguish, in regard to each of the coordinate factors, between impairments resulting from the injury and impairments not so resulting. Other impairments should be reported separately.*

Subd. 3. [AUDITORY.] *For complete loss of hearing; 35 percent of the whole body. In determining the degree of hearing loss as it relates to complete hearing loss, clauses (1) to (9) must be used:*

(1) [HARMFUL NOISE.] *Hearing loss resulting from hazardous noise exposure depends upon several factors, namely, the overall intensity (sound pressure level), the daily exposure, the frequency characteristic of the noise spectrum and the total lifetime exposure. Noise exposure level of 90 decibels or more as measured on the A scale of a sound level meter for eight hours a day is considered to be harmful.*

(2) [MEASUREMENT OF NOISE.] *Noise shall be measured with a sound level meter which meets ANSI standard S1.4-1971 and shall be measured on the "A" weighted network for "slow response". Noise levels reaching*

maxima at intervals of one second or less shall be classified as being continuous. The measurement of noise is primarily the function of acoustical engineers and properly trained personnel. Noise should be scientifically measured by properly trained individuals using approved calibrated instruments which at the present time include sound level meters, octave band analyzers and oscilloscopes, the latter particularly for impact-type noises.

(3) [MEASURE OF HEARING ACUITY.] *The use of pure tone air conduction audiometry performed under proper testing conditions is recommended for establishing the hearing acuity of workers. The audiometer should be one which meets the specifications of ANSI standard 53.6-1969 (4). The audiometer should be periodically calibrated. Preemployment records should include a satisfactory personal and occupational history on hearing status. Otological examination should be made where indicated.*

(4) [FORMULA FOR MEASURING HEARING IMPAIRMENT.] *For the purpose of determining the hearing impairment, pure tone air conduction audiometry is used, measuring all frequencies between 500 and 6,000 Hz. This formula uses the average of the three speech frequencies of 1,000, 2,000, and 3,000 Hz. Audiometric measurement for these three frequencies averaging 35 decibels or less on the ANSI calibration does not constitute any practical hearing impairment. A table for evaluating hearing impairment based upon the average readings of these three frequencies follows below. No deduction is made for presbycusis.*

(5) [DIAGNOSIS AND EVALUATION.] *The diagnosis of occupational hearing loss is based upon the occupational and medical history, the results of the otological and audiometric examinations and their evaluation.*

(6) [TREATMENT.] *There is no known medical or surgical treatment for improving or restoring hearing loss due to hazardous noise exposure.*

(7) [ALLOWANCE FOR TINNITUS.] *In addition to the above impairment, if tinnitus has permanently resulted due to work exposure, an allowance of five percent loss of hearing impairment for the affected ear or ears shall be computed.*

(8) [HEARING IMPAIRMENT TABLE.]

Average Decibel Loss ANSI	Percent of Compensable Hearing Impairment	Average Decibel Loss ANSI	Percent of Compensable Hearing Impairment
35	0	66	54.25
36	1.75	67	56.00
37	3.50	68	57.75
38	5.25	69	59.50
39	7.00	70	61.25
40	8.75	71	63.00
41	10.50	72	64.75
42	12.25	73	66.50
43	14.00	74	68.25
44	15.75	75	70.00
45	17.50	76	71.75
46	19.25	77	73.50
47	21.00	78	75.25
48	22.75	79	77.00
49	24.50	80	78.75
50	26.25	81	80.50

51	28.00	82	82.25
52	29.75	83	84.00
53	31.50	84	85.75
54	33.25	85	87.50
55	35.00	86	89.25
56	36.75	87	91.00
57	38.50	88	92.75
58	40.25	89	94.50
59	42.00	90	96.25
60	43.75	91	98.00
61	45.50	92	99.75
62	47.25	92	99.75
63	49.00	92	99.75
64	50.75	92	99.75
65	52.50	92	99.75

(9) [METHOD FOR DETERMINING PERCENT OF HEARING IMPAIRMENT.] Obtain for each ear the average hearing level in decibels at the three frequencies, 1,000, 2,000, and 3,000 Hz.

See table for converting to percentage of hearing impairment in each ear.

To determine the percentage of impairment for both ears, multiply the lesser loss by four, add the greater loss and divide by five.

Subd. 4. [HEAD INJURIES.] (a) For head injuries, the percentage of permanent partial disability to the whole body multiplied by 95 percent. The percentage shall be determined from competent testimony at a hearing before a compensation judge or by the workers' compensation court of appeals in cases upon appeal except in cases where clause (b) is applicable.

(b) Skull defect:

	Unfilled defect Percent	Filled defect Percent
1 square inch	10 whole body	3 whole body
2 square inches	15 whole body	4 whole body
3 square inches	20 whole body	5 whole body
5 square inches	25 whole body	7 whole body
8 or more square inches	30 whole body	10 whole body

Subd. 5. [INTERNAL ORGANS.] For permanent partial disability to an internal organ, until the commissioner adopts a schedule of degree of disability for internal organs, that percent, not to exceed 100 percent, which is percent of permanent partial disability caused to the whole body by the injury as is determined from competent testimony at a hearing before a compensation judge or the workers' compensation court of appeals.

Subd. 6. [DISFIGUREMENT; SCARRING.] For disfigurement or scarring not resulting from the loss of a member or other injury specifically compensated, affecting the employability or advancement opportunity of the injured person in the employment in which he was injured or other employment for which the employee is then qualified or for which the employee has become qualified, the percentage the parties agree to or the compensation judge or the workers' compensation court of appeals in cases on appeal determines, not exceeding 15 percent of the whole body.

Subd. 7. [BURNS.] For permanent partial disability resulting from injury to the body as a whole due to thermal injury from extreme heat, radiation, cold, or chemical resulting in permanent injury to the skin including heat

intolerance, cold intolerance, and loss of durability; skin sensitivity and altered sweating with apocrine gland dysfunction; decreased sensation of the hand not directly related to nerve injury; and pain, loss of pigment, contracture and edema, that proportion of 70 percent which is represented by the percentage of the permanent partial disability as is determined from competent testimony at a hearing before a compensation judge or as determined by the workers' compensation court of appeals in cases on appeal, the percentage to be in addition to the rating the employee would otherwise be entitled to for loss of use of a member in accordance with this section.

Subd. 8. [ORTHOPAEDIC INJURIES.] For the purpose of chapter 176, unless the context requires otherwise "manual" means the "manual for orthopaedic surgeons in evaluating permanent physical impairment" published by the American Academy of Orthopaedic Surgeons. The manual is incorporated by reference into this chapter. Unless a contrary provision specifically exists in this chapter or in rules, the manual shall be used to determine all permanent partial disabilities which are specifically listed in the manual. The most recent manual as of May 1, 1983, shall be used for purposes of this subdivision and future amended versions shall not be used. All references to percent of permanent physical impairment and loss of physical function in the manual are the proportion that the specified impairment bears to the entire member unless otherwise specified in the manual. The proportion that the member bears to the whole body is to be determined pursuant to this subdivision.

Subd. 9. [CENTRAL NERVOUS SYSTEM.] For permanent partial disability to the central nervous system the percentage of disability of the whole body is as listed in the following:

DISABILITY — PERCENT OF WHOLE BODY

A. Trigeminal

- (1) *Unilateral sensory loss — 5 percent*
- (2) *Bilateral sensory loss — 20 percent*
- (3) *Trigeminal neuralgia — 20 percent*
- (4) *Atypical facial pain — 10 percent*
- (5) *Unilateral motor loss — 5 percent*
- (6) *Bilateral motor loss — 30 percent*

B. Facial.

- (1) *Total loss of taste — 3 percent*
- (2) *Unilateral motor loss — 10 percent*
- (3) *Bilateral motor loss — 25 percent*

C. Vestibular loss (bilateral) — 20 percent

D. Vertigo

- (1) *Interference with operating motor vehicle or riding a bicycle — 8 percent*
- (2) *Cannot perform activities of daily living without assistance except self-care, household duties, walking on the street, riding in a car — 25 percent*
- (3) *Cannot perform activities of daily living without assistance except self-care — 35 percent*

(4) Same as (3) and confined to premises — 60 percent

E. Glossopharyngeal, Vagus, Cranial Accessory

(1) Swallowing impairment due to any one or two combinations of these nerves:

(a) diet restricted to semi-solids — 10 percent

(b) diet restricted to liquids — 25 percent

(c) diet by tube feeding or gastrostomy — 50 percent

(2) Speech impairment due to any one or two combinations of these nerves:

(a) can produce speech for all to most needs — 0-2 percent

(b) can produce speech for many needs — 5 percent

(c) can produce speech for some needs — 15 percent

(d) can produce speech for few needs — 25 percent

(e) cannot produce speech for any needs — 33 percent

F. Hypoglossal

(1) Bilateral paralysis

Swallowing impairment

(a) diet restricted to semi-solids — 10 percent

(b) diet restricted to liquids — 25 percent

(c) diet by tube feeding or gastrostomy — 50 percent

(2) Speech impairment

(a) can produce speech for all to most needs — 0-2 percent

(b) can produce speech for many needs — 5 percent

(c) can produce speech for some needs — 15 percent

(d) can produce speech for few needs — 25 percent

(e) cannot produce speech for any needs — 33 percent

G. Spinal Cord and Brain

Supporting objective neurological findings are presupposed.

(1) Spinal cord

Use of lower extremities

(a) can stand but walks with difficulty — 15 percent

(b) can stand but walks only on the level — 30 percent

(c) can stand but cannot walk — 45 percent

(d) can neither stand nor walk — 65 percent

(2) Use of upper extremities

	(Preferred extremity)	Percentage (Nonpreferred extremity)	(Both)
(a) some difficulty with digital dexterity	10	5	15
(b) has no digital dexterity	20	10	30
(c) has difficulty with self care	30	20	50
(d) cannot carry out self care	50	35	85

(3) *Respiration*(a) *Difficulty only where extra exertion required — 5 percent*(b) *restricted to limited ambulation — 25-50 percent*(c) *restricted to bed — 75 percent*(d) *has no spontaneous respiration — 95 percent*(4) *Urinary Bladder function*(a) *impairment in form of urgency — 5 percent*(b) *good reflex activity without voluntary control — 20 percent*(c) *poor reflex activity and no voluntary control — 35 percent*(d) *no reflex or voluntary control — 50 percent*(5) *Anorectal function*(a) *limited voluntary control — 5 percent*(b) *has reflex regulation but no voluntary control — 15 percent*(c) *no reflex regulation or voluntary control — 20 percent*

<i>Sexual function</i>	<i>Percentage</i>
<i>Mild difficulties</i>	5
<i>Reflex function possible</i>	
<i>but no awareness</i>	20
<i>No sexual function</i>	30

H. Brain - Supporting objective evidence of structural injury, neurological deficit or psychomotor findings is required(1) *community disturbances, mild difficulties — 5 percent*(2) *Comprehends but requires adaptive communication — 20 percent*(3) *comprehends but cannot produce sufficient or appropriate language — 30 percent*(4) *cannot comprehend or produce intelligible or appropriate language — 60 percent*(5) *cannot comprehend or produce language — 95 percent*(6) *complex integrated cerebral function disturbances*- *must be substantiated by medical observation in a controlled setting and supported by psychometric testing for organic dysfunction.*- *functional overlay or primary psychiatric disturbances shall not be rated*

under this category.

(a) can carry out daily living tasks — 10 percent

(b) needs some supervision — 30 percent

(c) needs confinement — 65 percent

(d) cannot care for self — 95 percent

(7) Emotional disturbances (personality changes)

-must be substantiated by medical observation in a controlled setting and supported by psychometric testing for organic dysfunction.

(a) only present under unusual stress — 10 percent

(b) present in mild to moderate degree under ordinary stress — 30 percent

(c) present in moderate to severe degree under ordinary stress — 55 percent

(d) severe degree; continually endangers self or others — 95 percent

(8) Consciousness mental content

-must be substantiated by medical observation in a controlled setting and supported by psychometric testing for organic dysfunction.

(a) mild confusion — 40 percent

(b) moderate confusion — 60 percent

(c) lethargy — 80 percent

(d) stupor — 95 percent

(e) coma — 95 percent

(9) Memory function

(a) able to carry out limited vocational tasks with supporting devices — 15 percent

(b) needs direction but can carry through tasks — 30 percent

(c) needs supervised living and vocational supervision — 65 percent

(d) cannot remember from moment to moment — 95 percent

(10) Paralysis

(a) one side of body

(1) slight — 20 percent

(2) moderate — 55 percent

(3) severe — 95 percent

(11) Epilepsy

(a) well controlled on medication for one year or more. Able to enter work force but with restrictions — 10 percent

(b) not well controlled. Spells interfering with activities at least once a year — 15 percent

(c) poorly controlled, having several spells per year, with moderate inter-

ference with daily living — 35 percent

(d) requires supervised, protective care or confinement — 75 percent

(e) totally incapacitated — 95 percent

1. Headaches

vascular with nausea - vomiting — 5 percent

Subd. 10. [LOSS OF USE OF MEMBER.] In all cases of permanent partial disability, it is considered that the permanent loss of the use of a member is equivalent to and draws the same compensation as the loss of that member.

Subd. 11. [MEMBER NOT IN SCHEDULE.] In cases of permanent partial disability to a body part not listed in this schedule or the manual, the percentage loss of function which the disability bears to the whole body shall be determined pursuant to rules adopted by the commissioner.

Subd. 12. [INJURY TO MORE THAN ONE BODY PART.] If an employee suffers a permanent functional disability of more than one body part due to a personal injury incurred in a single occurrence, the percent of the whole body which is permanently partially disabled shall be determined by the following formula so as to ensure that the percentage for all functional disability combined does not exceed the total for the whole body:

$$A + B (1 - A)$$

where: A is the greater percentage whole body loss of the first body part; and B is the lesser percentage whole body loss otherwise payable for the second body part.

For permanent partial disabilities to three body parts due to a single occurrence or as the result of an occupational disease, the above formula shall be applied, providing that A equals the result obtained from application of the formula to the first two body parts and B equals the percentage for the third body part. For permanent partial disability to four or more body parts incurred as described above, A equals the result obtained from the prior application of the formula, and B equals the percentage for the fourth body part or more in arithmetic progressions.

Sec. 67. Minnesota Statutes 1982, section 176.102, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] ~~Vocational Rehabilitation shall train an~~ *is intended to restore the injured employee, through physical and vocational rehabilitation, so he the employee may be returned return to a job related to his the employee's former employment or to a job in another work area which produces an economic status as close as possible to that he the employee would have enjoyed without disability. Rehabilitation to a job with a higher economic status than would have occurred without disability is permitted if it can be demonstrated that this rehabilitation is necessary to increase the likelihood of reemployment. Economic status is to be measured not only by opportunity for immediate income but also by opportunity for future income.*

Sec. 68. Minnesota Statutes 1982, section 176.102, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATORS.] ~~The commissioner of labor and industry~~

shall hire a director of rehabilitation services in the classified service. The commissioner of labor and industry is responsible for supervising shall monitor and supervise rehabilitation services, including, but not limited to, making determinations regarding the selection and delivery of rehabilitation services and the criteria used to approve qualified rehabilitation consultants and rehabilitation vendors. The commissioner may also make determinations regarding fees for rehabilitation services, the fitness of qualified rehabilitation consultants and vendors to continue to be approved under this section and has authority to discipline, by fine or otherwise, the consultants or vendors who act in violation of this chapter or rules adopted pursuant to this chapter. The commissioner of labor and industry may hire qualified personnel to assist in his duties under this section and may delegate his duties and performance.

Sec. 69. Minnesota Statutes 1982, section 176.102, subdivision 3, is amended to read:

Subd. 3. [REVIEW PANEL.] There is created a rehabilitation review panel composed of the commissioner of labor and industry or his a designee, who shall serve as an ex officio member and two members each from labor, employers, insurers, vocational rehabilitation, and medicine and, one member representing chiropractors, and four members representing labor. The members shall be appointed by the governor commissioner and shall serve four year four-year terms which may be renewed. Compensation for members shall be governed by section 15.0575. The panel shall select a chairman. The panel shall (a) review and make a determination with respect to (a) appeals regarding eligibility for rehabilitation services, rehabilitation plans and rehabilitation benefits under subdivisions 9 and 11; (b) hold appeals on any other rehabilitation issue the commissioner determines under this section; and (c) appeals regarding fee disputes, penalties, discipline, certification approval or revocation of certification approval hearings; (e) of registration of qualified rehabilitation consultants and approved vendors. The panel shall continuously study rehabilitation services and delivery and (d) develop and recommend rehabilitation rules as necessary to the commissioner of labor and industry. A majority vote of those attending a panel hearing under subdivision 6 shall constitute the decision of the board.

Sec. 70. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 3a. [REVIEW PANEL APPEALS.] Appeals to the review panel shall be heard before a panel of five members designated by the review panel. Each five-member panel shall consist of two labor members, two employer or insurer members, and one member representing medicine, chiropractic, or rehabilitation. The determination of the five-member panel shall be by a majority vote and shall represent the determination of the entire review panel and is not subject to review by the panel as a whole. When conducting a review of the commissioner's determination regarding any rehabilitation issue or plan the panel shall give the parties notice that the appeal will be heard. This notice shall be given at least ten working days prior to the hearing. The notice shall state that parties may be represented by counsel at the hearing. In conducting its review the panel shall permit an interested party to present relevant, competent, oral or written evidence and to cross-examine opposing evidence. Evidence presented is not limited to the

evidence previously submitted to the commissioner. A record of the proceeding shall be made by the panel. Upon determination of the issue presented, the panel shall issue to the interested parties a written decision and order. The decision need not contain a recitation of the evidence presented at the hearing, but shall be limited to the panel's basis for the decision.

Sec. 71. Minnesota Statutes 1982, section 176.102, subdivision 4, is amended to read:

Subd. 4. [REHABILITATION PLAN; DEVELOPMENT.] Within 30 days of the time an employer or his insurer has medical information that an employee is unable due to a personal injury or occupational disease to return to his preinjury occupation the employer shall provide rehabilitation consultation for the employee. The employee, however, has the final decision on which rehabilitation agency is to be utilized pursuant to the provisions of this section. The consultation shall be done by any person or public or private institution approved by the commissioner of labor and industry. If the consultant determines rehabilitation would significantly reduce or eliminate the decrease in employability, the employer or insurer in conjunction with the rehabilitation consultant shall submit a specific plan of rehabilitation to the commissioner. If the employer does not provide rehabilitation consultation, when required by this section, within the time specified by this subdivision, the commissioner of labor and industry shall notify the employer and insurer that should they fail to provide rehabilitation consultation within 15 days from the receipt of the commissioner's notice, the division of vocational rehabilitation shall be authorized to provide the rehabilitation consultation for the employee. If the employee refuses to submit to any reasonable examinations and evaluative procedures to determine the need for and the details of a plan of rehabilitation, the amount of compensation may be reduced or the right to compensation may be suspended by an order of the division or workers' compensation court of appeals in a matter before it. In developing a plan, consideration shall be given to the employee's age, education, previous work history, interests and skills.

(a) An employer or insurer shall provide rehabilitation consultation by a qualified rehabilitation consultant or by another person permitted by rule to provide consultation to an injured employee within five days after the employee has 60 days of lost work time due to the personal injury, except as otherwise provided in this subdivision. Where an employee has incurred an injury to the back, the consultation shall be made within five days after the employee has 30 days of lost work time due to the injury. The lost work time in either case may be intermittent lost work time. If an employer or insurer has medical information at any time prior to the time specified in this subdivision that the employee will be unable to return to the job the employee held at the time of the injury rehabilitation consultation shall be made immediately after receipt of this information.

For purposes of this section "lost work time" means only those days during which the employee would actually be working but for the injury. In the case of the construction industry, mining industry, or other industry where the hours and days of work are affected by seasonal conditions, "lost work time" shall be computed by using the normal schedule worked when employees are working full time.

If the employee objects to the employer's selection of a qualified rehabilitation consultant, the employee shall notify the employer and the commis-

sioner in writing of the objection.

Upon receipt of the notice of objection, the commissioner may schedule an administrative conference for the purpose of determining which qualified rehabilitation consultant may be mutually acceptable. The employee has the final decision on which qualified rehabilitation consultant is to be utilized.

The employee and employer shall enter into a program if one is prescribed in a rehabilitation plan. A copy of the plan, including a target date for return to work, shall be submitted to the commissioner.

(b) If the employer does not provide rehabilitation consultation as required by this section, the commissioner shall notify the employer that if the employer fails to appoint a qualified rehabilitation consultant or other persons as permitted by clause (a) within 15 days to conduct a rehabilitation consultation, the commissioner shall appoint a qualified rehabilitation consultant to provide the consultation at the expense of the employer unless the commissioner determines the consultation is not required.

(c) In developing a rehabilitation plan consideration shall be given to the employee's qualifications, including but not limited to age, education, previous work history, interest, transferable skills, and present and future labor market conditions.

(d) The commissioner may waive rehabilitation consultation under this section if the commissioner is satisfied that the employee will return to work in the near future or that rehabilitation consultation will not be useful in returning an employee to work.

Sec. 72. Minnesota Statutes 1982, section 176.102, subdivision 5, is amended to read:

Subd. 5. [ON THE JOB TRAINING.] On the job training is to be given consideration in developing a rehabilitation plan especially where it would produce an economic status similar to that enjoyed prior to disability. ~~When a rehabilitation plan includes on the job training, the employee shall receive compensation while employed in an amount equal to the after tax wage the employee received at the time of the personal injury. This compensation shall be paid in whole or in part by the insurer liable for compensation for the employee's personal injury. The amount of compensation to be paid by this insurer shall be determined in the rehabilitation plan prepared pursuant to this section. Any difference between the amount of compensation the insurer is paying and the after tax wage the employee received at the time of the personal injury shall be paid by the on the job employer, but in no case shall this employer's amount exceed the prevailing wage for the job. After tax wage shall be determined by subtracting federal and state income tax from the employee's gross wage.~~

~~A rehabilitation plan which includes on the job training shall attempt to create an incentive for an employer to hire the employee for on the job training. This incentive may be in the form of reducing the on the job training employer's wages paid to the employee to a level which is less than the prevailing wage for the job, provided that the total compensation from the insurer, required by this section, and the wages paid by the on the job training employer is not less than the after tax wage received by the employee at the time of the personal injury. The compensation from the insurer and the on the job training~~

employer paid pursuant to this subdivision is in lieu of temporary total disability payments and the additional compensation provided in subdivision 11.

Sec. 73. Minnesota Statutes 1982, section 176.102, subdivision 6, is amended to read:

Subd. 6. [PLAN, ELIGIBILITY FOR REHABILITATION, APPROVAL AND APPEAL.] The commissioner of labor and industry shall determine eligibility for rehabilitation services and shall review, approve, modify or reject rehabilitation plans developed under subdivision 4. The commissioner shall also make determinations regarding rehabilitation issues not necessarily part of a plan including, but not limited to, determinations regarding whether an employee is eligible for further rehabilitation and the benefits under subdivisions 9 and 11 to which an employee is entitled. ~~Any persons aggrieved by~~ A decision of the commissioner may ~~appeal~~ be appealed to the rehabilitation review panel within 30 days of the commissioner's decision. The decision of the panel may be appealed to the workers' compensation court of appeals in the same manner as other matters appealed to the court. ~~The panel may approve or reject the decision of the commissioner. If it rejects the commissioner's decision it may formulate its own rehabilitation plan.~~

Sec. 74. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 6a. [ELIGIBILITY DETERMINATION.] The commissioner has the sole authority under this chapter to determine eligibility for rehabilitation services under this section and to review, approve, modify, or reject rehabilitation plans and make other rehabilitation determinations pursuant to this chapter. These determinations shall not be made by a compensation judge but may be appealed to the rehabilitation review panel and workers' compensation court of appeals as provided by subdivision 6.

Sec. 75. Minnesota Statutes 1982, section 176.102, subdivision 7, is amended to read:

Subd. 7. [PLAN IMPLEMENTATION; REPORTS.] Upon request by the commissioner, insurer ~~or~~, employer or employee, medical and rehabilitation reports shall be made by the provider of the medical and rehabilitation service to the commissioner of labor and industry, insurer ~~and~~, employer or employee of an employee's progress under a plan.

Sec. 76. Minnesota Statutes 1982, section 176.102, subdivision 8, is amended to read:

Subd. 8. [PLAN MODIFICATION.] Upon request ~~of~~ to the commissioner by the employer, the insurer, or employee ~~to the commissioner~~, or upon the commissioner's own request, the plan may be suspended, terminated or altered upon a showing of good cause ~~therefor~~, including:

(a) a physical impairment that does not allow the employee to pursue the vocation ~~being trained for rehabilitation plan~~;

(b) the employee's performance level indicates ~~he cannot complete~~ the plan will not be successfully completed; ~~or~~

(c) an employee does not cooperate with a plan-;

(d) that the plan or its administration is substantially inadequate to achieve

the rehabilitation plan objectives.

An employee may request a change in a rehabilitation plan once because ~~he~~ *the employee feels he is not suited ill-suited* for the type of work for which ~~training rehabilitation~~ *is being provided if the request is made within 90 days of the start of the plan if the rehabilitation plan includes retraining, this request must be made within 90 days of the beginning of the retraining program.* Any decision of the commissioner regarding a change in a plan may be appealed to the *rehabilitation review panel* within ~~45~~ *30* days of the decision.

Sec. 77. Minnesota Statutes 1982, section 176.102, subdivision 9, is amended to read:

Subd. 9. [PLAN, COSTS.] An employer is liable for the following rehabilitation expenses under this section:

(a) Cost of ~~vocational~~ *rehabilitation diagnosis evaluation* and preparation of a plan;

(b) Cost of all rehabilitation services and supplies necessary for implementation of the plan;

(c) Reasonable cost of tuition, books and travel; and, in addition, reasonable costs of board ~~and~~, *lodging and custodial daycare* when rehabilitation requires residence away from the employee's customary residence; ~~and~~

(d) *Reasonable costs of travel and custodial daycare during the job interview process;*

(e) *Reasonable cost for moving expenses of the employee and family if a job is found in a geographic area beyond reasonable commuting distance after a diligent search within the present community. Relocation shall not be paid more than once during any rehabilitation program, and relocation shall not be required if the new job is located within the same standard metropolitan statistical area as the employee's job at the time of injury. An employee shall not be required to relocate and a refusal to relocate shall not result in a suspension or termination of compensation under this chapter; and*

(~~d~~) (f) Any other expense agreed to be paid.

Sec. 78. Minnesota Statutes 1982, section 176.102, subdivision 10, is amended to read:

Subd. 10. [REHABILITATION; CONSULTANTS.] The commissioner shall approve rehabilitation consultants who may propose and implement plans if they satisfy rules ~~promulgated~~ *adopted* by the commissioner for rehabilitation consultants. A consultant may be an individual or public or private entity, *but may not be a vendor or the agent of a vendor of rehabilitation services.*

Sec. 79. Minnesota Statutes 1982, section 176.102, subdivision 11, is amended to read:

Subd. 11. [~~COMPENSATION DURING REHABILITATION RETRAINING~~.] ~~The insurer or employer shall pay up~~ *Retraining is limited to 156 weeks of compensation during rehabilitation under a plan in an amount equal to 125 percent of the employee's rate for temporary total disability. This payment is in*

lieu of payment for temporary total, temporary partial, or permanent total disability to which the employee might otherwise be entitled for this period under this chapter, but shall be considered to be the equivalent of temporary total disability for the purposes of section 176.132. If on the job training is part of the rehabilitation program, the weeks during which the insurer or employer pays compensation pursuant to subdivision 5 shall be subtracted from the 156 weeks of retraining compensation which has been paid, if any, pursuant to this subdivision. This subdivision shall not apply to retraining benefits for which liability has been established prior to July 1, 1979. An employee who has been approved for retraining may petition the commissioner for additional compensation not to exceed 25 percent of the compensation otherwise payable. If the commissioner determines that this additional compensation is warranted due to unusual or unique circumstances of the employee's retraining plan, the commissioner may award additional compensation in an amount the commissioner determines is appropriate, not to exceed the employee's request. This additional compensation shall cease at any time the commissioner determines the special circumstances are no longer present.

Sec. 80. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 11a. [APPLICABILITY OF SECTION.] This section is applicable to all employees injured prior to or on and after October 1, 1979, except for those provisions which affect an employee's monetary benefits.

Sec. 81. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 12. [DISCONTINUANCE.] All benefits payable under chapter 176 may, after a determination and order by the commissioner, be discontinued or forfeited for any time during which the employee refuses to submit to any reasonable examinations and evaluative procedures ordered by the commissioner to determine the need for and details of a plan of rehabilitation, or refuses to participate in rehabilitation evaluation as required by this section or does not make a good faith effort to participate in a rehabilitation plan. A discontinuance under this section is governed by article 1, section 122.

Sec. 82. [176.103] [MEDICAL HEALTH CARE REVIEW.]

Subdivision 1. [PURPOSE.] It is the purpose of this section to provide for review of clinical health care providers who render services to injured employees. This review shall be achieved by establishing a quality control system within the department of labor and industry.

The commissioner shall hire a medical consultant to assist in the administration of this section.

The medical consultant shall be a doctor of medicine licensed under the laws of Minnesota.

The medical consultant shall perform all duties assigned by the commissioner relating to the supervision of the total continuum of care of injured employees and shall also advise the department on matters on which the commissioner requests the consultant's advice or if the consultant deems it appropriate.

Subd. 2. [SCOPE.] The commissioner shall monitor the medical and sur-

gical treatment provided to injured employees, the services of other health care providers and shall also monitor hospital utilization as it relates to the treatment of injured employees. This monitoring shall include determinations concerning the appropriateness of the service, whether the treatment is necessary and effective, the proper cost of services, the quality of the treatment, the right of providers to receive payment under this chapter for services rendered or the right to receive payment under this chapter for future services. The commissioner may penalize, disqualify, or suspend a provider from receiving payment for services rendered under this chapter, if the commissioner determines that the provider has violated any part of this chapter or rule adopted under this chapter. The commissioner's authority under this section also includes the authority to make determinations regarding any other activity involving the questions of utilization of medical services, and any other determination the commissioner deems necessary for the proper administration of this section.

The commissioner has the sole authority to make determinations under this section with a right of appeal to the medical services review board as provided in subdivision 3 and the workers' compensation court of appeals. A compensation judge has no jurisdiction in making determinations under this section.

Subd. 3. [MEDICAL SERVICES REVIEW BOARD; SELECTION; POWERS.] (a) There is created a medical services review board composed of the commissioner or the commissioner's designee as an ex officio member, two persons representing chiropractic, one person representing hospital administrators, and six medical practitioners representing different specialties which the commissioner determines are the most frequently utilized by injured employees. The board shall also have two persons representing employees, two persons representing employers or insurers, and two persons representing the general public. The members shall be appointed by the commissioner and shall be governed by section 15.0575. Terms of the board's members shall be renewed. The board shall appoint from among its clinical members a clinical advisory subcommittee on clinical quality and a clinical advisory subcommittee on clinical cost containment. Each subcommittee shall consist of at least three members one of whom shall be a member who is not a chiropractor or licensed physician.

The clinical quality subcommittee shall review clinical results for adequacy and recommend to the commissioner scales for disabilities and apportionment.

The clinical cost containment subcommittee shall review and recommend to the commissioner rates for individual clinical procedures and aggregate costs. The subcommittees shall make regular reports to the board and the commissioner which shall evaluate the reports for the purpose of determining whether or not a particular health care provider continues to qualify for payment under chapter 176 or is subject to any other sanctions or penalties authorized under this section and to determine whether an employee has been off work longer than necessary.

In evaluating the clinical consequences of the services provided to an employee by a clinical health care provider, the board shall consider the following factors in the priority listed:

- (1) *the clinical effectiveness of the treatment;*
- (2) *the clinical cost of the treatment; and*
- (3) *the length of time of treatment.*

In its consideration of these factors, the board shall utilize the information and recommendations developed by the subcommittees. In addition, the board shall utilize any other data developed by the subcommittees pursuant to the duties assigned to the subcommittees under this section.

After making a determination, the board shall submit its recommendation in writing to the commissioner. The board shall advise the commissioner on the adoption of rules regarding all aspects of medical care and services provided to injured employees.

(b) The board shall appoint three of its members to hear appeals from decisions of the commissioner regarding quality control and supervision of medical care; any other disputes regarding medical, surgical, and hospital care; decisions regarding the eligibility of medical providers to receive payments; or any other determinations of the commissioner pursuant to subdivision 2. The three-member panel shall be composed of one member who does not represent a health care specialty, one member who represents the same specialty as the specialty at issue or, if the same specialty is not available, one member whose specialty is as close as possible considering the board's composition, and one member representing a different specialty. The three-member panel shall conduct a hearing in the same manner, giving the same notice and following other procedures required of the rehabilitation review panel in section 176.102, subdivision 3a. A majority vote of the three-member panel constitutes the decision of the full board. This decision may be appealed to the workers' compensation court of appeals.

(c) In any situation where a conflict of interest prevents the appointment of a full three-member panel or in any other situation where the commissioner deems it necessary to resolve a conflict of interest, the commissioner may appoint a temporary substitute board member to serve until the situation creating the conflict of interest has been resolved.

Sec. 83. [176.104] [REHABILITATION PRIOR TO DETERMINATION OF LIABILITY.]

Subdivision 1. [DISPUTE.] If there exists a dispute regarding whether an injury arose out of and in the course and scope of employment and an employee has been disabled for the requisite time under section 176.102, subdivision 4, prior to determination of liability, the employee shall be referred by the commissioner to the division of vocational rehabilitation which shall provide rehabilitation consultation. The services provided by the division of vocational rehabilitation and the scope and term of the rehabilitation are governed by section 176.102 and rules adopted pursuant to that section. Rehabilitation costs and services under this subdivision shall be approved, rejected, or modified by the commissioner.

Subd. 2. [LIABILITY FOR PAST REHABILITATION.] If liability is determined after the employee has commenced rehabilitation under this section the liable party is responsible for the cost of rehabilitation provided and approved by the commissioner. Future rehabilitation after liability is estab-

lished is governed by section 176.102.

Sec. 84. Minnesota Statutes 1982, section 176.105, is amended by adding a subdivision to read:

Subd. 4. The commissioner shall by rule adopt procedures to determine the percentage of loss of function of a part of the body based on the body as a whole, including internal organs, for any body part or disability not scheduled in section 176.1011 or the manual. The authority to adopt, modify, or repeal these rules expires on January 1, 1987, but any rules already adopted shall remain in effect.

Sec. 85. Minnesota Statutes 1982, section 176.111, subdivision 6, is amended to read:

Subd. 6. [SPOUSE, NO DEPENDENT CHILD.] (a) If the deceased employee leaves a dependent surviving spouse and no dependent child, there shall be paid to the spouse, ~~at the option of the spouse, either:~~

(1) ~~A lump sum settlement equal to ten full years of compensation at 50 percent of the daily wage at the time of the injury of the deceased, computed without regard to section 176.645; or~~

(2) ~~weekly workers' compensation benefits at 50 percent of the daily wage at the time of the injury for a period of ten years, including adjustments as provided in section 176.645.~~

(b) ~~A dependent surviving spouse who has not accepted a lump sum settlement pursuant to clause (a)(1) and who remarries shall receive the lesser of either:~~

(1) ~~A lump sum settlement equal to two full years of compensation at 50 percent of the daily wage at the time of the injury of the deceased, computed without regard to section 176.645; or~~

(2) ~~The remaining weekly workers' compensation benefits pursuant to clause (a)(2) at 50 percent of the daily wage, including adjustments as provided in section 176.645.~~

Sec. 86. Minnesota Statutes 1982, section 176.111, subdivision 7, is amended to read:

Subd. 7. [SPOUSE, ONE DEPENDENT CHILD.] (a) If the deceased employee leaves a surviving spouse and one dependent child, there shall be paid to the surviving spouse for the benefit of the spouse and child 60 percent of the daily wage at the time of the injury of the deceased until the child is no longer a dependent as defined in subdivision 1. At that time there shall be paid to the dependent surviving spouse, ~~at the option of the spouse, either:~~

(1) ~~A lump sum settlement equal to ten full years of compensation at a rate which is $16 \frac{2}{3}$ percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, computed without regard to section 176.645; or~~

(2) ~~weekly benefits at a rate which is $16 \frac{2}{3}$ percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, for a period of ten years, including adjustments as provided in section 176.645.~~

(b) A surviving spouse who remarries shall receive:

(1) Compensation, for the benefit of the dependent child, according to the allocation provided in subdivision 10, until the child is no longer a dependent as defined in subdivision 1; and

(2) A lump sum settlement, for the benefit of the surviving spouse, equal to two full years of weekly benefits in an amount which equals the difference between the benefit otherwise payable under clause (a) and the amount payable to the dependent child pursuant to clause (b)(1).

Sec. 87. Minnesota Statutes 1982, section 176.111, subdivision 8, is amended to read:

Subd. 8. [SPOUSE, TWO DEPENDENT CHILDREN.] (a) If the deceased employee leaves a surviving spouse and two dependent children, there shall be paid to the surviving spouse for the benefit of the spouse and children 66 $\frac{2}{3}$ percent of the daily wage at the time of the injury of the deceased until the youngest last dependent child is no longer dependent. At that time the dependent surviving spouse shall be paid, at the option of the spouse, either:

(1) A lump sum settlement equal to ten full years of compensation at a rate which is 25 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the last surviving child was a dependent, computed without regard to section 176.645; or

(2) weekly benefits at a rate which is 25 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, for a period of ten years, adjusted according to section 176.645.

(b) A surviving spouse who remarries shall receive compensation, for the benefit of the children, allocated according to subdivision 10, until the youngest dependent child is no longer dependent as defined in subdivision 1 and, for the benefit of the surviving spouse, a lump sum settlement equal to two full years of weekly benefits in an amount which equals the difference between the benefit otherwise payable pursuant to clause (a) and the amount payable to the dependent children allocated according to subdivision 10, computed without regard to section 176.645.

Sec. 88. Minnesota Statutes 1982, section 176.111, is amended by adding a subdivision to read:

Subd. 9a. [REMARRIAGE OF SPOUSE.] *A surviving spouse who remarries and is receiving benefits under subdivisions 6, 7, or 8 shall continue to be eligible to receive weekly benefits for the remaining period that the spouse is entitled to receive benefits pursuant to this section.*

Sec. 89. Minnesota Statutes 1982, section 176.111, subdivision 18, is amended to read:

Subd. 18. [BURIAL EXPENSE.] In all cases where death results to an employee from a personal injury arising out of and in the course of employment, the employer shall pay the expense of burial, not exceeding in amount \$1,000 \$2,500. In case any dispute arises as to the reasonable value of the services rendered in connection with the burial, such its reasonable value shall be determined and approved by the commissioner of the department of

~~labor and industry~~, a compensation judge, or workers' compensation court of appeals, in cases upon appeal, before payment, after ~~such~~ reasonable notice to interested parties as is required by the commissioner of the ~~department of labor and industry~~. If the deceased leave no dependents, no compensation is payable, except as provided by this chapter.

Sec. 90. Minnesota Statutes 1982, section 176.121, is amended to read:

176.121 [COMMENCEMENT OF COMPENSATION.]

In cases of temporary total or temporary partial disability no compensation ~~shall be~~ is allowed for the three calendar days after the disability commenced, except as provided by section 176.135, nor in any case unless the employer has actual knowledge of the injury or is notified thereof within the period specified in section 176.141. If ~~such~~ the disability continues for 10 calendar days or longer, ~~such~~ the compensation ~~shall be~~ is computed from the commencement of the disability. *Disability is deemed to commence on the first calendar day or fraction of a calendar day that the employee is unable to work.*

Sec. 91. [176.129] [CREATION OF THE SPECIAL COMPENSATION FUND.]

Subdivision 1. [DEPOSIT OF FUNDS.] The special compensation fund is created for the purposes provided for in this chapter. The state treasurer is the custodian of the special compensation fund. Sums paid to the commissioner pursuant to this section shall be deposited with the state treasurer for the benefit of the fund and used to pay the benefits under this chapter. Any interest or profit accruing from investment of these sums shall be credited to the special compensation fund. Subject to the provisions of this section, all the powers, duties, functions, obligations, and rights vested in the special compensation fund immediately prior to the effective date of this section are transferred to and vested in the special compensation fund recreated by this section. All rights and obligations of employers with regard to the special compensation fund which existed immediately prior to the effective date of this section continue, subject to the provisions of this section.

Subd. 2. [PAYMENTS TO FUND, DEATH.] In every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to monetary benefits of dependency compensation, the employer shall pay to the commissioner the sum of \$25,000 for the benefit of the special compensation fund. In every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to at least \$25,000 in monetary benefits of dependency compensation, the employer shall pay to the commissioner for the benefit of the special compensation fund the difference between the amounts actually paid for the dependency benefits and \$25,000; but in no event shall the employer pay the commissioner less than \$5,000.

Subd. 3. [PAYMENTS TO FUND, INJURY.] If an employee suffers a personal injury resulting in permanent partial disability, temporary total disability, temporary partial disability, permanent total disability, or death and the employee or the employee's dependents are entitled to compensation under sections 176.101 or 176.111 the employer shall pay to the commis-

tioner a lump sum amount, without any interest deduction, equal to 20 percent of the total compensation payable. The rate under this subdivision shall remain constant and applies to injuries occurring after June 1, 1971, and prior to January 1, 1984, for payments made on or after January 1, 1984. This payment is to be credited to the special compensation fund and shall be in addition to any compensation payments made by the employer under this chapter. Payment shall be made as soon as the amount is determined and approved by the commissioner.

Subd. 4. [TIME OF INJURY.] Subdivision 3 applies to all workers' compensation payments paid under sections 176.101, 176.102, 176.111, or 176.135, for an injury or death occurring on or after June 1, 1971, but before January 1, 1984.

Payments made for personal injuries that occurred prior to June 1, 1971, shall be assessed at the rate in effect on the date of occurrence.

Subd. 5. [DETERMINATION OF AMOUNT PAYABLE.] (a) In addition to assessments under subdivisions 2 and 3, an employer shall, beginning in calendar year 1984, pay an assessment as provided in this subdivision. The assessment base shall be determined according to a method established by rule adopted by the commissioner. In determining this method, the commissioner shall consider, among other things, the frequency of indemnity claims, equity, potential for retaliation by other states against Minnesota insurers, administrative convenience, records maintained by employer's insurers and self-insurers, verification of underlying records, and degree of risk refinement. The assessment base shall not be determined by paid losses.

(b) Using the assessment base method established in clause (a), the commissioner shall annually determine the amount of the assessment base of each employer.

(c) The commissioner shall annually establish a uniform percentage rate to be applied to the assessment base determined pursuant to clause (b). In establishing this rate, the commissioner shall consider, among other things, the likely expenditures to be made by the special fund in the next calendar year, the current fiscal status of the fund, future expenditure trends, and the assessments estimated to be collected under subdivisions 2 and 3. The assessment rate multiplied by the assessment base of an employer is the assessment amount payable under this subdivision. The total amount assessed against all employers under this subdivision shall not exceed \$25,000,000 in calendar year 1984. The total amount which may annually be assessed under this subdivision may be increased by up to ten percent beginning on January 1, 1985, and each January 1 thereafter.

(d) An amount assessed pursuant to this subdivision is payable to the commissioner within 45 days of mailing notice of the amount due.

Subd. 6. [PAYMENTS OUT OF FUND.] The workers' compensation division, a compensation judge, the workers' compensation court of appeals, or district court in cases before them shall direct the distribution of benefits provided by this chapter. These benefits are payable in the same manner as other payments of compensation.

Subd. 7. [REFUNDS.] In case deposit is or has been made under subdivision 2 and dependency later is shown, or if deposit is or has been made

pursuant to subdivision 2 or 3 by mistake or inadvertence, or under circumstances that justice requires a refund, the state treasurer is authorized to refund the deposit under order of the commissioner, a compensation judge, the workers' compensation court of appeals, or a district court. There is appropriated to the commissioner from the fund an amount sufficient to make the refund and payment.

Subd. 8. [COMMISSIONER AS ADMINISTRATOR.] The commissioner is the administrator of the special compensation fund. The special fund shall be designated a party in an action regarding any right, obligation, and liability of the special fund. The state treasurer, as custodian, does not have standing in an action determining any right, obligation, or liability of the special fund. The attorney general shall represent the special fund in all legal matters in which the special fund has an interest.

Subd. 9. [POWERS OF FUND.] In addition to powers granted to the special compensation fund by this chapter the fund may do the following:

(a) sue and be sued in its own name;

(b) intervene in or commence an action under this chapter or any other law, including, but not limited to, intervention or action as a subrogee to the division's right in a third-party action, any proceeding under this chapter in which liability of the special compensation fund is an issue, or any proceeding which may result in other liability of the fund or to protect the legal right of the fund;

(c) enter into settlements including but not limited to structured, annuity purchase agreements with appropriate parties under this chapter;

(d) contract with another party to administer the special compensation fund; and

(e) take any other action which an insurer is permitted by law to take in operating within this chapter.

Subd. 10. [PENALTY.] Sums paid to the commissioner pursuant to this section shall be in the manner prescribed by the commissioner. The commissioner may impose a penalty of up to 15 percent of the amount due under this section but not less than \$500 in the event payment is not made in the manner prescribed.

Subd. 11. [ADMINISTRATIVE PROVISIONS.] The accounting, investigation, and legal costs necessary for the administration of the programs financed by the special compensation fund shall be paid from the fund during each biennium commencing July 1, 1981. Staffing and expenditures related to the administration of the special compensation fund shall be approved through the regular budget and appropriations process.

Subd. 12. [REPORT OF COMMISSIONER.] The commissioner shall report biennially to the governor and to the legislature as to the financial status of the special compensation fund. The report shall include a statement of the receipts and the disbursements for the period covered.

Subd. 13. [EMPLOYER REPORTS.] All employers shall make reports to the commissioner as required for the proper administration of this section and section 176.131.

Sec. 92. Minnesota Statutes 1982, section 176.131, subdivision 1, is amended to read:

Subdivision 1. If an employee incurs personal injury and suffers disability that is substantially greater, because of a pre-existing physical impairment, than what would have resulted from the personal injury alone, the employer shall pay all compensation provided by this chapter, but ~~he~~ *the employer* shall be reimbursed from the special compensation fund for all compensation paid in excess of 52 weeks of monetary benefits and \$2,000 in medical expenses, subject to the following exceptions:

If the personal injury alone results in permanent partial disability to a scheduled member under ~~section 176.101~~ *section 176.1011 or the schedule adopted by the commissioner pursuant to section 176.105*, the monetary and medical expense limitations shall not apply and the employer ~~shall be~~ *is* liable for ~~such~~ *the* compensation, medical expense, and ~~retraining~~ *rehabilitation* attributable to the permanent partial disability, and ~~he~~ may be reimbursed from the *special* compensation fund only for compensation paid in excess of ~~such~~ *the* disability.

Sec. 93. Minnesota Statutes 1982, section 176.131, subdivision 1a, is amended to read:

Subd. 1a. If an employee is employed in an on the job retraining program pursuant to section 176.102 and the employee incurs a personal injury that aggravates the personal injury for which the employee has been certified to enter the on the job retraining program, the on the job training employer shall pay the medical expenses and compensation required by this chapter, ~~but~~ *and* shall be reimbursed from the special compensation fund for the compensation and medical expense that is attributable to the aggravated injury. The employer, at the time of the personal injury for which the employee has been certified for retraining, is liable for the portion of the disability that is attributable to that injury.

Sec. 94. Minnesota Statutes 1982, section 176.131, subdivision 2, is amended to read:

Subd. 2. If the employee's personal injury ~~shall result~~ *results* in disability or death, and if the injury, death, or disability would not have occurred except for the pre-existing physical impairment *registered with the special compensation fund*, the employer shall pay all compensation provided by this chapter, ~~but~~ *and* shall be fully reimbursed from the special compensation fund for ~~such~~ the compensation ~~only where the permanent physical impairment contributing to the second injury is diabetes, hemophilia or seizures~~ *except that this full reimbursement shall not be made for cardiac disease or a condition registered pursuant to subdivision 8, clauses (t) or (u) unless the commissioner by rule provides otherwise.*

Sec. 95. Minnesota Statutes 1982, section 176.131, subdivision 3, is amended to read:

Subd. 3. To entitle the employer to secure reimbursement from the special compensation fund, the following provisions must be complied with:

(a) Provisions of section 176.181, subdivisions 1 and 2.

(b) The employee with a pre-existing physical impairment must have been

registered with the commissioner ~~of labor and industry~~ prior to the employee's personal injury or within 180 days after notice of the employee's personal injury is received by the employer. Registration subsequent to the injury shall be based on a medical report *or record* made prior to the injury indicating the pre-existing physical impairment.

Sec. 96. Minnesota Statutes 1982, section 176.131, subdivision 4, is amended to read:

Subd. 4. Any employer who hires or retains in ~~his~~ *its* employment any person who has a physical impairment shall file a formal registration for ~~each such~~ *the* employee with the commissioner ~~of the department of labor and industry in such on~~ a form *as prescribed by* the commissioner ~~may require~~.

Sec. 97. Minnesota Statutes 1982, section 176.131, subdivision 5, is amended to read:

Subd. 5. Registration under this section may be made by the employee or any employer provided:

(a) Registration ~~shall be~~ *is* accompanied by satisfactory evidence of ~~such~~ *the* physical impairment;

(b) Registration ~~shall be~~ *is* in effect as long as ~~said~~ *the* impairment exists;

(c) Upon request, a registered employee shall be furnished by the commissioner ~~of the department of labor and industry~~ with a registration card evidencing the ~~fact of~~ registration, and ~~such~~ other facts as the commissioner ~~of the department of labor and industry~~ deems advisable.

Sec. 98. Minnesota Statutes 1982, section 176.131, subdivision 6, is amended to read:

Subd. 6. When the employer claims reimbursement from the special compensation fund after paying compensation as prescribed by this section, ~~he~~ *the employer* shall file with the commissioner ~~of the department of labor and industry~~ written notice of intention to claim reimbursement in accordance with the rules ~~and regulations of adopted by~~ the commissioner ~~of the department of labor and industry~~.

Sec. 99. Minnesota Statutes 1982, section 176.131, subdivision 7, is amended to read:

Subd. 7. Under subdivisions 1 and 2, an occupational disease may be deemed to be the personal (second) injury.

If the subsequent disability for which reimbursement is claimed is an occupational disease, and if, subsequent to registration as provided by subdivisions 4 and 5, the employee has been employed by the employer in employment similar to that which initially resulted in ~~such~~ *the* occupational disease, no reimbursement shall be paid to the employer.

Sec. 100. Minnesota Statutes 1982, section 176.131, subdivision 8, is amended to read:

Subd. 8. As used in this section the following terms have the meanings given them:

"Physical impairment" means any physical or mental condition that is

permanent in nature, whether congenital or due to injury, disease or surgery and which is or is likely to be a hindrance or obstacle to obtaining employment ~~provided~~ *except that*, physical impairment as used herein is limited to the following:

- (a) Epilepsy,
- (b) Diabetes,
- (c) Hemophilia,
- (d) Cardiac disease,
- (e) Partial or entire absence of thumb, finger, hand, foot, arm or leg,
- (f) Lack of sight in one or both eyes or vision in either eye not correctable to 20/40,
- (g) Residual disability from poliomyelitis,
- (h) Cerebral Palsy,
- (i) Multiple Sclerosis,
- (j) Parkinson's disease,
- (k) Cerebral vascular accident,
- (l) Chronic Osteomyelitis,
- (m) Muscular Dystrophy,
- (n) Thrombophlebitis,
- (o) Brain tumors,
- (p) Pott's disease,
- (q) Seizures,
- (r) Cancer of the bone,
- (s) Leukemia,

~~(t)~~ (t) Any other physical impairment for which resulting in a disability rating of at least 50 weeks or more of weekly benefits would be payable as permanent partial disability ten percent of the whole body if the physical impairment were evaluated according to standards used in workers' compensation proceedings, and

~~(u)~~ (u) Any other physical impairments of a permanent nature which the workers' compensation court of appeals commissioner may by rule prescribe;

"Compensation" has the meaning defined in section 176.011;

"Employer" includes insurer;

"Disability" means, unless otherwise indicated, any condition causing either temporary total, temporary partial, permanent total, permanent partial, death, medical expense, or ~~retraining~~ rehabilitation.

Sec. 101. Minnesota Statutes 1982, section 176.132, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE RECIPIENTS.] (a) An employee who has

suffered personal injury prior to the effective date of clause (b) for which benefits are payable under section 176.101 and who has been totally disabled for more than 104 weeks shall be eligible for supplementary benefits as hereinafter prescribed in this section after 104 weeks have elapsed and for the remainder of his the total disablement. Regardless of the number of weeks of total disability, no totally disabled person shall be is ineligible for supplementary benefits after four years have elapsed since the first date of his the total disability, except as provided by clause (b), provided that all periods of disability are caused by the same injury.

(b) An employee who has suffered personal injury after the effective date of this clause is eligible to receive supplementary benefits after the employee has been receiving temporary total or permanent total benefits for 208 weeks. Regardless of the number of weeks of total disability, no person who is receiving temporary total compensation shall be ineligible for supplementary benefits after four years have elapsed since the first date of the total disability, provided that all periods of disability are caused by the same injury.

Sec. 102. Minnesota Statutes 1982, section 176.132, is amended by adding a subdivision to read:

Subd. 5. [ROUNDING OF PAYMENTS.] A payment made under this section shall be rounded up to the nearest whole dollar.

Sec. 103. Minnesota Statutes 1982, section 176.134, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATION.] The commissioner of labor and industry shall administer the reopened case fund as part of the special compensation fund provided that the reopened case fund is under separate accounting and audit procedures from the special fund.

Sec. 104. Minnesota Statutes 1982, section 176.135, subdivision 1, is amended to read:

Subdivision 1. [MEDICAL, CHIROPRACTIC, PODIATRIC, SURGICAL, HOSPITAL.] The employer shall furnish such any medical, chiropractic, podiatric, surgical and hospital treatment, including nursing, medicines, medical, chiropractic, podiatric, and surgical supplies, crutches and apparatus, including artificial members, or, at the option of the employee, if the employer has not filed notice as hereinafter provided, Christian Science treatment in lieu of medical treatment, chiropractic medicine and medical supplies, as may reasonably be required at the time of the injury and any time thereafter to cure and relieve from the effects of the injury. Such This treatment shall include treatments necessary to physical rehabilitation. The employer shall furnish replacement or repair for artificial members, glasses, or spectacles, artificial eyes, podiatric orthotics, dental bridge work, dentures or artificial teeth, hearing aids, canes, crutches or wheel chairs damaged by reason of an injury arising out of and in the course of the employment. In case of his inability or refusal seasonably to do so the employer shall be is liable for the reasonable expense incurred by or on behalf of the employee in providing the same. The employer shall pay for the reasonable value of nursing services by a member of the employee's family in cases of permanent total disability. Orders of a compensation judge the commissioner or medical

services review board with respect to this subdivision may be reviewed by the workers' compensation court of appeals on petition of an aggrieved party or by writ of certiorari to the supreme court.

Sec. 105. Minnesota Statutes 1982, section 176.135, subdivision 3, is amended to read:

Subd. 3. [LIMITATION OF LIABILITY.] The pecuniary liability of the employer for the treatment, articles and supplies required by this section shall be limited to ~~such~~ the charges therefor as prevail in the same community for similar treatment, articles and supplies furnished to injured persons of a like standard of living when the same are paid for by the injured persons. On this basis the ~~compensation judge commissioner, medical services review board, or workers' compensation court of appeals on appeal~~ may determine the reasonable value of all such services and supplies and the liability of the employer is limited to the amount so determined.

Sec. 106. Minnesota Statutes 1982, section 176.136, is amended to read:

176.136 [MEDICAL FEE REVIEW.]

The commissioner of ~~insurance~~ shall by rule establish procedures for determining whether or not the charge for a health service is excessive. In order to accomplish this purpose, the commissioner of ~~insurance~~ shall consult with insurers, associations and organizations representing the medical and other providers of treatment services and other appropriate groups. The procedures established by the commissioner of ~~insurance~~ shall limit the charges allowable for medical, chiropractic, podiatric, surgical, hospital and other health care provider treatment or services, as defined and compensable under section 176.135, to the 75th percentile of usual and customary fees or charges based upon billings for each class of health care provider during all of the calendar year preceding the year in which the determination is made of the amount to be paid the health care provider for the billing. The procedures established by the commissioner for determining whether or not the charge for a health service is excessive shall be structured to encourage providers to develop and deliver services for rehabilitation of injured workers. The procedures shall incorporate the provisions of sections 144.701, 144.702, and 144.703 to the extent that the commissioner finds that these provisions effectively accomplish the intent of this section or are otherwise necessary to insure that quality hospital care is available to injured employees. If the commissioner of ~~insurance, a compensation judge, medical services review board, the workers' compensation court of appeals or a district court~~ determines that the charge for a health service or medical service is excessive, no payment in excess of the reasonable charge for that service shall be made under this chapter nor may the provider collect or attempt to collect from the injured employee or any other insurer or government amounts in excess of the amount payable under this chapter; ~~however, the commissioner of insurance shall by rule establish procedures allowing for a provider to appeal such determination.~~ The commissioner of ~~insurance~~ shall contract with a review organization as defined in section 145.61 for the purposes listed in section 145.61, subdivision 5, and report to the legislature by January 15, 1983 and thereafter on January 15 of every odd-numbered year, regarding the delivery of medical and health care services, including rehabilitation services, under

the workers' compensation laws of this state.

The commissioner of insurance shall also conduct a study of the qualifications and background of rehabilitation consultants and vendors providing services under section 176.102 for the purpose of determining whether there are adequate professional standards provided, including safeguards to protect against conflicts of interest.

The commissioner of insurance shall adopt temporary rules in order to implement the provisions of this subdivision. Notwithstanding the provisions of section 14.14, subdivision 1, and any amendments, the temporary rules adopted by the commissioner of insurance pursuant to this subdivision may be extended for an additional 180 days if the procedures for adoption of a rule pursuant to sections 14.13 to 14.20 or 14.21 to 14.28, and other provisions of the administrative procedure act related to final agency action and rule adoption have not been concluded.

Any rules adopted by the commissioner of insurance pursuant to this section shall remain in effect but may be amended, modified, or repealed only by the commissioner of labor and industry.

Sec. 107. [176.138] [MEDICAL DATA; ACCESS.]

Notwithstanding any other state laws related to the privacy of medical data or any private agreements to the contrary, the release of medical data related to a current claim for compensation under this chapter to the employee, employer, or insurer who are parties to the claim, or to the department of labor and industry, shall not require prior approval of any party to the claim. Requests for pertinent data shall be made in writing to the person or organization that collected or currently possesses the data. The data shall be provided by the collector or possessor within seven working days of receiving the request. In all cases of a request for the data, except when it is the employee who is making the request, the employee shall be sent written notification of the request by the party requesting the data at the same time the request is made. This data shall be treated as private data by the party who requests or receives the data and the employee or the employee's attorney shall be provided with a copy of all data requested by the requester.

Medical data related to a previous injury or disability which is an issue in a claim for apportionment shall not be released without prior authorization of the employee.

The commissioner may impose a penalty of up to \$200 payable to the special compensation fund against a party who does not release the data in a timely manner. A party who does not treat this data as private pursuant to this section is guilty of a misdemeanor.

Sec. 108. Minnesota Statutes 1982, section 176.155, subdivision 3, is amended to read:

Subd. 3. [REFUSAL TO BE EXAMINED.] If the injured employee refuses to comply with any reasonable request for examination, his right to compensation may be suspended by order of the division, a compensation judge or workers' compensation court of appeals in a matter before it, and no compensation shall be paid while he the employee continues in such the refusal.

Sec. 109. Minnesota Statutes 1982, section 176.155, subdivision 5, is amended to read:

Subd. 5. [TESTIMONY OF EXAMINING PHYSICIANS HEALTH CARE PROVIDER.] Any physician or other health care provider designated by the commissioner of the department of labor and industry, compensation judge, or workers' compensation court of appeals or whose services are furnished or paid for by the employer, who treats or who makes, examines, or is present at any examination, of an injured employee, may be required to testify as to any knowledge acquired by him the physician or health care provider in the course of such the treatment or examination relative to the injury or disability resulting therefrom from the injury only if the commissioner or a compensation judge makes a written finding that the appearance of the physician or health care provider is crucial to the accurate determination of the employee's disability. In all other cases all evidence related to health care must be submitted by written report as prescribed by the chief hearing examiner. A party may cross-examine by deposition a physician or health care provider who has examined or treated the employee. If a physician or health care provider is not available for cross-examination prior to the hearing and the physician's or health care provider's written report is submitted at the hearing, the compensation judge shall, upon request of the adverse party, require the physician or health care provider to testify at the hearing for the purpose of being cross-examined by the adverse party. All written evidence relating to health care must be submitted prior to or at the time of the hearing and no evidence shall be considered which was submitted after the hearing unless the compensation judge orders otherwise.

Sec. 110. Minnesota Statutes 1982, section 176.179, is amended to read:

176.179 [PAYMENTS OF COMPENSATION RECEIVED IN GOOD FAITH.]

Notwithstanding section 176.521, subdivision 3, or any other provision of this chapter to the contrary, except as provided in this section, no lump sum or weekly payment, or settlement, which is voluntarily paid to an injured employee or the survivors of a deceased employee in apparent or seeming accordance with the provisions of this chapter by an employer or insurer, or is paid pursuant to an order of the workers' compensation division, a compensation judge, or court of appeals relative to a claim by an injured employee or his the employee's survivors, and received in good faith by the employee or his the employee's survivors shall be refunded to the paying employer or insurer in the event that it is subsequently determined that the payment was made under a mistake in fact or law by the employer or insurer. When the payments have been made to a person who is entitled to receive further payments of compensation for the same injury, the mistaken compensation may be taken as a credit against future benefit entitlement; provided, however, that the credit applied against further payments of temporary total disability, temporary partial disability, permanent total disability, retraining benefits or death benefits shall not exceed 20 percent of the amount that would otherwise be payable.

Sec. 111. Minnesota Statutes 1982, section 176.181, is amended by adding a subdivision to read:

Subd. 2a. [APPLICATION FEE.] Every initial application filed pursuant

to subdivision 2 requesting authority to self-insure shall be accompanied by a fee of \$1,000. The fee is not refundable.

Sec. 112. Minnesota Statutes 1982, section 176.182, is amended to read:

176.182 [BUSINESS LICENSES OR PERMITS; COVERAGE REQUIRED.]

Every state or local licensing agency shall withhold the issuance of a license or permit to operate a business in Minnesota until the applicant presents acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2.

Neither the state nor any governmental subdivision thereof shall enter into any contract for the doing of any public work before receiving from all other contracting parties acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2.

This section shall not be construed to create any liability on the part of the state or any governmental subdivision to pay workers' compensation benefits or to indemnify the special compensation fund, an employer, or insurer who pays workers' compensation benefits.

Sec. 113. Minnesota Statutes 1982, section 176.183, subdivision 1, is amended to read:

Subdivision 1. When an employee ~~shall sustain~~ *sustains* an injury arising out of and in the course of ~~his~~ employment while in the employ of an employer, other than the state or its political subdivisions, not insured or self-insured as provided for in this chapter, the employee or ~~his~~ *the employee's* dependents shall nevertheless receive benefits as provided for ~~therein in this chapter~~ from the special compensation fund, and the ~~state treasurer as custodian of such fund shall have~~ *commissioner has* a cause of action against ~~such~~ *the* employer for reimbursement for all moneys paid out or to be paid out, and, in the discretion of the court, as punitive damages an additional amount not exceeding 50 percent of all moneys paid out or to be paid out. An action to recover ~~such~~ *the* moneys shall be instituted unless the ~~eustodian~~ *commissioner* determines that no recovery is possible. All moneys recovered shall be deposited in the general fund. There shall be no payment from the special compensation fund if there is liability for the injury under the provisions of section 176.215, by an insurer or self-insurer.

Sec. 114. Minnesota Statutes 1982, section 176.183, subdivision 1a, is amended to read:

Subd. 1a. When an employee or ~~his~~ *the employee's* dependent is entitled to benefits under this chapter from a self-insurer, present or past, other than the state and its municipal subdivisions, but ~~the self-insurer fails to be paid~~ *they pay the benefits*, the employee or ~~his~~ *the employee's* dependents, regardless of the date when the accident, personal injury, occupational disease, or death occurred, shall nevertheless receive ~~such~~ *the* benefits from the special compensation fund, and. The ~~state treasurer as eustodian of such fund shall have~~ *commissioner has* a cause of action against ~~such~~ *the self-insuring* employer for reimbursement, for all ~~moneys~~ *benefits and other expenditures* paid out or to be paid out and, in the discretion of the court, ~~as the self-insurer is liable~~

for punitive damages in an ~~additional~~ amount not to exceed 50 percent of the total of all ~~moneys~~ benefits and other expenditures paid out or to be paid out. The commissioner shall institute an action to recover ~~such moneys~~ shall be ~~instituted~~ the total expenditures from the fund unless the ~~eustodian~~ commissioner determines that no recovery is possible. All ~~moneys~~ proceeds recovered shall be deposited in the general fund.

Sec. 115. Minnesota Statutes 1982, section 176.183, is amended by adding a subdivision to read:

Subd. 3. (a) Notwithstanding subdivision 2, the commissioner may direct payment from the special compensation fund for compensation payable pursuant to subdivisions 1 and 1a, including benefits payable under sections 176.102 and 176.135, prior to issuance of an order of a compensation judge or the workers' compensation court of appeals directing payment or awarding compensation.

(b) The commissioner may suspend or terminate an order under clause (a) for good cause as determined by the commissioner.

Sec. 116. Minnesota Statutes 1982, section 176.183, is amended by adding a subdivision to read:

Subd. 4. If the commissioner authorizes the special fund to commence payment under this section, the commissioner shall serve by certified mail notice upon the employer and other interested parties of the intention to commence payment. This notice shall be served at least ten calendar days before commencing payment and shall be mailed to the last known address of the parties. The notice shall include a statement that failure of the employer to respond within ten calendar days of the date of service will be deemed acceptance by the employer of the proposed action by the commissioner and will be deemed a waiver of defenses the employer has to a subrogation or indemnity action by the commissioner. At any time prior to final determination of liability, the employer may appear as a party and present defenses the employer has, whether or not an appearance by the employer has previously been made in the matter. The commissioner has a cause of action against the employer to recover compensation paid by the special fund under this section.

Sec. 117. Minnesota Statutes 1982, section 176.185, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF COVERAGE, TERMINATION, CANCELLATION.] Within 10 days after the issuance of a policy of insurance covering the liability to pay compensation under this chapter written by ~~any~~ an insurer licensed to insure such liability in this state, the insurer shall file notice of coverage with the commissioner ~~of the department of labor and industry~~ under regulations and on forms prescribed by the commissioner ~~of the department of labor and industry~~. No policy shall be canceled by the insurer within the policy period nor terminated upon its expiration date until a notice in writing ~~shall be~~ is delivered or mailed to the insured and filed with the commissioner ~~of the department of labor and industry~~, fixing the date on which it is proposed to cancel it, or declaring that the insurer does not intend to renew the policy upon the expiration date. ~~Such~~ A cancellation or termination ~~shall~~ is not ~~become~~ effective until 30 days after written notice has

been filed with the commissioner of the department of labor and industry in a manner prescribed by the commissioner unless prior to the expiration of said the 30 day period the employer obtains other insurance coverage or an order exempting him the employer from carrying insurance as provided in section 176.181. Upon receipt of said the notice the commissioner of the department of labor and industry shall notify the insured that he the insured must obtain coverage from some other licensed carrier and that, if unable to do so, he the insured shall request the Compensation Rating Bureau commissioner of insurance to designate some carrier to issue a require the issuance of a policy as provided in section 79.25 79.251, subdivision 4. Upon a cancellation or termination of a policy by the insurer the employer is entitled to have a policy assigned to him in accordance with sections 79.24 to 79.27 79.251 and 79.252. Notice of cancellation or termination by the insured shall be served upon the insurer by written statement to that effect mailed or delivered to the insurer. Upon receipt of such the notice the insurer shall notify the commissioner of the department of labor and industry of the cancellation or termination and thereupon the commissioner of the department of labor and industry shall ask the employer for the reasons for his the cancellation or termination and notify him the employer of his the duty under this chapter to insure his the employer's employees.

Sec. 118. Minnesota Statutes 1982, section 176.185, is amended by adding a subdivision to read:

Subd. 10. [DATA COLLECTION CONTRACTS.] The commissioner may contract with other parties regarding the collection of appropriate data to assist in meeting the requirements of this section.

Sec. 119. [176.186] [RECORDS FROM OTHER STATE AGENCIES.] *Notwithstanding any other state law to the contrary, the commissioner may obtain from the department of revenue, department of economic security, and office of the secretary of state, or any other state agency, upon request, names or lists of employers doing business in the state. This information shall be treated by the commissioner in the manner provided by chapter 13 and shall be used only for insurance verification by the commissioner.*

Sec. 120. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 5. Where a dispute exists between an employer, insurer, the special compensation fund, the reopened case fund, or the workers' compensation reinsurance association, regarding benefits payable under this chapter, the dispute may be submitted with consent of all interested parties to binding arbitration pursuant to the rules of the American arbitration association. The decision of the arbitrator shall be conclusive with respect to all issues presented except as provided in subdivisions 6 and 7. Consent of the employee is not required for submission of a dispute to arbitration pursuant to this section and the employee is not bound by the results of the arbitration. An arbitration award shall not be admissible in any other proceeding under this chapter. Notice of the proceeding shall be given to the employee.

The employee, or any person with material information to the facts to be arbitrated, shall attend the arbitration proceeding if any party to the proceeding deems it necessary. Nothing said by an employee in connection with any arbitration proceeding may be used against the employee in any other

proceeding under this chapter. Reasonable expenses of meals, lost wages, and travel of the employee or witnesses in attending shall be reimbursed on a pro rata basis. Arbitration costs shall be paid by the parties, except the employee, on a pro rata basis.

Sec. 121. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 6. If the employee commences an action under this chapter for benefits arising out of the same injury which resulted in the dispute arbitrated under subdivision 5, and if the benefits awarded to the employee under the employee's claim are inconsistent with the arbitration decision, any increase in benefits over those paid pursuant to the arbitration proceeding is paid by the party or parties who ordinarily would have been required to pay the increased benefits but for the arbitration. Any reimbursement from the employee of any decrease in benefits from those paid pursuant to the arbitration is paid to the party or parties who previously had paid the increased benefits. The provisions of this subdivision apply regardless of whether more or fewer employers and insurers or the special fund have been added or omitted as parties to the employee's subsequent action after arbitration.

Sec. 122. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 7. If an employee brings an action under the circumstances described in subdivision 6, the parties to the previous arbitration may be represented at the new action by a common or joint attorney.

Sec. 123. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 8. No attorney's fees shall be awarded under either section 176.081, subdivision 8, or 176.191 against any employer or insurer in connection with any arbitration proceeding unless the employee chooses to retain an attorney to represent the employee's interests during arbitration.

Sec. 124. Minnesota Statutes 1982, section 176.195, is amended by adding a subdivision to read:

Subd. 1a. [ADDITIONAL GROUNDS.] Where an insurer or agent of an insurer has failed to comply with provisions of this chapter, other than the provisions in subdivision 1, the commissioner of insurance may revoke the license of the insurer to write workers' compensation insurance.

Sec. 125. Minnesota Statutes 1982, section 176.195, subdivision 2, is amended to read:

Subd. 2. [COMMENCEMENT OF PROCEEDINGS.] Such The commissioner of insurance may act under subdivision 1 or subdivision 1a upon his own motion, the recommendation of the commissioner of the department of labor and industry, the chief hearing examiner, or the workers' compensation court of appeals, or the complaint of any interested person.

Sec. 126. Minnesota Statutes 1982, section 176.195, is amended by adding a subdivision to read:

Subd. 7. [REPORT TO COMMISSIONER OF INSURANCE.] The commissioner may send reports to the commissioner of insurance regarding

compliance with this chapter by insurers writing workers' compensation insurance. A report may include a recommendation for revocation of an insurer's license under this section and may also recommend the imposition of other penalties which may be imposed upon insurers by the commissioner of insurance.

Sec. 127. Minnesota Statutes 1982, section 176.221, is amended to read:

176.221 [PAYMENT OF COMPENSATION AND TREATMENT CHARGES, COMMENCEMENT.]

Subdivision 1. [COMMENCEMENT OF PAYMENT.] Within 14 days of notice to or knowledge by the employer of an injury compensable under this chapter the payment of *temporary total* compensation ~~due pursuant to section 176.101, subdivision 1,~~ shall commence. Commencement of payment by an employer or insurer does not waive any rights to any defense the employer may have on any claim or incident either with respect to the compensability of the claim under chapter 176 or the amount of the compensation due. Where there are multiple employers, the first employer shall pay, unless it is shown that the injury has arisen out of employment with the second or subsequent employer. ~~When~~ *If the employer or insurer has commenced payment of compensation under this subdivision but determines within 30 days of notice to or knowledge by the employer of the injury that the disability is not a result of a personal injury, payment of compensation may be discontinued terminated upon notice of discontinuance pursuant to section 176.241 the filing of a notice of denial of liability.* Upon the ~~determination~~ *termination*, payments made may be recovered by the employer if the commissioner or compensation judge finds that the employee's claim of work related disability was not made in good faith. *A notice of denial of liability must state in detail specific reasons explaining why the claimed injury or occupational disease was determined not to be within the scope and course of employment and shall include the name and telephone number of the person making this determination.*

Subd. 2. [GRANT OF EXTENSION.] Upon application made within 30 days after the date on which the first payment was due, the commissioner may grant an extension of time within which to determine liability. The extension shall not exceed 30 days.

Subd. 3. [PAYMENTS TO SPECIAL COMPENSATION FUND.] Where an employer or insurer fails to begin payment of compensation, ~~charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9 pursuant to subdivision 1,~~ or to file a denial of liability within the 14-day period referred to in subdivision 1, or to request an extension of time within 30 days after the date on which the first payment was due, ~~he~~ *it* shall pay to the special compensation fund an amount equal to the total amount of compensation to which the employee is entitled because of the injury. ~~In addition, each day subsequent to the end of the period and until a to receive up to the date compensation payment is made to the injured employee, the person responsible for payment of compensation shall pay to the special compensation fund an amount equal to the total compensation to which the injured employee is entitled.~~

Subd. 4. [FAILURE TO MAKE PAYMENTS AFTER EXTENSION.] Where an employer or insurer has been granted an extension of time within

which to determine liability and fails to begin payment of compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9 or to file a denial of liability within such extended period, he shall make the payments provided in subdivision 3.

Subd. 5. [DOUBLE PAYMENTS TO SPECIAL COMPENSATION FUND.] Where an employer or insurer has failed to make the payments required by subdivision 3 or subdivision 4 within 30 days from the end of the period or the extended period, the division may require him to pay to the special compensation fund, each day subsequent to the end of the period and until a compensation payment is made to the injured employee, a sum equal to double the total amount of compensation to which the employee is entitled because of the injury. In addition, the person responsible for compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9 shall pay to the special compensation fund an amount equal to the total amount of compensation to which the employee is entitled.

Subd. 6. [ASSESSMENT OF PENALTIES.] The division or compensation judge shall assess the penalty payments provided for by subdivisions subdivision 3 to 5, and any increase in benefit payments provided by section 176.225, subdivision 5, against either the employer or the insurer depending upon to whom the delay is attributable in making payment of compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9. The insurer is not liable for a penalty payment assessed against it even if the delay is attributable to the employer.

An insurer who has paid a penalty under this section may recover from the employer the portion of the penalty attributable to the acts of the employer which resulted in the delay. A penalty paid by an insurer under this section which is attributable to the fault of the employer shall be treated as a loss in an experience rated plan, retrospective rating plan, or dividend calculation where appropriate.

Subd. 6a. [MEDICAL, REHABILITATION, ECONOMIC RECOVERY, AND IMPAIRMENT COMPENSATION.] *The penalties provided by this section apply in cases where payment for treatment under section 176.135, rehabilitation expenses under section 176.102, subdivision 9, economic recovery compensation or impairment compensation are not made in a timely manner as required by law or by rule adopted by the commissioner.*

Subd. 7. [INTEREST.] Any payment of compensation, charges for treatment under section 176.135 or retraining rehabilitation expenses under 176.102, subdivision 9 not made when due shall bear interest at the rate of eight percent per annum a year from the due date to the date the payment is made or the rate set by section 549.09, subdivision 1, whichever is greater.

Subd. 8. [METHOD AND TIMELINESS OF PAYMENT.] Payment of compensation under this chapter shall be by immediately payable negotiable instrument, or if by any other method, arrangements shall be available to provide for the immediate negotiability of the payment instrument.

All payment of compensation shall be made within 14 days of the filing of an appropriate order by the division or a compensation judge, unless the order is to be appealed, or where if a different time period is provided by this chapter.

Subd. 9. [PAYMENT OF FULL WAGES.] An employer who pays full wages to an injured employee is not relieved of the obligation for reporting the injury and making a liability determination within the times specified in this chapter. If the full wage is paid the employer or insurer or self-insurer shall report the amount of this payment to the division and determine the portion which is temporary total compensation for purposes of administering this chapter and special compensation fund assessments. The employer shall also make appropriate adjustments to the employee's payroll records to assure that the employee's sick leave or vacation time is not inappropriately charged against the employee, and to assure the proper income tax treatment for the payments.

Sec. 128. Minnesota Statutes 1982, section 176.225, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] Upon reasonable notice and hearing or opportunity to be heard, the division, *a compensation judge*, or upon appeal, the workers' compensation court of appeals or the supreme court may award compensation, in addition to the total amount of compensation award, of up to 25 percent of that total amount where an employer or insurer has:

- (a) instituted a proceeding or interposed a defense which does not present a real controversy but which is frivolous or for the purpose of delay; or,
- (b) unreasonably or vexatiously delayed payment; or,
- (c) neglected or refused to pay compensation; or,
- (d) intentionally underpaid compensation.

Sec. 129. Minnesota Statutes 1982, section 176.225, subdivision 2, is amended to read:

Subd. 2. [EXAMINATION OF BOOKS AND RECORDS.] To determine whether an employer or insurer ~~has become subject to~~ *is liable for* the payment provided by subdivision 1, the division, *a compensation judge*, or the workers' compensation court of appeals upon appeal may examine the books and records of the ~~person~~ *employer or insurer* relating to the payment of compensation, and may require ~~him~~ *the employer or insurer* to furnish any other information relating to the payment of compensation.

Sec. 130. Minnesota Statutes 1982, section 176.225, subdivision 3, is amended to read:

Subd. 3. [DEFIANCE OF DIVISION, COMPENSATION JUDGE, OR WORKERS' COMPENSATION COURT OF APPEALS, COMPLAINT.] ~~Where~~ *If* an insurer persists in an action or omission listed in subdivision 1, or does not permit the examination of ~~his~~ books and records, or fails to furnish ~~such~~ information as required, the commissioner or *the chief hearing examiner* shall file a written complaint with the insurance commissioner. The complaint shall specify the facts and recommend the revocation of the license of the insurer to do business in this state. The workers' compensation court of appeals may also file ~~such~~ a written complaint.

Sec. 131. Minnesota Statutes 1982, section 176.231, subdivision 3, is amended to read:

Subd. 3. [PHYSICIANS, CHIROPRACTORS, OR SURGEONS OTHER

HEALTH CARE PROVIDERS TO REPORT INJURIES.] ~~Where~~ A physician or surgeon, chiropractor, or other health care provider who has examined, treated, or has special knowledge of an injury to an employee which may be compensable under this chapter, ~~he~~ shall report to the commissioner of the department of labor and industry all facts relating to the nature and extent of the injury and disability, and the treatment provided for the injury or disability, within ten days after ~~he~~ the health care provider has received a written request for such the information from the commissioner of the department of labor and industry or any member or employee thereof an authorized representative of the commissioner.

Sec. 132. Minnesota Statutes 1982, section 176.231, subdivision 4, is amended to read:

Subd. 4. [SUPPLEMENTARY REPORTS.] The commissioner of the department of labor and industry, or any member or employee thereof, an authorized representative may require the filing of such supplementary reports of accidents as ~~it deems~~ is deemed necessary to provide information required by law.

Supplementary reports related to the current nature and extent of the employee's injury, disability, or treatment may be requested from a physician, surgeon, chiropractor, or other health care provider by the commissioner or a representative, an employer or insurer, or the employee.

Sec. 133. Minnesota Statutes 1982, section 176.231, subdivision 5, is amended to read:

Subd. 5. [FORMS FOR REPORTS.] The commissioner of the department of labor and industry shall prescribe forms for use in making the reports required by this section. The first report of injury form which the employer submits with reference to an accident shall include a declaration by the employer that ~~he~~ the employer will pay the compensation the law requires. Forms for reports required by this section shall be as prescribed by the commissioner and shall be the only forms used by an employer, insurer, self-insurer, group self-insurer, and all health care providers.

Sec. 134. Minnesota Statutes 1982, section 176.231, subdivision 9, is amended to read:

Subd. 9. [USES WHICH MAY BE MADE OF REPORTS.] Reports filed with the commissioner of the department of labor and industry under this section may be used in hearings held under this chapter, and for the purpose of state investigations and for statistics.

The division or office of administrative hearings or workers' compensation court of appeals may permit an attorney at law who represents an employer, insurer, or an employee or his a dependent to examine its file in a compensation case if the attorney furnishes written authorization to do so from his the attorney's client. Reports filed under this section and other information the commissioner has regarding injuries or deaths shall be made available to the workers' compensation reinsurance association for use by the association in carrying out its responsibilities under chapter 79.

Sec. 135. Minnesota Statutes 1982, section 176.231, subdivision 10, is amended to read:

Subd. 10. [FAILURE TO FILE REQUIRED REPORT, PENALTY.] ~~Where~~ *If an employer, physician, or surgeon has failed chiropractor, or other health provider fails to file with the commissioner of the department of labor and industry any report required by this section in the manner and within the time limitations prescribed, he shall forfeit to the state \$50 or otherwise fails to provide a report required by this section in the manner provided by this section, the commissioner may impose a penalty of up to \$200 for each such failure.*

The attorney general shall sue in a civil action to collect this penalty upon notification of the matter by the commissioner of the department of labor and industry. The commissioner of the department of labor and industry shall certify to the attorney general each failure to report immediately upon its occurrence.

Penalties collected by the state under this subdivision shall be paid into the state treasury.

Sec. 136. Minnesota Statutes 1982, section 176.241, subdivision 2, is amended to read:

Subd. 2. [CONTINUANCE OF EMPLOYER'S LIABILITY; SUSPENSION.] Except ~~where~~ *when the commissioner orders otherwise, until the copy of the notice and reports have been filed with the division, the liability of the employer to make payments of compensation continues.*

When the division has received a copy of the notice of discontinuance, the statement of facts and available medical reports, the duty of the employer to pay compensation is suspended pending an investigation, hearing, and determination of the matter by the division *or compensation judge* as provided in the following subdivisions.

Sec. 137. Minnesota Statutes 1982, section 176.241, subdivision 4, is amended to read:

Subd. 4. [ORDER.] When the hearing has been held, ~~and he has duly considered~~ *the evidence duly considered, the person who held the hearing shall promptly enter an order directing the payment of further compensation or confirming the termination of compensation. Where* ~~If the order confirms a termination of compensation, the commissioner of labor and industry shall notify the employer of the action. This notification~~ *the service and filing of the order relieves the employer from further liability for compensation subject to the right of review afforded by this chapter, and to the right of the division compensation judge to set aside the order at any time prior to the review and to grant a new hearing pursuant to this chapter. Once an appeal to the workers' compensation court of appeals is filed, a compensation judge may not set aside the order but the court of appeals may remand the matter to a compensation judge for a new hearing.*

Sec. 138. [176.242] [ADMINISTRATIVE CONFERENCE PRIOR TO DISCONTINUANCE OF COMPENSATION.]

Subdivision 1. [NOTICE OF DISCONTINUANCE; GROUNDS.] If an employer or insurer files a notice of intention to discontinue, the employer or insurer shall serve a copy upon the commissioner and the employee including detailed reasons for the intended discontinuance.

Subd. 2. [CONFERENCE, REQUEST.] (a) The employee has ten calendar days from the date the notice was served to request that the commissioner schedule an administrative conference to determine the appropriateness of the proposed discontinuance. The employer or insurer may request an administrative conference under this section at any time whether or not a notice of intent to discontinue is filed. The commissioner shall schedule an administrative conference to be held within ten calendar days after the commissioner receives timely notice of the employee's or employer's request for an administrative conference.

(b) If the employee does not, in a timely manner, request that the commissioner schedule an administrative conference, or fails to appear, without good cause, at a scheduled conference, compensation may be discontinued, subject to the employee's right under section 176.241.

(c) An employee or employer may request a continuance of a scheduled administrative conference. If the commissioner determines that good cause exists for granting a continuance, the commissioner may grant the continuance which shall not exceed ten calendar days. No more than one continuance shall be granted. If the employee is granted a continuance, compensation need not be paid during the period of continuance but shall recommence upon the date of the conference unless the commissioner orders otherwise.

(d) The purpose of an administrative conference is to determine whether reasonable grounds exist for a discontinuance.

Subd. 3. [NECESSITY FOR CONFERENCE, COMMISSIONER'S DISCRETION.] The commissioner may determine that no administrative conference is necessary under this section and permit the employer or insurer to discontinue compensation, subject to the employee's right under section 176.241.

The commissioner may permit compensation to be discontinued at any time after a notice pursuant to subdivision 1 is received even if no administrative conference has been held, if the commissioner deems the discontinuance appropriate based on the information the commissioner has, subject to the employee's right under section 176.241.

Subd. 4. [ADMINISTRATIVE DECISION.] After considering the information provided by the parties at the administrative conference, the commissioner shall issue to all interested parties a written administrative decision permitting or denying the employer's or insurer's request to discontinue compensation. The decision shall be issued within five working days from the close of the conference. The commissioner's decision is binding on the parties. The commissioner shall advise all parties of the right to petition to the chief hearing examiner under section 176.241 and of the right to be represented by an attorney at a hearing before a compensation judge.

Subd. 5. [OBJECTION TO DECISION.] If the commissioner grants the employer's or insurer's request to discontinue compensation and the employee objects to the discontinuance, the employee may file an objection to discontinuance under section 176.241. If the commissioner denies the request to discontinue compensation the employer or insurer may file a petition to discontinue under section 176.241.

Subd. 6. [EFFECT OF DECISION, APPEAL.] If an objection or a petition

is filed under subdivision 5, the commissioner's administrative decision remains in effect and the parties obligations or rights to pay or receive compensation are governed by the commissioner's administrative decision, pending a determination by a compensation judge.

Subd. 7. [DECISION AS NOTICE.] If a party proceeds under subdivision 5, the commissioner's administrative decision under this section is deemed required notice to interested parties under section 176.241 and the commissioner's obligations under section 176.241 are deemed to be met.

Subd. 8. [WHEN DISCONTINUANCE ALLOWED.] Compensation shall not be discontinued prior to an administrative conference except as provided under subdivision 2, clause (b), or if the commissioner determines pursuant to subdivision 3 that no administrative conference is necessary. The employer may discontinue compensation immediately without having an administrative conference if the discontinuance is because the employee has returned to work.

Subd. 9. [NOTICE, FORMS.] Notice to the employee under subdivision 1 shall be on forms prescribed by the commissioner.

Subd. 10. [FINES, VIOLATIONS.] An employer or insurer who discontinues compensation in violation of this section is subject to a fine of up to \$500 for each violation. Fines shall be paid to the special compensation fund.

Subd. 11. [APPLICATION.] This section is applicable to any notice of intent to discontinue which is filed after the effective date of this section, even if the injury occurred prior to the effective date of this section.

Sec. 139. [176.243] [ADMINISTRATIVE CONFERENCE FOLLOWING RETURN TO WORK, SUBSEQUENT INABILITY TO WORK.]

Subdivision 1. [CONFIRMATION OF EMPLOYMENT AND WAGES.] If an insurer has discontinued compensation to an employee because the employee has returned to work, the insurer shall contact the employee 14 calendar days after return to work. The insurer shall determine whether the employee is still employed after 14 days and shall also ascertain the wages being paid to the employee.

Subd. 2. [NOTICE TO COMMISSIONER.] If upon contact the insurer determines that the employee is not working or that the employee is earning a lower wage than at the time of the injury, the insurer shall notify the commissioner in writing of this fact and shall also state the actions that the insurer has taken or intends to take regarding payment of compensation. A copy of this notice shall be served by the insurer by certified mail to the employee.

Subd. 3. [EMPLOYEE REQUEST FOR ADMINISTRATIVE CONFERENCE.] If the employee objects to the action of the insurer regarding payment of compensation upon the cessation of work by the employee, the employee may request an administrative conference with the commissioner to resolve disputed issues. A request for an administrative conference shall be made within ten calendar days after service of the notice on the employee. If the employee requests an administrative conference the commissioner shall schedule a conference to be held within 14 calendar days after the commissioner receives the request.

Subd. 4. [ADMINISTRATIVE DECISION.] After considering the information provided by the parties at the administrative conference the commissioner shall issue to all interested parties a written administrative decision regarding payment of compensation. The commissioner's decision is binding upon the parties and the rights and obligations of the parties are governed by the decision. The commissioner shall advise all parties of the right to petition to the chief hearing examiner under section 176.241 and of the right to be represented by an attorney at a hearing before a compensation judge. A party aggrieved by the commissioner's decision may proceed under section 176.241.

Subd. 5. [DECISION BINDING PENDING COMPENSATION JUDGE DECISION.] If an aggrieved party files a petition under section 176.241, the commissioner's administrative decision remains in effect pending a determination by a compensation judge.

Subd. 6. [DECISION AS NOTICE.] If a party proceeds under section 176.241, the commissioner's administrative decision is deemed to fulfill the division's obligations under section 176.241.

Subd. 7. [OBLIGATIONS PRIOR TO ADMINISTRATIVE DECISION.] If an insurer has not voluntarily commenced compensation following the employee's cessation of work the insurer is not obligated to do so until an administrative conference is held and unless the commissioner determines that compensation shall be commenced.

Subd. 8. [NECESSITY OF ADMINISTRATIVE CONFERENCE.] If the commissioner deems it appropriate, based upon information the commissioner has, the commissioner may determine that an administrative conference is not necessary, in which case a party may proceed under section 176.241.

Subd. 9. [APPLICATION OF SECTION.] This section applies only when the employee has received at least 45 days of temporary total or temporary partial compensation prior to return to work and if no rehabilitation plan has been approved.

This section is applicable to all cases in which a return to work has occurred after the effective date of this section even if the injury occurred prior to the effective date.

Subd. 10. [NOTICE FORMS.] A notice under this section shall be on a form prescribed by the commissioner.

Subd. 11. [FINES, VIOLATIONS.] An employer or insurer who violates this section is subject to a fine of up to \$500 for each violation which shall be paid to the special compensation fund.

Sec. 140. Minnesota Statutes 1982, section 176.281, is amended to read:

176.281 [ORDERS, DECISIONS, AND AWARDS; FILING; SERVICE.]

When the commissioner or compensation judge or office of administrative hearings or the workers' compensation court of appeals has rendered an final order, decision, or award, or amendment to an order, decision, or award, it shall be filed immediately with the commissioner. ~~Where~~ If the commissioner, compensation judge, office of administrative hearings, or

workers' compensation court of appeals has rendered ~~an~~ a final order, decision, or award, or amendment thereto, the commissioner or the office of administrative hearings or the workers' compensation court of appeals shall immediately serve a copy upon every party in interest, together with a notification of the ~~time~~ date the ~~same~~ order was filed.

Sec. 141. Minnesota Statutes 1982, section 176.285, is amended to read:

176.285 [SERVICE OF PAPERS AND NOTICES.]

Service of papers and notices shall be by mail or ~~by such other means otherwise~~ as the commissioner of the department of labor and industry directs or the chief hearing examiner may by rule direct. Where service is by mail, service is effected at the time mailed if properly addressed and stamped. If it is so mailed, it is presumed the paper or notice reached the party to be served. However, a party may show by competent evidence that ~~he~~ that party did not receive it or that it had been delayed in transit for an unusual or unreasonable period of time. In case of ~~such~~ non-receipt or delay, an allowance shall be made for the party's failure to assert a right within the prescribed time.

The commissioner of the department of labor and industry and the chief hearing examiner shall ~~keep a careful record of each service including the time when made~~ ensure that proof of service of all papers and notices served by their respective agencies is placed in the official file of the case.

Sec. 142. [176.312] [AFFIDAVIT OF PREJUDICE.]

An affidavit of prejudice for cause may be filed by a party to the claim against a compensation judge, in the same manner as an affidavit of prejudice is filed pursuant to law or rule of district court. The filing of an affidavit of prejudice against a compensation judge has the same effect and shall be treated in the same manner as in district court.

Sec. 143. Minnesota Statutes 1982, section 176.321, subdivision 1, is amended to read:

Subdivision 1. [FILING, SERVICE.] Within ~~twenty~~ 20 days after he has been served with a copy service of the petition, an adverse party may shall serve and file a ~~verified~~ an answer to the petition. ~~When he files the answer,~~ The party shall also serve a copy of the answer on the petitioner or his the petitioner's attorney.

~~Within five days after he has been served with a copy of the answer, the petitioner may file a verified reply admitting or denying new matter set forth in the answer.~~

Sec. 144. Minnesota Statutes 1982, section 176.331, is amended to read:

176.331 [AWARD BY DEFAULT.]

~~Where~~ If an adverse party has failed fails to file and serve an answer, if and the petitioner presents proof of ~~such~~ this fact, the commissioner or compensation judge shall may enter whatever award or order to which the petitioner is entitled on the basis of the facts alleged in the petition, but the compensation judge may require proof of an alleged fact. If the commissioner requires ~~such~~ proof, ~~he~~ the commissioner shall request the chief hearing examiner to assign the matter to a compensation judge to summarily hear and determine

the same for an immediate hearing and to promptly make an prompt award or other order.

Where in such a default case the petition does not state facts sufficient to support an award, the compensation judge shall give the petitioner or his the petitioner's attorney written notice of this deficiency. The petitioner may thereupon serve and file another petition as in the case of an original petition.

Sec. 145. Minnesota Statutes 1982, section 176.341, is amended to read:

176.341 [HEARING ON PETITION.]

Subdivision 1. [TIME.] ~~When the reply has been filed or the time has expired in which to file a reply~~ Upon receipt of a matter from the commissioner, the chief hearing examiner shall fix a time and place for hearing the petition. The hearing shall be held as soon as practicable and at a time and place determined by the chief hearing examiner to be the most convenient for the parties, keeping in mind the intent of chapter 176 as expressed in section ~~176.004~~ and the requirements of section 176.306.

Subd. 2. [PLACE.] Unless otherwise ordered by the ~~commissioner of the department of labor and industry or compensation judge~~ chief hearing examiner, the hearing shall be held in the county where the injury or death occurred.

Subd. 3. [NOTICE MAILED TO EACH PARTY.] At least ~~five~~ 30 days prior to the date of hearing, the ~~workers' compensation division~~ chief hearing examiner shall mail a notice of the time and place of hearing to each interested party. *This subdivision does not apply to hearings which have been continued from an earlier date. In those cases, the notice shall be given in a manner deemed appropriate by the chief hearing examiner after considering the particular circumstances in each case.*

Sec. 146. Minnesota Statutes 1982, section 176.361, is amended to read:

176.361 [INTERVENTION.]

~~Where~~ A person who has an interest in any matter before the workers' compensation court of appeals, or commissioner, or compensation judge of such a character that ~~he~~ the person may either gain or lose by an order or decision, ~~he~~ may intervene in the proceeding by filing an application in writing stating the facts which show ~~such~~ the interest.

The commissioner of the department of labor and industry and workers' compensation court of appeals shall adopt rules to govern the procedure for intervention.

Sec. 147. Minnesota Statutes 1982, section 176.371, is amended to read:

176.371 [AWARD OR DISALLOWANCE OF COMPENSATION.]

The compensation judge to whom a petition has been assigned for hearing, shall hear all competent, relevant evidence produced at the hearing, and, as soon after the hearing as possible, ~~make findings of fact, conclusions of law.~~ All questions of fact and law submitted to a compensation judge at the hearing shall be disposed of and the judge's decision shall be filed with the commissioner within 60 days after the submission, unless sickness or casu-

alty prevents a timely filing, or the time is extended by written consent of the parties, or the chief hearing examiner extends the time for good cause. The compensation judge's decision shall include a determination of all contested issues of fact and law and an award or disallowance of compensation or other order as the pleadings, evidence, this chapter and rule require. A compensation judge's decision shall include a memorandum only if necessary to delineate the reasons for the decision or to discuss the credibility of witnesses. A memorandum shall not contain a recitation of the evidence presented at the hearing but shall be limited to the compensation judge's basis for the decision.

No part of the salary of a compensation judge shall be paid unless the chief hearing examiner determines that all decisions of that judge have been issued within the time limit prescribed by this section.

Sec. 148. Minnesota Statutes 1982, section 176.421, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF APPEAL.] The appellant or ~~his~~ *the appellant's* attorney shall prepare and sign a written notice of appeal specifying:

- (1) the order appealed from;
- (2) that appellant appeals from the order to the workers' compensation court of appeals;
- (3) the particular finding of fact or conclusion of law which ~~he~~ *the appellant* claims was unwarranted by the evidence or procured by fraud, coercion, or other improper conduct; *and*
- (4) ~~the testimony or other part of the record of the hearing necessary to be transcribed in order for the court of appeals to consider the appeal; and;~~
- (5) any other ground upon which the appeal is taken.

An appeal initiates the preparation of a typewritten transcript of the entire record unless the appeal is solely from an award of attorney's fees or an award of costs and disbursements or unless otherwise ordered by the court of appeals. On appeals from an award of attorney's fees or an award of costs and disbursements, the appellant must specifically delineate in the notice of appeal the portions of the record to be transcribed in order for the court of appeals to consider the appeal.

Sec. 149. Minnesota Statutes 1982, section 176.421, subdivision 4, is amended to read:

Subd. 4. [SERVICE AND FILING OF NOTICE; COST OF TRANSCRIPT.] Within the 30 day period for taking an appeal, the appellant shall:

- (1) Serve a copy of the notice of appeal on each adverse party;
- (2) File the original notice, with proof of service by admission or affidavit, with the chief hearing examiner and file a copy with the commissioner;
- (3) In order to defray the cost of the preparation of the record of the proceedings appealed from, pay to the state treasurer, office of administrative hearings account the sum of \$25; ~~and~~
- (4) ~~Submit a request that the chief hearing examiner order the preparation of~~

a transcript of that part of the hearing delineated in the notice of appeal.

A party who desires a transcript of more of the hearing than has been requested by the appellant shall, within five working days of service of the notice of appeal, make a request of the chief hearing examiner that the additional testimony be transcribed.

The first party requesting the preparation of the transcript or any part to file an appeal is liable for the original cost of preparation of the transcript. Cross-appellants or any other persons requesting a copy of the transcript are liable for the cost of the copy. The cost of a transcript prepared by a non-governmental source shall be paid directly to that source and shall not exceed the cost that the source would be able to charge the state for the same service.

Upon a showing of cause, the chief hearing examiner may direct that a transcript be prepared without expense to the party requesting its preparation, in which case the cost of the transcript shall be paid by the office of administrative hearings.

All fees received by the office of administrative hearings for the preparation of the record for submission to the workers' compensation court of appeals or for the cost of transcripts prepared by the office shall be deposited in the office of administrative hearings account in the state treasury and shall be used solely for the purpose of keeping the record of hearings conducted under this chapter and the preparation of transcripts of those hearings.

Sec. 150. Minnesota Statutes 1982, section 176.421, subdivision 6, is amended to read:

Subd. 6. [POWERS OF WORKERS' COMPENSATION COURT OF APPEALS ON APPEAL.] On an appeal taken under this section, the workers' compensation court of ~~appeals~~ *appeals' review is limited to the issues raised by the parties in the notice of appeal or by a cross-appeal. In these cases, on those issues raised by the appeal, the workers' compensation court of appeals may:*

- (1) disregard the findings of fact which the compensation judge has made;
- (2) examine the record;
- (3) substitute for the findings of fact made by the compensation judge ~~such findings as based on the total evidence requires~~; and,
- (4) make an award or disallowance of compensation or other order ~~as based on the facts and findings require~~.

Sec. 151. Minnesota Statutes 1982, section 176.421, subdivision 7, is amended to read:

Subd. 7. [RECORD OF PROCEEDINGS.] At the division's own expense, the commissioner shall make a complete record of all proceedings before ~~himself~~; the commissioner *and shall provide a stenographer or an audio magnetic recording device to make a the record of the proceedings before him.*

The commissioner shall furnish a transcript of these proceedings to any person who requests it and who pays a reasonable charge ~~and shall fix the~~

amount of this charge which shall be set by the commissioner. Upon a showing of cause, the commissioner may direct that a transcript be prepared without expense to the person requesting the transcript, in which case the cost of the transcript shall be paid by the division. Transcript fees received under this subdivision shall be paid to the workers' compensation division account in the state treasury and shall be annually appropriated to the division for the sole purpose of providing a record and transcripts as provided in this subdivision.

Sec. 152. Minnesota Statutes 1982, section 176.442, is amended to read:

176.442 [APPEALS FROM DECISIONS OF COMMISSIONER OF DEPARTMENT OF LABOR AND INDUSTRY.]

Any decision or determination of the commissioner of ~~the department of labor and industry~~ affecting a right, privilege, benefit, or duty which is imposed or conferred under this chapter is subject to review by the workers' compensation court of appeals. A person aggrieved by ~~such the~~ determination may appeal to the workers' compensation court of appeals by *filing a notice of appeal with the commissioner* in the same manner and within the same time as if the appeal were from an order or decision of a compensation judge to the workers' compensation court of appeals.

Sec. 153. Minnesota Statutes 1982, section 176.461, is amended to read:

176.461 [SETTING ASIDE AWARD.]

Except ~~where~~ *when* a writ of certiorari has been issued by the supreme court and the matter is still pending in that court or ~~where~~ *if* as a matter of law the determination of the supreme court cannot be subsequently modified, the workers' compensation court of appeals, for cause, at any time after an award, upon application of either party and not less than five *working* days after written notice to all interested parties, may set the award aside and grant a new hearing and refer the matter for a determination on its merits to the chief hearing examiner for assignment to a compensation judge, who shall make ~~such~~ findings of fact, conclusions of law, and *an order of award or disallowance of compensation or other order as based on the pleadings and the evidence produced and as required by the provisions of this chapter shall require or rules adopted under it.*

Sec. 154. Minnesota Statutes 1982, section 176.521, subdivision 2, is amended to read:

Subd. 2. [APPROVAL.] Settlements shall be approved only ~~where~~ *if* the terms conform with this chapter.

The division, a compensation judge, the workers' compensation court of appeals, and the district court shall exercise discretion in approving or disapproving a proposed settlement.

The parties to the agreement of settlement have the burden of proving that the settlement is reasonable, fair, and in conformity with this chapter. A settlement agreement where both the employee or ~~his~~ *the employee's* dependent and the employer or insurer and intervenors in the matter are represented by an attorney shall be conclusively presumed to be reasonable, fair, and in conformity with this chapter *except when the settlement purports to be a full, final, and complete settlement of an employee's right to medical compensa-*

tion under this chapter or rehabilitation under section 176.102. A settlement which purports to do so must be approved by the division, a compensation judge, or workers' compensation court of appeals.

The conclusive presumption in this subdivision applies to a settlement agreement entered into on or after January 15, 1982, whether the injury to which the settlement applies occurred prior to or on or after January 15, 1982.

Sec. 155. Minnesota Statutes 1982, section 176.521, subdivision 2a, is amended to read:

Subd. 2a. [SETTLEMENTS NOT SUBJECT TO APPROVAL.] When a settled case is not subject to approval, upon receipt of the stipulation for settlement, a compensation judge ~~or~~, a settlement judge, *or the workers' compensation court of appeals* shall immediately sign the award and file it with the commissioner. Payment pursuant to the award shall be made within 14 days after it is filed with the commissioner. The commissioner may correct mathematical or clerical errors at any time.

Sec. 156. Minnesota Statutes 1982, section 176.521, subdivision 3, is amended to read:

Subd. 3. [SETTING ASIDE AWARD UPON SETTLEMENT.] Notwithstanding *the provisions of section 176.521, subdivision 1, 2, or 2a, or any provision in the agreement of settlement to the contrary, upon the filing of a petition by any party to the settlement and after a hearing on the petition, the workers' compensation court of appeals may set aside an award made upon a settlement, pursuant to this chapter. In those cases, the workers' compensation court of appeals shall refer the matter to the chief hearing examiner for assignment to a compensation judge for hearing.*

Sec. 157. Minnesota Statutes 1982, section 176.561, is amended to read:

176.561 [WORKERS' COMPENSATION COURT OF APPEALS POWERS AND DUTIES AS TO STATE EMPLOYEES; PROCEDURE FOR DETERMINING LIABILITY.]

The division, a *compensation judge* and the workers' compensation court of appeals have the same powers and duties in matters relating to state employees as they have in relation to other employees.

Except as specifically provided otherwise ~~herein~~ *in this chapter*, the procedure for determining the liability of the state for compensation is the same as that applicable in other cases.

Sec. 158. Minnesota Statutes 1982, section 176.571, subdivision 6, is amended to read:

Subd. 6. [FORMAL HEARING ON OBJECTIONS.] ~~If the commissioner of the department of labor and industry shall hold~~ *determines that a formal hearing on the objections which have been filed to the proposed order where the circumstances warrant such is warranted, the commissioner shall refer the matter to the chief hearing examiner for the assignment of a compensation judge who shall hold a hearing. The hearing shall be before a compensation judge.*

Sec. 159. [176.572] [CONTRACT WITH INSURANCE CARRIERS.]

The commissioner may contract with group health insurance carriers or health maintenance organizations to provide health care services and reimburse health care payments for injured state employees entitled to benefits under this chapter.

Sec. 160. Minnesota Statutes 1982, section 176.645, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] For injuries occurring after October 1, 1975 for which benefits are payable under section 176.101, subdivisions 1, 2, 3a, and 4, and section 176.111, subdivision 5, the total benefits due the employee or any dependents shall be adjusted in accordance with this section. On October 1, 1981, and thereafter on the anniversary of the date of the employee's injury the total benefits due shall be adjusted by multiplying the total benefits due prior to each adjustment by a fraction, the denominator of which is the statewide average weekly wage for December 31, of the year two years previous to the adjustment and the numerator of which is the statewide average weekly wage for December 31, of the year previous to the adjustment. For injuries occurring after October 1, 1975, all adjustments provided for in this section shall be included in computing any benefit due under this section. Any limitations of amounts due for daily or weekly compensation under this chapter shall not apply to adjustments made under this section. No adjustment increase made on October 1, 1977 or thereafter under this section shall exceed six percent a year. In those instances where the adjustment under the formula of this section would exceed this maximum the increase shall be deemed to be six percent.

Sec. 161. Minnesota Statutes 1982, section 176.66, is amended by adding a subdivision to read:

Subd. 10. [MULTIPLE EMPLOYERS OR INSURERS; LIABILITY.] The employer liable for the compensation for a personal injury under this chapter is the employer in whose employment the employee was last exposed in a significant way to the hazard of the occupational disease. In the event that the employer who is liable for the compensation had multiple insurers during the employee's term of employment, the insurer who was on the risk during the employee's last significant exposure to the hazard of the occupational disease is the liable party. Where there is a dispute as to which employer is liable under this section, the employer in whose employment the employee is last exposed to the hazard of the occupational disease shall pay benefits pursuant to section 176.191, subdivision 1.

Sec. 162. Minnesota Statutes 1982, section 176.66, is amended by adding a subdivision to read:

Subd. 11. [AMOUNT OF COMPENSATION.] The compensation for an occupational disease is 66-2/3 percent of the employee's weekly wage on the date of injury subject to a maximum compensation equal to the maximum compensation in effect on the date of last exposure. The employee shall be immediately eligible for supplementary benefits if that employee's compensation is less than 65 percent of the statewide average weekly wage.

Sec. 163. [176.83] [RULES.]

In addition to any other section under this chapter giving the commissioner the authority to adopt rules, the commissioner may adopt, amend, or repeal

rules to implement the provisions of this chapter. The rules include but are not limited to:

(a) rules necessary to implement and administer section 176.102, including the establishment of qualifications necessary to be a qualified rehabilitation consultant and the requirements to be an approved registered vendor of rehabilitation services.

In this regard, the commissioner shall impose fees under section 16A.128 sufficient to cover the cost of approving, registering and monitoring qualified rehabilitation consultants and approved vendors of rehabilitation services. The rules may also provide for penalties to be imposed by the commissioner against insurers or self-insured employers who fail to provide rehabilitation consultation to employees pursuant to section 176.102.

These rules may also establish criteria for determining "reasonable moving expenses" under section 176.102.

The rules shall also establish criteria, guidelines, methods, or procedures to be met by an employer or insurer in providing the initial rehabilitation consultation required under this chapter which would permit the initial consultation to be provided by an individual other than a qualified rehabilitation consultant. In the absence of rules regarding an initial consultation this consultation shall be conducted pursuant to section 176.102;

(b) rules establishing standards for reviewing and evaluating the clinical consequences of services provided by qualified rehabilitation consultants, approved registered vendors of rehabilitation services, and services provided to an employee by health care providers;

(c) rules establishing standards and procedures for determining whether or not charges for health services or rehabilitation services rendered under this chapter are excessive. In this regard, the standards and procedures shall be structured to determine what is necessary to encourage providers of health services and rehabilitation services to develop and deliver services for the rehabilitation of injured employees.

The procedures shall include standards for evaluating hospital care, other health care and rehabilitation services to insure that quality hospital, other health care, and rehabilitation is available and is provided to injured employees;

(d) in consultation with the medical services review board or the rehabilitation review panel, rules establishing standards and procedures for determining whether a provider of health care services and rehabilitation services, including a provider of medical, chiropractic, podiatric, surgical, hospital or other services, is performing procedures or providing services at a level or with a frequency that is excessive, based upon accepted medical standards for quality health care and accepted rehabilitation standards.

If it is determined by the commissioner that the level, frequency or cost of a procedure or service of a provider is excessive according to the standards established by the rules, the provider shall not be paid for the excessive procedure, service, or cost by an insurer, self-insurer, or group self-insurer. In addition, the provider shall not be reimbursed or attempt to collect reimbursement for the excessive procedure, service, or cost from any other

source, including the employee, another insurer, the special compensation fund, or any government program.

A health or rehabilitation provider who is determined by the commissioner to be consistently performing procedures or providing services at an excessive level or cost may be prohibited from receiving any further reimbursement for procedures or services provided under chapter 176. A prohibition imposed on a provider under this clause may be grounds for revocation or suspension of the provider's license or certificate of registration to provide health care or rehabilitation service in Minnesota by the appropriate licensing or certifying body.

The rules adopted under this clause shall require insurers, self-insurers, and group self-insurers to report medical and other data necessary to implement the procedures required by this clause;

(e) rules establishing procedures and standards for the certification of physicians, chiropractors, podiatrists, and other health care providers in order to assure the coordination of treatment, rehabilitation, and other services and requirements of chapter 176 for carrying out the purposes and intent of this chapter;

(f) rules necessary for implementing and administering the provisions of sections 176.131, 176.132, 176.134, sections 176.242 and 176.243; sections 176.251, 176.66 to 176.669, and rules regarding proper allocation of compensation under section 176.111. Under the rules adopted under section 176.111 a party may petition for a hearing before a compensation judge to determine the proper allocation. In this case the compensation judge may order a different allocation than prescribed by rule;

(g) rules establishing standards or criteria under which a physician, podiatrist, or chiropractor is selected or under which a change of physician, podiatrist, or chiropractor is allowed under section 176.135, subdivision 2;

(h) rules to govern the procedure for intervention pursuant to section 176.361;

(i) joint rules with either or both the workers' compensation court of appeals and the chief hearing examiner which may be necessary in order to provide for the orderly processing of claims or petitions made or filed pursuant to chapter 176;

(j) rules establishing criteria to be used by the division, compensation judge, and workers' compensation court of appeals to determine "suitable gainful employment" and "independent contractor".

The chief hearing examiner shall adopt rules relating to procedures in matters pending before a compensation judge in the office of administrative hearings.

The commissioner may adopt rules regarding requirements which must be met by individuals who are employed by insurers or self-insurers or claims servicing or adjusting agencies and who work as claims adjusters in the field of workers' compensation insurance.

The commissioner may adopt temporary rules establishing qualifications necessary to be a qualified rehabilitation consultant and penalties to be im-

posed against qualified rehabilitation consultants or approved vendors who violate this chapter or rules, including temporary rules, adopted under this chapter. In addition to the provisions of sections 14.29 to 14.36, at least one public hearing shall be held prior to the adoption of these temporary rules.

The commissioner may prescribe forms and other reporting procedures to be used by an employer, insurer, medical provider, qualified rehabilitation consultant, approved vendor of rehabilitation services, attorney, employee, or other person subject to the provisions of this chapter.

Sec. 164. [176.84] [SPECIFICITY OF NOTICE OR STATEMENT.]

All notices or statements required by this chapter including, but not limited to, notices or statements pursuant to sections 176.102; 176.221; and 176.241; shall be sufficiently specific to convey clearly, without further inquiry, the basis upon which the party issuing the notice or statement is acting. If the commissioner or compensation judge determines that a notice or statement is not sufficiently specific to meet the standard under this section, the notice or statement may be rejected as unacceptable and the party issuing it shall be informed of this. The rejected notice or statement may be amended to meet the requirement of this section or a new one may be filed.

Sec. 165. [176.85] [PENALTIES; APPEALS.]

Subdivision 1. [APPEAL PROCEDURE.] If the commissioner has assessed a penalty against a party subject to this chapter and the party believes the penalty is not warranted, the party may request that a formal hearing be held on the matter. Upon a request for a hearing the commissioner shall refer the matter to the chief hearing examiner for assignment to a compensation judge or hearing examiner.

The chief hearing examiner shall keep a record of the proceeding and provide a record pursuant to section 176.421.

The decision of the compensation judge or hearing examiner shall be final and shall be binding and enforceable. The decision may be appealed to the workers' compensation court of appeals.

Subd. 2. [EXCEPTION.] This section does not apply to penalties for which another appeal procedure is provided, including but not limited to penalties imposed pursuant to section 176.102 or article 1, section 68.

Subd. 3. [HEARING COSTS.] For purposes of this section, a hearing before a hearing examiner shall be treated in the same manner as a hearing before a compensation judge and no costs may be charged to the commissioner for the hearing, regardless of who hears it.

Sec. 166. Minnesota Statutes 1982, section 268.08, subdivision 3, is amended to read:

Subd. 3. [NOT ELIGIBLE.] An individual shall not be eligible to receive benefits for any week with respect to which he is receiving, has received, or has filed a claim for remuneration in an amount equal to or in excess of his weekly benefit amount in the form of

(1) termination, severance, or dismissal payment or wages in lieu of notice whether legally required or not; provided that if a termination, severance, or dismissal payment is made in a lump sum, the employer may allocate such

lump sum payment over a period equal to the lump sum divided by the employee's regular pay while employed by such employer; provided any such payment shall be applied for a period immediately following the last day of work but not to exceed 28 calendar days; or

(2) vacation allowance paid directly by the employer for a period of requested vacation, including vacation periods assigned by the employer under the provisions of a collective bargaining agreement, or uniform vacation shutdown; or

(3) compensation for loss of wages under the workers' compensation law of this state or any other state or under a similar law of the United States, or under other insurance or fund established and paid for by the employer *except that this does not apply to an individual who is receiving temporary partial compensation pursuant to section 176.101, subdivision 3k*; or

(4) 50 percent of the pension payments from any fund, annuity or insurance maintained or contributed to by a base period employer including the armed forces of the United States if the employee contributed to the fund, annuity or insurance and all of the pension payments if the employee did not contribute to the fund, annuity or insurance; or

(5) 50 percent of a primary insurance benefit under Title II of the social security act as amended, or similar old age benefits under any act of congress or this state or any other state.

Provided, that if such remuneration is less than the benefits which would otherwise be due under sections 268.03 to 268.24, he shall be entitled to receive for such week, if otherwise eligible, benefits reduced by the amount of such remuneration; provided, further, that if the appropriate agency of such other state or the federal government finally determines that he is not entitled to such benefits, this provision shall not apply.

Sec. 167. Minnesota Statutes 1982, section 471.982, subdivision 2, is amended to read:

Subd. 2. The commissioner of insurance is authorized to ~~promulgate~~ *adopt* administrative rules, including emergency rules pursuant to sections 14.01 to 14.70. These rules may provide standards or guidelines governing the formation, operation, administration, dissolution of self insurance pools, and other reasonable requirements to further the purpose of this section ~~and. In developing the rules under this section, the commissioner shall at a minimum require consider~~ the following:

(a) *The requirements for self-insuring pools of political subdivisions shall be no more restrictive and may be less restrictive than the requirements for self-insuring pools of private employers;*

(b) All participants in the pool are jointly and severally liable for all claims and expenses of the pool;

~~(b)~~ (c) Each pool shall contract with a service company licensed by the commissioner to provide or contract for all administrative services required by the pool. No vendor of risk management services or entity administering a self insurance plan under this section may transact such business in this state unless it is licensed to do so by the commissioner. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in

and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner may issue a license subject to restrictions or limitations upon the authorization, including the type of services which may be supplied or the activities which may be engaged in. The license fee shall be \$100. All licenses shall be for a period of two years;

(e) (d) The service company has sole responsibility for the settlement of all claims against the pool or its members for which the pool may provide indemnification;

(d) (e) A minimum premium volume for each pool shall be established. The minimum premium volume may differ because of the kinds of coverage provided, and the limits of liability for the coverage;

(e) (f) All premiums or other assessments due to the pool from members shall be payable prior to the period for which coverage is being provided, or at equal intervals throughout the period;

(f) (g) Premiums shall ~~either be established by an actuary approved by the commissioner or shall be premiums filed by a licensed rate service organization with reductions permitted solely for administrative or premium tax savings neither excessive, inadequate, nor unfairly discriminatory;~~

(g) (h) The commissioner may require each pool to purchase excess insurance above certain limits and in a particular form. The limits or form of the excess insurance may differ based on the kinds of coverage offered by a pool, the limits of liability of the coverage, and the revenues available to pool members for the payment of premiums or assessments;

(h) (i) Each pool shall be audited annually by a certified public accountant;

(i) (j) ~~Whether~~ limitations on the payment of dividends to pool members ~~may be established as~~ are necessary to assure the solvency of the pool ~~in view of the taxing and levying authority of political subdivisions;~~

(j) (k) No participant may withdraw from a pool for a period of at least three years after its initial entry into the pool;

(k) (l) The amount of any liabilities in excess of assets shall be assessed to members of the pool within 30 days after a deficiency is identified and shall be payable by the member within 90 days;

(l) (m) The investment policies of the pool shall be governed by the laws governing investments by cities pursuant to section 475.66;

(m) (n) Pools shall be subject to the standards of unfair methods of competition and unfair or deceptive acts or practices established in chapter 72A;

(n) (o) Other requirements that are necessary to protect the solvency of the pool, the rights and privileges of claimants against the pool, and citizens of the members of the pool shall be included in the rules.

Sec. 168. Minnesota Statutes 1982, section 471.982, is amended by adding a subdivision to read:

Subd. 3. Self-insurance pools established and open for enrollment on a

statewide basis by the Minnesota league of cities insurance trust, the Minnesota school boards association insurance trust or the Minnesota association of counties insurance trust are exempt from the requirements of this section.

Sec. 169. [CITY OF DULUTH; GROUP WORKER'S COMPENSATION SELF-INSURANCE POOLS.]

Subdivision 1. [FORMATION OF POOLS WITH PRIVATE EMPLOYERS.] Notwithstanding any contrary provision of other law, ordinance, or charter, the city of Duluth may enter into a self-insurance pool with private employers to self-insure worker's compensation liability of pool members. Any pool formed pursuant to this section shall be operated under bylaws established by members of the pool. The initial bylaws and amendments to them shall not be effective unless approved by the city of Duluth and the commissioner of insurance. The bylaws shall address the following subjects:

(a) Qualifications for group self-insurer membership, including underwriting standards.

(b) The method of selecting the board of directors, including the directors' terms of office.

(c) The procedure for amending the bylaws or plan of operation.

(d) Investment of assets of the fund.

(e) Frequency and extent of loss control or safety engineering services provided to members.

(f) A schedule for payment and collection of premiums.

(g) Expulsion procedures, including expulsion for nonpayment of premiums and expulsion for excessive losses.

(h) Delineation of authority granted to the administrator.

(i) Delineation of authority granted to the service company.

(j) Basis for determining premium contributions by members including any experience rating program.

(k) Procedures for resolving disputes between members of the group, which shall not include submitting them to the commissioner.

(l) Basis for determining distribution of any surplus to the members, or assessing the membership to make up any deficit.

(m) Provisions for security to be furnished by private employers to insure assessments are paid in case of private employer insolvency.

The members participating in the pool may establish a joint board with appropriate powers to manage the pool. Each member of the pool shall pay to the pool the amounts assessed against it pursuant to the bylaws. A member may withdraw only after it has reimbursed the pool for the amounts for which it is obligated under the terms of the agreement.

Subd. 2. [APPROVAL OF COMMISSIONER.] A pool formed pursuant to this section shall not be effective or begin operation until it has been approved by the commissioner of insurance in the manner provided in Minne-

sota Statutes, section 471.982. Section 471.982 and any applicable rules adopted pursuant to it shall apply to any pool formed pursuant to this section. A pool formed pursuant to this section shall be a member of the workers' compensation reinsurance association and shall be bound by its plan of operation.

Sec. 170. [APPROPRIATIONS; COMPLEMENT INCREASE.]

Subdivision 1. [DEPARTMENT OF LABOR AND INDUSTRY.] (a) There is appropriated to the department of labor and industry for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$1,947,500	\$2,142,400

The approved complement of the department of labor and industry is increased by 90 of which 2 shall be federally funded and 19 shall be from the special compensation fund. The increased complement shall be allocated as follows:

- (1) workers' compensation administration, 1;*
- (2) records and compliance, 15;*
- (3) rehabilitation service, 20;*
- (4) legal services, 1;*
- (5) settlement and docket, 3;*
- (6) mediation and arbitration, 6;*
- (7) research and education, 8;*
- (8) information management service, 6;*
- (9) state employee fund, 6;*
- (10) general support, 8; and*
- (11) special compensation fund, 19.*

The appropriation provided by this clause (a) is for the purpose of paying for the increased general fund complement and expenses related to their duties except that \$100,000 shall be used for the recodification of chapter 176.

The authorized complement for the records and compliance section shall be reduced by four positions by June 30, 1985.

(b) There is appropriated to the department of labor and industry for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$437,500	\$875,000

The appropriation provided by this clause (b) is for the purpose of paying the state's premium to the workers' compensation reinsurance association. The commissioner of finance shall transfer to the general fund from each federal fund, dedicated or special revenue fund, or revolving fund the pro-

portion of premium costs attributable to that fund as calculated pursuant to section 10. The amounts necessary for this transfer are appropriated from the various funds in the state treasury from which salaries are paid.

(c) There is appropriated to the department of labor and industry for the fiscal years ending June 30 of the year indicated from the special compensation fund in the state treasury:

1984	1985
\$614,000	\$646,400

The funds appropriated by this clause (c) are to pay the expenses of the increased complement provided for the fund by clause (a) and expenses related to their duties and to reimburse the general fund for legal services performed on behalf of the fund by the attorney general.

Subd. 2. [OFFICE OF ADMINISTRATIVE HEARINGS.] There is appropriated to the office of administrative hearings for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$85,400	\$86,300

The approved complement of the office of administrative hearings is increased by two. The appropriation provided by this subdivision is for the purpose of paying for the increased complement and expenses related to their duties.

Subd. 3. [INSURANCE DIVISION.] There is appropriated to the department of commerce for its insurance division for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$230,800	\$229,100

The approved complement of the insurance division of the department of commerce is increased by seven. The appropriation provided by this subdivision is for the purpose of paying for the increased complement and expense related to their duties.

Subd. 4. [ATTORNEY GENERAL.] There is appropriated to the office of the attorney general for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$201,500	\$204,900

The approved complement of the office of attorney general is increased by six. The appropriation provided by this subdivision is for the purpose of providing for the increased complement and expenses related to their duties.

Sec. 171. [REPEALER.]

Minnesota Statutes 1982, sections 79.51, subdivision 2; and 79.63 are repealed effective July 1, 1983. Minnesota Statutes 1982, sections 175.07; 175.101, subdivision 3; 175.36; 176.101, subdivision 3; 176.102, subdivision 12; 176.131, subdivisions 9, 10, 11, and 12; 176.152; and 176.262 are repealed effective January 1, 1984.

Sec. 172. [SEVERABILITY.]

If any provision of this article is found to be unconstitutional and void, the remaining provisions of the article shall remain valid, unless the court finds the valid provisions of the article are so essentially and inseparably connected with, and so dependent upon, the void provisions that the court cannot presume the legislature would have enacted the remaining valid provisions without the void one; or unless the court finds the remaining valid provisions, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent.

Sec. 173. [EFFECTIVE DATE.]

Article 2, sections 1 to 3, 5, 6, 12, 18 to 23, 26, 32 to 38, 67 to 81, 83, 84, 90, 93 to 99, 108 to 159, 163 to 165, 167 to 170, and 172 are effective July 1, 1983. Article 2, sections 4, 16, 17, 24, 25, 29, 31, 102, 103, and 107 are effective October 1, 1983. Article 2, sections 7, 8, 10, 11, 13, 27, 28, 30, 39 to 66, 82, 85 to 89, 91, 92, 100, 101, 104 to 106, 160 to 162, and 166 are effective January 1, 1984. Sections 14, 15, and 171 are effective the day after final enactment.

ARTICLE 3

Section 1. [176A.01] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] For the purposes of sections 1 to 12, the terms defined in this section have the meanings given them.

Subd. 2. "Manager" means the manager of the state compensation insurance fund.

Subd. 3. "Fund" means the state compensation insurance fund.

Subd. 4. "Board" means the board of directors of the state compensation insurance fund.

Subd. 5. "Personal injury" or "injury" has the meaning given to it in section 176.011, subdivision 16.

Sec. 2. [176A.02] [CREATION; PURPOSE; ORGANIZATION OF THE FUND.]

Subdivision 1. [FUND CREATED.] The fund is created as a nonprofit independent public corporation for the purpose of insuring employers against liability for personal injuries for which their employees may be entitled to benefits under chapter 176.

Subd. 2. [BOARD OF DIRECTORS.] The board of directors consists of seven members and the commissioner of labor and industry who shall be an ex officio member. Each director shall hold office until a successor is appointed and qualifies. Each director shall represent a policyholder and may be an employee of a policyholder. A policyholder may designate a person to represent them on the board. The initial board of directors shall be appointed by the governor and shall consist of seven members, and the commissioner of labor and industry. Each member of the initial board shall be either an employer or employee. If the fund is operational and issuing policies upon the expiration of the terms of the initial board and thereafter, the governor shall appoint every other director until the governor has made four appointments. The remaining three directors shall be chosen by the fund's policyholders. In addition to the commissioner, no more than one member of the board shall be a representative of a governmental entity. At least two mem-

bers of the board shall represent private, for profit, enterprises. No member of the board may represent or be an employee of an insurance company.

The membership terms shall be as provided in section 15.0575. The membership compensation shall be set by the board.

The board shall annually elect a chairman from among its members and other officers it deems necessary for the performance of its duties.

Subd. 3. [FUND MANAGEMENT.] The management and control of the fund is vested solely in the board.

Subd. 4. [POWERS AND DUTIES OF THE BOARD.] The board is vested with full power, authority, and jurisdiction over the fund. The board may perform all acts necessary or convenient in the exercise of any power, authority, or jurisdiction over the fund, either in the administration of the fund or in connection with the insurance business to be carried on by it under the provisions of this chapter, as fully and completely as the governing body of a private insurance carrier to fulfill the objectives and intent of this chapter.

Subd. 5. [MANAGER.] The fund is under the administrative control of the manager appointed by the board pursuant to section 5.

Subd. 6. [PERSONAL LIABILITY, EXCLUDED.] The members of the board and officers or employees of the fund are not liable personally, either jointly or severally, for any debt or obligation created or incurred by the fund.

Sec. 3. [176A.03] [SPECIFIC POWERS OF THE FUND.]

Subdivision 1. [GENERAL.] For the purpose of carrying out its function the fund has the powers specified in this section.

Subd. 2. [INSURE WORKERS' COMPENSATION LIABILITY.] The fund may insure an employer against any workers' compensation claim arising out of and in the course of employment, as fully as any other insurer.

Sec. 4. [176A.04] [GENERAL POWERS.]

For the purpose of exercising the specific powers granted in this chapter and effectuating the other purposes of this chapter, the fund:

- (a) may sue and be sued;
- (b) may have a seal and alter it at will;
- (c) may make, amend, and repeal rules relating to the conduct of the business of the fund;
- (d) may enter into contracts relating to the administration of the fund;
- (e) may rent, lease, buy, or sell property in its own name and may construct or repair buildings necessary to provide space for its operations;
- (f) may declare a dividend when there is an excess of assets over liabilities, and minimum surplus requirements as consistent with chapter 60A;
- (g) may pay medical expenses, rehabilitation expenses, compensation due claimants of insured employers, pay salaries, and pay administrative and other expenses;
- (h) may hire personnel and set salaries and compensation; and

(i) may perform all other functions that are necessary or appropriate to administer the fund.

Sec. 5. [176A.05] [MANAGER.]

Subdivision 1. [APPOINTMENT, QUALIFICATIONS.] The board shall appoint a manager of the fund who shall be in charge of the day-to-day operation of the fund. The manager shall have proven successful experience as an executive at the general management level. The manager shall receive compensation as set by the board and shall serve at the pleasure of the board.

Subd. 2. [BOND.] Before entering on the duties of the office, the manager shall qualify by giving an official bond in an amount and with sureties approved by the board. The manager shall file the bond with the secretary of state. The premium for the bond shall be paid by the fund from the account established in section 7.

Sec. 6. [176A.06] [MANAGER'S POWERS.]

Subdivision 1. [GENERAL.] Subject to the authority of the board and the provisions of this chapter the manager has the powers and duties prescribed in this section.

Subd. 2. [SAFETY INSPECTION.] The manager may make safety inspections of risks and furnish advisory services to employers on safety and health measures.

Subd. 3. [DISBURSEMENT OF FUNDS.] The manager may act for the fund in collecting and disbursing money necessary to administer the fund and conduct the business of the fund.

Subd. 4. [ABSTRACT SUMMARY.] The manager shall have an abstract summary of any audit or survey conducted.

Subd. 5. [GENERAL AUTHORITY.] The manager may perform all acts necessary in the exercise of any power, authority, or jurisdiction over the fund, either in the administration of the fund or in connection with the insurance business to be carried on by the fund under this chapter, including the establishment of premium rates.

Sec. 7. [176A.07] [ACCOUNT.]

Subdivision 1. [STATE COMPENSATION ACCOUNT.] There is created and established under the jurisdiction and control of the fund a revolving account known as the "state compensation account."

The manager shall deliver all money collected or received under this chapter to the account.

The money in the account may be used by the fund in carrying out its purpose under this chapter.

Subd. 2. [PROPERTY OF FUND.] All premiums and other money paid to the fund, all property and securities acquired through the use of money belonging to the fund, and all interest and dividends earned upon money belonging to the fund and deposited or invested by the fund, are the sole property of the fund and shall be used exclusively for the operation and obligations of the fund. The money of the fund is not state money. The property of the fund is not state property.

Subd. 3. [NO STATE APPROPRIATION.] The fund shall not receive any state appropriation at any time other than as provided by section 10.

Sec. 8. [176A.08] [EXEMPTION FROM AND APPLICABILITY OF CERTAIN LAWS.]

The fund shall not be considered a state agency for any purpose including, but not limited to, chapters 13, 14, 15, 15A, and 43A. However, the fund shall be subject to sections 179.61 to 179.76. The insurance operations of the fund are subject to all of the provisions of chapters 60A and 60B. The commissioner of insurance has the same powers with respect to the board as the commissioner has with respect to a private workers' compensation insurer under chapters 60A and 60B. The fund is considered an insurer for the purposes of chapters 60C, 72A, 79, and 176. The fund is subject to the same tax liability as a mutual insurance company in this state pursuant to section 60A.15, subdivision 2. As a condition of its authority to transact business in this state the fund shall be a member of the workers' compensation reinsurance association and is bound by its plan of operation.

Sec. 9. [176A.09] [ANNUAL REPORT.]

The manager shall submit an annual report pursuant to section 3.195 to the governor and legislature indicating the business done by the fund during the previous year and containing a statement of the resources and liabilities of the fund.

Sec. 10. [176A.10] [APPROPRIATION.]

There is appropriated from the general fund to the state compensation insurance fund a sum of \$125,600 to be available until expended. There is appropriated from the general fund to the commissioner of finance the amounts of \$1,176,900 in fiscal year 1984, and \$4,424,900 in fiscal year 1985, for the purpose of transfer to the state compensation insurance fund upon certification of need in accordance with procedures developed by the commissioner. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. Any amount appropriated or transferred plus interest at eight percent a year shall be amortized over a ten-year period and shall be repaid by the fund to the general fund in equal installments at the end of each fiscal year with the first payment occurring on June 30, 1986, provided that the fund shall not begin repayment on this date unless there exists sufficient earned surplus to comply with state law. Repayment shall then begin under the terms of this subdivision when sufficient earned surplus exists.

Sec. 11. [IMPLEMENTATION.]

The members of the board of directors shall be appointed no later than September 1, 1983. The board shall act promptly to hire a manager, hire necessary employees, and acquire necessary facilities and supplies to begin operation. The fund shall begin providing workers' compensation insurance coverage when the board determines that the fund is able to do so and all requirements under state law have been met.

Sec. 12. [REPORT TO THE LEGISLATURE AND GOVERNOR.]

The commissioner of labor and industry shall, no later than March 1, 1986, report to the legislature and governor the operations of the fund up to

that date. The report shall include but not be limited to:

(1) the volume of premiums insured through the state fund and its share of the state workers' compensation insurance market;

(2) the percent division of premium dollars among various types of benefit payments and administrative costs for policies and claims under the state fund;

(3) the average rate of return enjoyed by the state fund on its invested assets;

(4) recommendations concerning desirable changes in the state fund to promote its prompt and efficient administration of policies and claims;

(5) a recommendation to the legislature and governor regarding the continued operation of the fund; and

(6) any other information the commissioner deems appropriate.

Sec. 13. [EFFECTIVE DATE.]

This article is effective July 1, 1983."

Delete the title and insert:

"A bill for an act relating to labor; providing for comprehensive reform of all aspects of workers' compensation; providing for a competitive state insurance fund; ratifying changes in the state employee bargaining unit composition schedule; ratifying state and University of Minnesota labor agreements, compensation plans, and plans for early retirement incentives; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 43A.23, by adding a subdivision; 79.071, subdivisions 1 and 1a; 79.211, subdivision 1; 79.251; 79.34, subdivisions 1, 2, and by adding a subdivision; 79.35; 79.37; 79.51, subdivision 3; 79.52, by adding a subdivision; 147.02, by adding a subdivision; 175.006, subdivision 1; 175.007, subdivision 1; 175.08; 175.10; 175.101, subdivisions 1 and 2; 176.011, subdivision 9, and by adding subdivisions; 176.012; 176.021, subdivision 3; 176.041, subdivision 1; 176.061; 176.081, subdivisions 1, 2, 5, 6, 7, and by adding a subdivision; 176.101, subdivisions 1, 2, 6, and by adding subdivisions; 176.102, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and by adding subdivisions; 176.105, by adding a subdivision; 176.111, subdivisions 6, 7, 8, and 18, and by adding a subdivision; 176.121; 176.131, subdivisions 1, 1a, 2, 3, 4, 5, 6, 7, and 8; 176.132, subdivision 1, and by adding a subdivision; 176.134, subdivision 4; 176.135, subdivisions 1 and 3; 176.136; 176.155, subdivisions 3 and 5; 176.179; 176.181, by adding a subdivision; 176.182; 176.183, subdivisions 1, 1a, and by adding subdivisions; 176.185, subdivision 1, and by adding a subdivision; 176.191, by adding subdivisions; 176.195, subdivision 2, and by adding subdivisions; 176.221; 176.225, subdivisions 1, 2, and 3; 176.231, subdivisions 3, 4, 5, 9, and 10; 176.241, subdivisions 2 and 4; 176.281; 176.285; 176.321, subdivision 1; 176.331; 176.341; 176.361; 176.371; 176.421, subdivisions 3, 4, 6, and 7; 176.442; 176.461; 176.521, subdivisions 2, 2a, and 3; 176.561; 176.571, subdivision 6; 176.645, subdivision 1; 176.66, by adding subdivisions; 179.741, subdivision 1, and by adding a subdivision; 268.08, subdivision 3; and 471.982, subdivision 2, and by adding a subdivision; Laws 1981, chapter 346, sections 145 and 146; proposing new law coded in Minnesota Statutes, chapters 79;

148; and 176; proposing new law coded as Minnesota Statutes, chapter 176A; repealing Minnesota Statutes 1982, sections 79.51, subdivision 2; 79.63; 175.07; 175.101, subdivision 3; 175.36; 176.101, subdivision 3; 176.102, subdivision 12; 176.131, subdivisions 9, 10, 11, and 12; 176.152; and 176.262.”

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

SECOND READING OF SENATE BILLS

S.F. Nos. 709, 1041, 863, 531, 1126, 751 and 415 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1124, 836, 652 and 575 were read the second time.

MOTIONS AND RESOLUTIONS

Ms. Peterson, D.C. moved that H.F. No. 30 be taken from the table. The motion prevailed.

H.F. No. 30: A bill for an act relating to veterans affairs; providing residents of the Minnesota veterans home with a right to complain about home accommodations and services; prohibiting retaliatory eviction of residents who exercise their right to complain; proposing new law coded in Minnesota Statutes, chapter 198.

Ms. Peterson, D.C. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 30, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 1243. The motion prevailed.

Mr. Schmitz moved that Senate Concurrent Resolution No. 12 be taken from the table. The motion prevailed.

Senate Concurrent Resolution No. 12: A Senate concurrent resolution proclaiming September 25 to October 8 as Germanfest in Minnesota.

WHEREAS, October 6, 1983, will mark the Three Hundredth Anniversary of German immigration to America commencing with the sail vessel Concord, and that 1983 has been declared as the “Tricentennial Anniversary Year of German Settlement in America;” and

WHEREAS, Minnesota, throughout its history, has greatly benefited from the presence of German Americans through their leadership in education, agriculture, government, trade, industry, religion, and all other aspects of daily life within our state; and

WHEREAS, much of what we perceive to be the American way of life and culture can be attributed to those values and identities which come to Minnesota with various cultures, among which are the Germans; and

WHEREAS, the descendants of German-speaking immigrants form the largest single ethnic group in Minnesota and have maintained their mother tongue through succeeding generations to a greater extent than any other language group; and

WHEREAS, Americans of German-speaking ancestry continue to provide valuable contributions to life in Minnesota; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota, the House of Representatives concurring, that the period of September 25 to October 8, 1983, be specifically designated to honor and celebrate German immigration to Minnesota through an appreciation of German American contribution to our state. A special five-day ethnic festival called the "Germanfest for a Heritage Fulfilled" will be established to celebrate this event.

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and those of the Chairman of the Rules and Administration Committee of the Senate, the Chief Clerk of the House, and the Speaker of the House, and present it to the chairperson of the organizing committee of Germanfest.

Mr. Schmitz moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

Mrs. Lantry moved that Senate Resolution No. 35, as reported to the Senate by the Committee on Rules and Administration May 13, 1983, be now adopted.

Senate Resolution No. 35: A Senate resolution urging various officials and groups to assist on raising funds for an epilepsy education center.

WHEREAS, the legislature created the Minnesota Advisory Task Force on Epilepsy to study and report on the state of programs, services, and facilities for persons with seizure disorders in Minnesota; and

WHEREAS, the Advisory Task Force has commendably fulfilled its charge and has reported to the legislature on a series of recommendations addressed to the prevention, treatment, and comprehensive education in the area of epilepsy; and

WHEREAS, approaches to addressing these recommendations have been well documented in the report of the Task Force; and

WHEREAS, the several identified governmental and private groups with interest and responsibilities toward individuals with seizure disorders and/or their prevention should review these recommendations; and

WHEREAS, implementation of these recommendations will reduce the health and welfare costs of the state, and improve the personal health of the citizens of the state; and

WHEREAS, the legislature faces extreme and unusual fiscal constraints this year and cannot undertake new initiatives; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota that the Governor, the University, local units of government, the Minnesota Medical Association, other professional associations, and private foundations should

review the report of the Task Force and undertake what actions they can to help meet these needs. Immediate attention should be devoted to raising funds to support the creation of the University affiliated epilepsy education center. The Senate Health and Human Services Committee and the House Health and Welfare Committee will seek recommendations from interested groups.

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed to enroll copies of this resolution, to be authenticated by his signature and that of the Chairman of the Senate Rules and Administration Committee, and present them to those persons designated by the sponsor of this resolution.

The motion prevailed. So the resolution was adopted.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Dahl introduced—

S.F. No. 1245: A bill for an act relating to insurance; requiring automobile insurers to notify secured parties prior to cancellation of comprehensive and collision automobile coverage; amending Minnesota Statutes 1982, sections 65B.16; 65B.17; and 65B.18; proposing new law coded in Minnesota Statutes, chapter 65B.

Referred to the Committee on Economic Development and Commerce.

Mr. Dahl introduced—

S.F. No. 1246: A bill for an act relating to insurance; credit life and accident and health; requiring insurers to notify creditors of policy lapses and cancellations; proposing new law coded in Minnesota Statutes, chapter 62B.

Referred to the Committee on Economic Development and Commerce.

Mr. Waldorf introduced—

S.F. No. 1247: A bill for an act relating to state income tax refunds; requiring proper notice before the state can collect debts by taking tax refunds; amending Minnesota Statutes 1982, section 270A.08, subdivisions 1 and 2.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Peterson, R.W. and Merriam introduced—

S.F. No. 1248: A bill for an act relating to civil actions; confirming that non-residents may assert certain damage claims in Minnesota courts; enacting the Uniform Transboundary Pollution Reciprocal Access Act; proposing new law coded in Minnesota Statutes, chapter 543.

Referred to the Committee on Judiciary.

Mr. Peterson, R.W. introduced—

S.F. No. 1249: A bill for an act relating to civil actions; regulating the application of statutes governing the limitation of actions; enacting the Uniform Conflict of Laws - Limitations Act; proposing new law coded in Minnesota Statutes, chapter 541.

Referred to the Committee on Judiciary.

Mr. Willet, for the Committee on Finance, introduced—

S.F. No. 1250: A bill for an act relating to appropriations; reducing appropriations for the fiscal year ending June 30, 1983; appropriating money; amending Minnesota Statutes 1982, section 41.61, subdivision 1; 270.18; repealing Minnesota Statutes 1982, section 41.61, subdivisions 2 and 3.

Under the rules of the Senate, laid over one day.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 1259:

Messrs. Johnson, D.J.; Peterson, C.C.; Dieterich; Novak and Ms. Berglin. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Special Orders Calendar. The motion prevailed.

SPECIAL ORDER

H.F. No. 636: A bill for an act relating to local government; authorizing sewer and water commissions to obtain accountant services; amending Minnesota Statutes 1982, section 116A.24, subdivision 2.

Mr. Peterson, C.C. moved that the amendment made to H.F. No. 636 by the Committee on Rules and Administration in the report adopted May 10, 1983, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 636 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 51 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knutson	Peterson, C.C.	Storm
Anderson	DeCramer	Kroening	Peterson, D.C.	Stumpf
Belanger	Dicklich	Kronebusch	Peterson, D.L.	Ulland
Benson	Frank	Lantry	Petty	Vega
Berg	Frederickson	Lessard	Pogemiller	Waldorf
Berglin	Freeman	Luther	Ramstad	Wegscheid
Bernhagen	Hughes	McQuaid	Reichgott	Willet
Bertram	Isackson	Mehrkens	Renneke	
Brataas	Johnson, D.E.	Nelson	Samuelson	
Chmielewski	Jude	Olson	Schmitz	
Dahl	Kamrath	Pehler	Sieloff	

Messrs. Diessner, Knaak and Laidig voted in the negative.

So the bill passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Hughes moved that the following members be excused for a Conference Committee on H.F. No. 653:

Messrs. Hughes; Johnson, D.E. and Ms. Peterson, D.C. The motion prevailed.

SPECIAL ORDER

H.F. No. 360: A bill for an act relating to education; transferring authority for appointing the commissioner of education from the state board of education to the governor; amending Minnesota Statutes 1982, section 121.16.

Mr. Nelson moved that the amendment made to H.F. No. 360 by the Committee on Rules and Administration in the report adopted May 10, 1983, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

CALL OF THE SENATE

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

Ms. Olson moved to amend H.F. No. 360 as follows:

Page 1, after line 7, insert:

“Section 1. Minnesota Statutes 1982, section 121.02, subdivision 1, is amended to read:

121.02 [STATE BOARD OF EDUCATION.]

Subdivision 1. A state department of education is hereby created which shall be maintained under the direction of a state board of education composed of nine representative citizens of the state, at least one of whom shall reside in each congressional district in the state.

Of the nine representative citizens of the state who are appointed to the state board of education not less than three members ~~thereof~~ shall previously ~~thereto~~ have served as an elected member of a board of education of a school district however organized.

The members of the state board shall be appointed by the governor, with the advice and consent of the senate. *In each odd-numbered year, one member shall be chosen annually by the board as president, but no member shall serve as president for more than three four consecutive years. The state board shall hold its annual meeting in August. It shall hold meetings on dates and at places as it designates. No member shall hold any public office, or represent or be employed by any board of education or school district, public or private, and shall not voluntarily have any personal financial interest in any contract with a board of education or school district, or be engaged in any capacity where a conflict of interest may arise.”*

Page 1, line 13, strike “secretary” and insert “*president*”

Page 1, line 14, after “board” insert “*as chosen pursuant to section*”

121.02, subdivision 1''

Page 1, line 15, reinstate the stricken language

Page 1, line 16, after the period, insert "*Norwithstanding any other law to the contrary, the term, compensation, and removal of the commissioner shall be governed by the provisions of section 15.0575, except that the term of the commissioner shall be two years.*"

Page 1, lines 16 and 17, reinstate the stricken language

Page 1, strike lines 18 to 21

Page 1, line 22, strike "this code." and insert:

"*Subd. 1a.*"

Page 1, line 22, after "Notwithstanding" insert "*section 15.06, subdivision 8, or*"

Page 1, line 23, strike "two" and insert "three"

Page 1, line 24, after the period, insert "*The commissioner may delegate to the deputy commissioners the exercise of any of the commissioner's statutory powers and duties. The delegation of authority includes authority related to budget, personnel, and general administration as well as the authority to decide and issue orders in contested cases, rulemaking proceedings, and other hearings held under chapter 14.*"

Subd. 1b."

Page 2, after line 9, insert:

"Sec. 3. Minnesota Statutes 1983, section 121.16, is amended by adding a subdivision to read:

"*Subd. 3. [REVIEW BY COMMISSIONER.] An order issued by a deputy commissioner under subdivision 1a may be appealed to the commissioner or reviewed by the commissioner at the commissioner's discretion within 15 days after receipt of the order. If no appeal is filed and no discretionary review is made, the deputy commissioner's order is the final order, unless otherwise provided by law. Review of the appeal shall be on the record and shall be subject to the procedures prescribed by rule by the commissioner. Appeal of the commissioner's order, or the order of the deputy commissioner if no appeal is made to the commissioner, shall be as provided under the provisions of chapter 14, unless otherwise provided by law.*"

Page 2, line 11, delete "Section 1" and insert "This act"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "providing for the selection of the president of the state board of education;"

Page 1, delete line 3

Page 1, line 4, delete everything before "amending" and insert "appointment of deputy commissioners; review of appeals by commissioners;"

Page 1, line 5, delete "section" and insert "sections 121.02, subdivision

l; and''

Page 1, line 5, before the period, insert “, and by adding a subdivision”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Knaak	Mehrkens	Renneke
Belanger	Isackson	Kronebusch	Olson	Sieloff
Benson	Johnson, D.E.	Laidig	Peterson, D.L.	Storm
Bernhagen	Kamrath	McQuaid	Ramstad	Ulland

Those who voted in the negative were:

Adkins	Dieterich	Lantry	Peterson, D.C.	Spear
Berg	Frank	Lessard	Peterson, R.W.	Vega
Bertram	Frederickson	Luther	Petty	Waldorf
Chmielewski	Freeman	Merriam	Pogemiller	Wegscheid
Davis	Johnson, D.J.	Moe, D. M.	Purfeerst	Willet
DeCramer	Jude	Nelson	Reichgott	
Dicklich	Kroening	Pehler	Schmitz	
Diessner	Langseth	Peterson, C.C.	Solon	

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

H.F. No. 360 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

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

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

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

The roll was called, and there were yeas 35 and nays 32, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Langseth	Peterson, C.C.	Samuelson
Berglin	Diessner	Lessard	Peterson, D.C.	Schmitz
Bertram	Dieterich	Luther	Peterson, R.W.	Solon
Chmielewski	Freeman	Merriam	Petty	Spear
Dahl	Johnson, D.J.	Moe, D. M.	Pogemiller	Stumpf
Davis	Jude	Nelson	Purfeerst	Wegscheid
DeCramer	Kroening	Pehler	Reichgott	Willet

Those who voted in the negative were:

Anderson	Frederick	Knutson	Novak	Taylor
Belanger	Frederickson	Kronebusch	Olson	Ulland
Benson	Hughes	Laidig	Peterson, D.L.	Vega
Berg	Isackson	Lantry	Ramstad	Waldorf
Bernhagen	Johnson, D.E.	McQuaid	Renneke	
Brataas	Kamrath	Mehrkens	Sieloff	
Frank	Knaak	Moe, R. D.	Storm	

So the bill passed and its title was agreed to.

Mr. Purfeerst moved that H.F. No. 77 be taken from the table and given its

second reading. The motion prevailed.

H.F. No. 77: A bill for an act relating to horse racing; creating a Minnesota racing commission and providing for its membership, powers, and duties; authorizing the licensing of persons to operate racetracks, conduct horse racing, engage in certain occupations, and conduct pari-mutuel betting on horse racing; prescribing taxes and license fees; establishing a Minnesota breeders fund; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 38.04; 273.76, by adding a subdivision; 609.75, subdivision 3; and 609.761; proposing new law coded as Minnesota Statutes, chapter 240.

H.F. No. 77 was read the second time.

Mr. Purfeerst moved to amend H.F. No. 77 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 77, and insert the language after the enacting clause, and the title, of S.F. No. 79, the Fifth Engrossment.

The motion prevailed. So the amendment was adopted.

Mr. Purfeerst then moved to amend H.F. No. 77, as amended by the Senate May 13, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 79.)

Page 27, line 29, delete "MINNESOTA-OWNED" and insert "MINNESOTA-FOALED"

Page 27, line 32, delete "*Minnesota-owned*" and insert "*Minnesota-foaled*"

Page 31, line 23, delete "*Minnesota-owned*" and insert "*Minnesota-foaled*"

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Mr. Purfeerst imposed a call of the Senate for the balance of the proceedings on H.F. No. 77. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Purfeerst then moved to amend H.F. No. 77, as amended by the Senate May 13, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 79.)

Page 37, line 12, delete "*shall*" and insert "*may*"

Page 37, line 16, before the period insert "*, subdivision 1*"

Page 37, line 19, delete "*shall*" and insert "*may*"

Page 37, line 21, delete "*shall apply*" and insert "*applies*"

Page 53, line 2, delete "*11*" and insert "*6, 10*"

Page 53, line 2, after the second comma insert "*13*" and delete "*14*" and insert "*15*"

Mr. Sieloff requested division of the amendment as follows:

First portion:

Page 37, line 12, delete "shall" and insert "may"

Page 37, line 16, before the period insert ", subdivision 1"

Page 37, line 19, delete "shall" and insert "may"

Page 37, line 21, delete "shall apply" and insert "applies"

Second portion:

Page 53, line 2, delete "11" and insert "6, 10"

Page 53, line 2, after the second comma insert "13" and delete "14" and insert "15"

The question was taken on the adoption of the first portion of the Purfeerst amendment. The motion prevailed. So the first portion of the amendment was adopted.

Mr. Purfeerst withdrew the second portion of his amendment.

Mr. Frank moved to amend H.F. No. 77, as amended by the Senate May 13, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 79.)

Page 37, delete section 4

Renumber the sections in sequence and correct internal references

Amend the title as follows:

Page 1, lines 26 and 27, delete "273.76, by adding a subdivision;"

CALL OF THE SENATE

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

The question recurred on the Frank amendment.

The roll was called, and there were yeas 42 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kronebusch	Peterson, C.C.	Solon
Anderson	Diessner	Laidig	Peterson, D.L.	Storm
Belanger	Frank	Langseth	Petty	Stumpf
Benson	Hughes	Lantry	Purfeerst	Vega
Berg	Isackson	Lessard	Ramstad	Wegscheid
Brataas	Jude	Mehrkens	Reichgott	Willet
Chmielewski	Kamrath	Moe, R. D.	Samuelson	
Dahl	Knaak	Nelson	Schmitz	
DeCramer	Knutson	Novak	Sieloff	

Those who voted in the negative were:

Berglin	Frederickson	Luther	Pehler	Spear
Bernhagen	Freeman	McQuaid	Peterson, D.C.	Ulland
Bertram	Johnson, D.E.	Merriam	Peterson, R.W.	Waldorf
Davis	Johnson, D.J.	Moe, D. M.	Pogemiller	
Dieterich	Kroening	Olson	Renneke	

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend H.F. No. 77, as amended by the Senate May 13, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 79.)

Page 35, after line 5, insert:

“ARTICLE 7

Section 1. Minnesota Statutes 1982, section 349.26, subdivision 2, is amended to read:

Subd. 2. “Gambling devices” means those gambling devices known as “paddlewheels” or “tipboards”, “pull-tabs” (or “ticket jars”), or apparatus used in conducting raffles, or gambling devices used in games of chance normally found in casinos, including blackjack, poker, dice, keno, and roulette.

Sec. 2. Minnesota Statutes 1982, section 349.26, is amended by adding a subdivision to read:

Subd. 6a. “Casino night” means an event at which persons are given the opportunity to participate in games of chance normally found in casinos, including blackjack, poker, dice, keno and roulette. Winnings from these games in the form of scrip or other redeemable tokens are then used to purchase items of value which have been acquired for this purpose.

Sec. 3. Minnesota Statutes 1982, section 349.26, subdivision 8, is amended to read:

Subd. 8. Any county or city may establish a system for the licensing of organizations to operate gambling devices and to conduct raffles or casino nights. The system may include a fee for each license in an amount to be determined by the local governing body. Licenses issued pursuant to this section shall be valid for one year, and may be suspended or revoked for any violation of this section. A local governing body shall act on a license application within 180 days from the date of application, but shall not issue a license until at least 30 days after the date of the application. Nothing in this section shall be construed to prohibit a county or city from adopting rules or ordinances for the operation of gambling devices or the conduct of raffles or casino nights that are more restrictive than state law, including rules or ordinances prohibiting the operation of such devices.

Sec. 4. Minnesota Statutes 1982, section 349.26, subdivision 10, is amended to read:

Subd. 10. Profits from the operation of gambling devices or the conduct of raffles or casino nights shall be used solely for lawful purposes as defined in section 349.12, subdivision 6, and as authorized at a regular meeting of the organization.

Sec. 5. Minnesota Statutes 1982, section 349.26, subdivision 11, is amended to read:

Subd. 11. All operation of gambling devices and the conduct of raffles or casino nights shall be under the supervision of a single gambling manager designated by the organization. The gambling manager shall be responsible for gross receipts and profits from gambling devices, casino nights, and

raffles and for their operation. The gambling manager shall give a fidelity bond in the sum of \$10,000 in favor of the organization conditioned on the faithful performance of his duties, and the bond and the waiver thereof shall be subject to the same provisions as those applying to the bond required of a bingo manager pursuant to section 349.17, subdivision 7. A person may act as both gambling manager and bingo manager for a single organization, but a gambling manager for a single organization shall not act as either a gambling manager or bingo manager for any other organization. A gambling manager for an organization shall be an active member of the organization, as defined in section 349.12, subdivision 2.

Sec. 6. Minnesota Statutes 1982, section 349.26, subdivision 12, is amended to read:

Subd. 12. No compensation in excess of \$25 a week, shall be paid in connection with the operation of a gambling device or the conduct of a raffle *or casino night* by a licensed organization except a licensed organization may elect to pay a percent of raffle ticket sales to nonprofit organizations selling for the licensed organization. No person who is not an active member of an organization, or its auxiliary, or the spouse or surviving spouse of an active member may participate in the organization's operation of a gambling device or conduct of a raffle *or casino night* except the licensed organization may utilize nonmember nonprofit organizations in raffle ticket sales.

Sec. 7. Minnesota Statutes 1982, section 349.26, subdivision 13, is amended to read:

Subd. 13. Each organization licensed to operate gambling devices shall keep records of its gross receipts, quantity of free plays, if any, expenses and profits for each single gathering or occasion at which gambling devices are operated or a raffle *or casino night* is conducted. All deductions from gross receipts for each single gathering or occasion shall be documented with receipts or other records indicating the amount, a description of the purchased item or service or other reason for the deduction, and the recipient. The distribution of profits shall be itemized as to payee, purpose, amount and date of payment.

Gross receipts from the operation of gambling devices and the conduct of raffles *or casino nights* shall be segregated from other revenues of the organization, including bingo gross receipts, and placed in a separate account. Each organization shall have separate records of its gambling operations. The person who accounts for gross receipts, expenses and profits from the operation of gambling devices or the conduct of raffles *or casino nights* may be the same person who accounts for bingo gross receipts, expenses and profits.

Each organization licensed to operate gambling devices or to conduct raffles *or casino nights* shall report monthly to its membership, and to the licensing local unit of government, its gross receipts, expenses and profits from gambling devices or, raffles *or casino nights*, and the distribution of profits itemized as required in this subdivision.

Records required by this section shall be preserved for three years, and organizations shall make available their records relating to operation of gambling devices and the conduct of raffles *or casino nights* for public

inspection at reasonable times and places.

Sec. 8. Minnesota Statutes 1982, section 349.26, subdivision 14, is amended to read:

Subd. 14. Gambling devices shall be operated and raffles *and casino nights* conducted by a licensed organization only upon premises which it owns or leases except that tickets for raffles conducted in accordance with this section may be sold off the premises. Leases, unless authorized in another location by the local unit of government, shall be for a period of not less than one year and shall be in writing. The local unit of government may authorize raffles *or casino nights* to be conducted by a licensed organization on premises not owned or leased by the organization. No lease shall provide that rental payments be based on a percentage of receipts or profits from gambling devices ~~or~~, raffles *or casino nights*. Copies of all leases shall be provided to the licensing local unit of government.

Sec. 9. Minnesota Statutes 1982, section 349.26, subdivision 15, is amended to read:

Subd. 15. [TOTAL PRIZE AWARD LIMITS.] Total prizes from the operation of paddlewheels, tipboards and pull-tabs (or ticket jars) awarded in any single day in which they are operated shall not exceed \$1,000. Total prizes resulting from any single spin of a paddlewheel, or from any single seal of a tipboard, each tipboard limited to a single seal, or from a single pull-tab (or ticket jar), shall not exceed \$150. Total prizes awarded in any calendar year by any organization from the operation of paddlewheels, tipboards and pull-tabs (or ticket jars) and the conduct of raffles *or casino nights*, except as provided in subdivision 15a, shall not exceed \$35,000. Merchandise prizes shall be valued at fair market retail value.

The county attorney of each county shall be responsible for investigating and, if appropriate, prosecuting organizations for violations of this section.

Sec. 10. Minnesota Statutes 1982, section 349.26, subdivision 15a, is amended to read:

Subd. 15a. [EXCEPTION; TOTAL PRIZE AWARDS LIMITATIONS.] (a) An organization which directly or under contract to the state or a political subdivision delivers health or social services and which is exempt from taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1954, as amended through December 30, ~~1981~~ 1982, may award total prizes in a calendar year from the conduct of raffles *or casino nights*, in excess of the limitation provided in subdivision 15, provided the prizes consist of real or personal property donated to the organization by an individual, corporation, or other organization and, except as provided in clause (b), provided the organization complies with the other requirements and restrictions of section 349.26.

(b) For the purposes of this subdivision, an organization covered by clause (a) is not subject to the membership limitations of subdivisions 9, 11, and 12, nor to the compensation limitations of subdivision 12. Subject to the other requirements of subdivision 13, the person who accounts for gross receipts, expenses, and profits from the conduct of raffles *or casino nights* may be the same person who accounts for other revenues of the organization.

Sec. 11. Minnesota Statutes 1982, section 349.31, subdivision 1, is

amended to read:

Subdivision 1. [INTENTIONAL POSSESSION; WILFUL KEEPING.] The intentional possession or wilful keeping of a gambling device upon any licensed premises is cause for the revocation of any license under which the licensed business is carried on upon the premises where the gambling device is found, ~~provided that.~~ *However,* possession of gambling devices commonly known as "paddlewheels" or "tipboards" or "pull-tabs" (or "ticket jars") or apparatus used in conducting raffles, *or gambling devices used in games of chance normally found in casinos, including black jack, poker, dice, keno, and roulette,* on the premises of a nonprofit organization and operated by organizations licensed for ~~such the~~ operation pursuant to section 349.26 and the manufacture of gambling devices for use in jurisdictions where use of the gambling device is legal as provided for by section 349.40 ~~shall are not be~~ *cause causes* for revocation of a license.

Sec. 12. Minnesota Statutes 1982, section 541.20, is amended to read:

541.20 [RECOVERY OF MONEY LOST.]

Every person who, by playing at cards, dice, or other game, or by betting on the hands or sides of such as are gambling, shall lose to any person so playing or betting any sum of money or any goods, and pays or delivers the same, or any part thereof, to the winner, may sue for and recover ~~such this~~ money by a civil action, before any court of competent jurisdiction, *except those losses incurred as a result of playing legal games of chance under chapter 349.*

Sec. 13. Minnesota Statutes 1982, section 541.21, is amended to read:

541.21 [COMMITMENTS FOR GAMBLING DEBT VOID.]

~~Every~~ A note, bill, bond, mortgage, or other security or conveyance in which the whole or any part of the consideration ~~shall be is~~ for any money or goods won by gambling or playing at cards, dice, or any other game whatever, or by betting on the sides or hands of any person gambling, or for reimbursing or repaying any money knowingly lent or advanced at the time and place of ~~such the~~ gambling or betting, or lent and advanced for any gambling or betting to any persons so gambling or betting, ~~shall be is~~ void and of no effect as between the parties to ~~the same it,~~ and as to all persons except ~~such as hold persons holding or claim claiming under them it~~ in good faith, without notice of the illegality of the consideration of ~~such the~~ contract or conveyance. *Losses incurred as a result of playing legal games of chance under chapter 349 are not void gambling debts under this section.*

Sec. 14. Minnesota Statutes 1982, section 609.75, subdivision 3, is amended to read:

Subd. 3. [WHAT ARE NOT BETS.] The following are not bets:

(1) A contract to insure, indemnify, guarantee or otherwise compensate another for a harm or loss sustained, even though the loss depends upon chance.

(2) A contract for the purchase or sale at a future date of securities or other commodities.

(3) Offers of purses, prizes or premiums to the actual contestants in any

bona fide contest for the determination of skill, speed, strength, endurance, or quality or to the bona fide owners of animals or other property entered in such a contest.

(4) The game of bingo when conducted in compliance with sections 349.11 to 349.23.

(5) A private social bet not part of or incidental to organized, commercialized, or systematic gambling.

(6) The operation of a gambling device or the conduct of a raffle or *casino night* as defined in section 349.26, by an organization licensed for ~~such~~ *this* operation by a local unit of government pursuant to section 349.26."

Renumber the articles in sequence

Amend the title as follows:

Page 1, line 24, after "proceeds;" insert "allowing certain organizations to conduct casino nights under specified conditions;"

Page 1, line 28, after "subdivisions;" insert "349.26, subdivisions 2, 8, 10, 11, 12, 13, 14, 15, 15a, and by adding a subdivision; 349.31, subdivision 1; 541.20; 541.21;"

The question was taken on the adoption of the amendment.

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

The roll was called, and there were yeas 40 and nays 10, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Luther	Peterson, D. C.	Solon
Anderson	Frank	McQuaid	Peterson, R. W.	Spear
Belanger	Frederick	Mehrkens	Petty	Storm
Benson	Jude	Merriam	Pogemiller	Stumpf
Berg	Knaak	Moe, D. M.	Purfeerst	Taylor
Bertram	Kronebusch	Moe, R. D.	Ramstad	Ulland
Dahl	Lantry	Nelson	Reichgott	Vega
Davis	Lessard	Pehler	Schmitz	Wegscheid

Those who voted in the negative were:

Bernhagen	Isackson	Kamrath	Olson	Renneke
Chmielewski	Johnson, D.E.	Laidig	Peterson, D.L.	Sieloff

The motion prevailed. So the amendment was adopted.

Mr. Lessard moved to amend H.F. No. 77, as amended by the Senate May 13, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 79.)

Pages 33 to 35, delete article 6

Page 35, line 6, delete "7" and insert "6"

Page 53, line 1, delete "7" and insert "6"

Amend the title as follows:

Page 1, delete lines 16 and 17

Page 1, line 18, delete "compulsive gamblers;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 34 and nays 25, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kronebusch	Pehler	Storm
Anderson	Frank	Lantry	Peterson, C.C.	Stumpf
Benson	Isackson	Lessard	Peterson, D.L.	Taylor
Bertram	Johnson, D.E.	Mehrkens	Petty	Ulland
Dahl	Johnson, D.J.	Moe, R. D.	Purfeerst	Vega
Davis	Kamrath	Novak	Schmitz	Wegscheid
DeCramer	Knaak	Olson	Solon	

Those who voted in the negative were:

Belanger	Chmielewski	Knutson	Moe, D. M.	Renneke
Berg	Dieterich	Laidig	Peterson, D.C.	Sieloff
Berglin	Frederick	Luther	Pogemiller	Spear
Bernhagen	Freeman	McQuaid	Ramstad	
Brataas	Jude	Merriam	Reichgott	

The motion prevailed. So the amendment was adopted.

Mr. Renneke moved to amend H.F. No. 77, as amended by the Senate May 13, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 79.)

Page 17, line 5, delete "and that" and insert a comma

Page 17, line 7, after the comma, insert "and the license has been approved by referendum as provided in subdivision 5,"

Page 17, after line 8, insert:

"Subd. 5. [REFERENDUM.] No class D license may be issued unless approved by the voters of the county at a regular or special election. A special election must be conducted in accordance with section 375.20, and the county board may assess the cost of the special election against the license applicant. If the voters of the county disapprove the granting of the license, no election on the question may again be submitted to the voters for a period of one year."

Page 17, line 9, delete "5" and insert "6"

Page 17, line 12, delete "6" and insert "7"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 12 and nays 40, as follows:

Those who voted in the affirmative were:

Benson	Dieterich	Knutson	McQuaid	Renneke
Brataas	Hughes	Kronebusch	Olson	Sieloff
Chmielewski	Kamrath			

Those who voted in the negative were:

Adkins	DeCramer	Knaak	Novak	Samuelson
Anderson	Diessner	Laidig	Pehler	Schmitz
Berg	Frank	Lantry	Peterson, D.C.	Solon
Berglin	Frederick	Lessard	Petty	Spear
Bernhagen	Isackson	Luther	Pogemiller	Stumpf
Bertram	Johnson, D.E.	Mehrkens	Purfeerst	Ulland
Dahl	Johnson, D.J.	Merriam	Ramstad	Vega
Davis	Jude	Moe, R. D.	Reichgott	Wegscheid

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

Mr. Stumpf moved to amend H.F. No. 77, as amended by the Senate May 13, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 79.)

Page 31, line 15, after "*research*" insert "*and education*"

The motion prevailed. So the amendment was adopted.

Mr. Purfeerst moved to amend H.F. No. 77, as amended by the Senate May 13, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 79.)

Page 47, line 7, delete "*in an amount of \$200 or*"

Page 47, line 8, delete "*more to the same individual*" and insert "*on which withholding is required under section 34.02(q) of the Internal Revenue Code of 1954, as amended through January 15, 1983,*"

Page 47, line 9, delete "*11*" and insert "*8*"

Page 47, line 34, delete "*11*" and insert "*7*"

Page 47, line 36, delete "*\$200*" and insert "*\$700*"

Mr. Sieloff requested division of the amendment as follows:

First portion:

Page 47, line 7, delete "*in an amount of \$200 or*"

Page 47, line 8, delete "*more to the same individual*" and insert "*on which withholding is required under section 34.02(q) of the Internal Revenue Code of 1954, as amended through January 15, 1983,*"

Second portion:

Page 47, line 9, delete "*11*" and insert "*8*"

Page 47, line 34, delete "*11*" and insert "*7*"

Page 47, line 36, delete "*\$200*" and insert "*\$700*"

The question was taken on the adoption of the first portion of the amendment. The motion prevailed. So the first portion of the amendment was adopted.

The question was taken on the second portion of the amendment. The motion did not prevail. So the second portion of the amendment was not adopted.

Mr. Purfeerst then moved to amend H.F. No. 77, as amended by the Senate

May 13, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 79.)

Pages 52 and 53, delete section 17

Renumber the sections in sequence

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski moved to amend H.F. No. 77, as amended by the Senate May 13, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 79.)

Page 18, line 15, before the period, insert *"and, with respect to the state fair only, during the seven days preceding or following the fair"*

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

Mr. Pogemiller moved to amend H.F. No. 77, as amended by the Senate May 13, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 79.)

Pages 49 and 50, delete sections 12 and 13

Page 53, line 2, delete *"11, 12, and 14"* and insert *"6, 10, and 13"*

Amend the title as follows:

Page 1, line 22, delete everything after the semicolon

Page 1, line 23, delete *"felony;"*

Page 1, line 29, delete *","* and by adding a subdivision"

Page 1, line 30, delete *"609.76;"*

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

Mr. Pogemiller then moved to amend H.F. No. 77, as amended by the Senate May 13, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 79.)

Page 50, line 2, delete *"\$300"* and insert *"\$3,000"*

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 39, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Moe, R. D.	Peterson, D.C.	Schmitz
Bertram	Dieterich	Nelson	Pogemiller	Taylor
Chmielewski	Johnson, D.J.	Novak	Purfeerst	Vega
Davis	Kronebusch	Pehler	Ramstad	
DeCramer	Lessard	Peterson, C.C.	Samuelson	

Those who voted in the negative were:

Anderson	Frank	Kroening	Moe, D. M.	Spear
Belanger	Frederickson	Laidig	Olson	Storm
Berg	Freeman	Langseth	Peterson, D.L.	Stumpf
Berglin	Isackson	Lantry	Peterson, R.W.	Ulland
Bernhagen	Johnson, D.E.	Luther	Petty	Waldorf
Brataas	Jude	McQuaid	Reichgott	Wegscheid
Dahl	Kamrath	Mehrkens	Renneke	Willet
Diessner	Knaak	Merriam	Sieloff	

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Merriam moved that the following members be excused for a Conference Committee on H.F. No. 672:

Messrs. Merriam, Vega and Sieloff. The motion prevailed.

Mr. Pehler moved to amend H.F. No. 77, as amended by the Senate May 13, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 79.)

Page 3, line 7, delete "seven" and insert "nine"

Page 3, line 9, after the period, insert "At least one member must be from each congressional district."

Page 3, line 9, delete "four" and insert "five"

Page 3, lines 12 and 13, delete "two" and insert "three"

Mr. Wegscheid requested division of the amendment as follows:

First portion:

Page 3, line 7, delete "seven" and insert "nine"

Page 3, line 9, delete "four" and insert "five"

Page 3, lines 12 and 13, delete "two" and insert "three"

Second portion:

Page 3, line 9, after the period, insert "At least one member must be from each congressional district."

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

The roll was called, and there were yeas 44 and nays 15, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Novak	Renneke
Belanger	DeCramer	Kroening	Olson	Samuelson
Berg	Dicklich	Kronebusch	Pehler	Schmitz
Berglin	Frank	Langseth	Peterson, C. C.	Stumpf
Bernhagen	Frederickson	Lessard	Peterson, D. C.	Taylor
Bertram	Freeman	Luther	Peterson, D. L.	Ulland
Brataas	Johnson, D. E.	Mehrkens	Pogemiller	Waldorf
Chmielewski	Johnson, D. J.	Moe, R. D.	Purfeerst	Wegscheid
Dahl	Kamrath	Nelson	Reichgott	

Those who voted in the negative were:

Anderson	Isackson	Lantry	Peterson, R. W.	Sieloff
Diessner	Jude	McQuaid	Petty	Spear
Dieterich	Laidig	Moe, D. M.	Ramstad	Storm

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

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

The roll was called, and there were yeas 37 and nays 18, as follows:

Those who voted in the affirmative were:

Anderson	DeCramer	Kamrath	Nelson	Solon
Benson	Dicklich	Knaak	Novak	Stumpf
Berg	Diessner	Kronebusch	Olson	Taylor
Bernhagen	Frank	Langseth	Pehler	Ulland
Bertram	Frederick	Lantry	Peterson, D.L.	Willet
Brataas	Frederickson	Lessard	Purfeerst	
Dahl	Johnson, D.E.	Luther	Renneke	
Davis	Jude	Mehrkens	Samuelson	

Those who voted in the negative were:

Adkins	Laidig	Peterson, R.W.	Schmitz	Waldorf
Belanger	McQuaid	Petty	Sieloff	Wegscheid
Freeman	Moe, D. M.	Ramstad	Spear	
Kroening	Peterson, D.C.	Reichgott	Storm	

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

Mr. Frank moved to amend H.F. No. 77, as amended by the Senate May 13, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 79.)

Page 50, line 2, delete "\$300" and insert "\$1,500"

The question was taken on the adoption of the amendment.

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

The roll was called, and there were yeas 30 and nays 31, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Nelson	Ramstad
Benson	DeCramer	Kronebusch	Novak	Schmitz
Berg	Dicklich	Langseth	Pehler	Solon
Bertram	Dieterich	Lessard	Peterson, C.C.	Stumpf
Chmielewski	Frank	Mehrkens	Pogemiller	Vega
Dahl	Freeman	Moe, R. D.	Purfeerst	Willet

Those who voted in the negative were:

Anderson	Frederickson	Lantry	Petty	Ulland
Belanger	Isackson	Luther	Reichgott	Waldorf
Berglin	Johnson, D.E.	McQuaid	Renneke	Wegscheid
Bernhagen	Jude	Moe, D. M.	Sieloff	
Brataas	Knaak	Olson	Spear	
Diessner	Kroening	Peterson, D.L.	Storm	
Frederick	Laidig	Peterson, R.W.	Taylor	

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

Mr. Renneke moved to amend H.F. No. 77, as amended by the Senate May 13, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 79.)

Page 16, line 22, delete "it" and insert "the board"

Page 16, line 23, delete "does not object to it" and insert "that two-thirds of the board is in support of granting a license to the applicant"

The motion prevailed. So the amendment was adopted.

SUSPENSION OF RULES

Mr. Purfeerst moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H. F. No. 77 and that the rules of the Senate be so far suspended as to give H. F. No. 77 its third reading and place it on its final passage. The motion prevailed.

H.F. No. 77 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 58 and nays 8, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berglin	Chmielewski	Kamrath	Pogemiller	Renneke
Bernhagen	Johnson, D. E.	Moe, D. M.		

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

Mr. Purfeerst moved that S.F. No. 79, No. 56 on Special Orders, be stricken and laid on the table. The motion prevailed.

Without objection, the Senate reverted to the Order of Business of Messages From the House and First Reading of House Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 300.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 13, 1983

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 300: A bill for an act relating to energy; creating the Minnesota energy authority; establishing a program of loans and financial assistance for households and municipalities; authorizing the issuance of bonds; appropriating money; transferring powers; amending Minnesota Statutes 1982,

sections 116C.03, subdivision 2; 116J.03, subdivision 1; 116J.09; 116J.10; 216B.16, by adding a subdivision; 462A.02, subdivision 10; 462A.05, by adding subdivisions; and 462A.21, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 116H; 216B; and 462A.

SUSPENSION OF RULES

Mr. Vega moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 300 and that the rules of the Senate be so far suspended as to give H.F. No. 300 its second and third reading and place it on its final passage. The motion prevailed.

H. F. No. 300 was read the second time.

Mr. Vega moved to amend H.F. No. 300 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 300, and insert the language after the enacting clause, and the title, of S.F. No. 810, the Third Engrossment.

The motion prevailed. So the amendment was adopted.

Mr. Moe, D.M. moved to amend H.F. No. 300, as amended by the Senate May 13, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 810.)

Page 69, after line 12, insert:

“Sec. 101. Minnesota Statutes 1982, section 116C.24, is amended by adding a subdivision to read:

Subd. 2a. “Commissioner” means the commissioner of energy and economic development.

Sec. 102. Minnesota Statutes 1982, section 116C.24, subdivision 3, is amended to read:

Subd. 3. “Coordination unit” means the ~~environmental coordination unit~~ *bureau of business licenses* established pursuant to ~~section 116C.25~~ *sections 362.461 to 362.467.*

Sec. 103. Minnesota Statutes 1982, section 116C.25, is amended to read:

116C.25 [ENVIRONMENTAL PERMITS COORDINATION UNIT.]

The ~~board shall establish an environmental permits~~ *commissioner of the department of energy and economic development shall direct the bureau of business licenses to act as the coordination unit to implement and administer the provisions of sections 116C.22 to 116C.34 and. The chairman of the board* ~~commissioner~~ shall employ necessary staff to work for the coordination unit on a continuous basis.

Sec. 104. Minnesota Statutes 1982, section 116C.32, is amended to read:

116C.32 [RULES; COOPERATION.]

The ~~board~~ *commissioner* shall as soon as practicable adopt rules, not inconsistent with rules of procedure established by the office of administra-

tive hearings, to implement the provisions of sections 116C.22 to 116C.34, including master application procedures, notice procedures, and public hearing procedures and costs. *Pursuant to section 15.039, rules adopted by the environmental quality board under Minnesota Statutes 1982, section 116C.32, shall remain in effect and be enforced by the commissioner until amended by the commissioner. Transfer of other powers, personnel, records, and funds shall also be governed by section 15.039.*

Sec. 105. Minnesota Statutes 1982, section 116C.33, subdivision 2, is amended to read:

Subd. 2. The ~~board~~ *commissioner*, to the limited extent necessary to comply with procedural requirements of federal statutes relating to permit systems operated by the state, may modify the notice, timing, hearing and related procedural matters provided in sections 116C.22 to 116C.34.

Sec. 106. Minnesota Statutes 1982, section 116C.34, is amended to read:

116C.34 [~~PERMIT INFORMATION CENTERS BUREAU OF BUSINESS LICENSES.~~]

Subdivision 1. The ~~board shall establish a permit information center in its office at St. Paul, which center~~ *bureau of business licenses shall establish and maintain an information and referral system to assist the public in the understanding and compliance with the requirements of state and local governmental regulations concerning the use of natural resources and protection of the environment. The system shall provide a telephone information service and disseminate printed materials. The board bureau shall provide assistance to regional development commissions desiring to create a permit information center.*

Subd. 2. The ~~permit information center in St. Paul bureau~~ shall:

(a) Identify all existing state licenses, permit certifications, approvals, compliance schedules, or other programs which pertain to the use of natural resources and to protection of the environment.

(b) Standardize permit titles and assign designation codes to all such permits which would thereafter be imprinted on all permit forms.

(c) Develop permit profiles including applicable rules and regulations, copies of all appropriate permit forms, statutory mandate and legislative history, names of individuals administering the program, permit processing procedures, documentation of the magnitude of the program and of geographic and seasonal distribution of the workload, and estimated application processing time.

(d) Identify the public information procedures currently associated with each permit program.

(e) Identify the data monitored or acquired through each permit and ascertain current users of that data.

(f) Recommend revisions to the list of natural resource management and development permits contained in Minnesota Statutes 1974, Section 116D.04, Subdivision 5.

(g) Recommend legislative or administrative modifications of existing

permit programs to increase their efficiency and utility.

Subd. 3. The auditor of each county shall post in a conspicuous place in his office the telephone numbers of the ~~permit information centers established in St. Paul and~~ bureau of business licenses and the permit information center in the office of the applicable regional development commission; copies of any master applications or permit applications forwarded to the auditor pursuant to section 116C.27, subdivision 1; and copies of any information published by ~~any permit the bureau or an~~ information center pursuant to subdivision 1."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 23, after the first semicolon insert "transferring the functions of the environmental quality board under the Environmental Procedures Act to the commissioner of energy and economic development and the bureau of business licenses;"

Page 1, line 29, after the semicolon insert "116C.24, subdivision 3, and by adding a subdivision; 116C.25; 116C.32; 116C.33, subdivision 2; 116C.34;"

The motion prevailed. So the amendment was adopted.

Mr. Freeman moved to amend H.F. No. 300, as amended by the Senate May 13, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 810.)

Page 3, delete lines 20 to 33, and insert:

"Subd. 7. [PERSONNEL.] ~~The~~ All classified and unclassified positions associated with the responsibilities being transferred are ~~abolished in transferred with their incumbents to the new agency whose responsibilities are transferred.~~ The approved staff complement for ~~that the agency whose responsibilities are being transferred~~ is decreased accordingly. ~~The employees who fill the abolished positions are employees of the agency receiving the new responsibilities.~~ The approved staff complement for ~~that the new agency~~ is increased accordingly. Personnel changes are effective on the date of transfer of responsibilities. *Nothing in this subdivision shall be construed as abrogating or modifying any rights now enjoyed by affected employees under the managerial or commissioner's plan under section 43A.18 or the terms of an agreement between an exclusive representative of public employees and the state or one of its appointing authorities.*"

The motion prevailed. So the amendment was adopted.

Mr. Ulland moved to amend H.F. No. 300, as amended by the Senate May 13, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 810.)

Page 4, line 4, after "energy" insert ", planning," and delete "economic"

Page 4, line 9, delete the new language

Page 4, line 30, reinstate the stricken language and delete the new language

Page 4, line 35, delete the new language

Page 15, line 13, delete "three" and insert "four"

Page 15, line 14, after the comma insert "the planning division."

Page 15, lines 34 and 36, reinstate the stricken language and delete the new language

Page 19, lines 6 and 7, reinstate the stricken language and delete the new language

Page 20, line 12, reinstate the stricken language and delete the new language

Page 21, line 25, reinstate the stricken language and delete the new language

Page 22, line 25, reinstate the stricken language and delete the new language

Page 24, line 3, reinstate the stricken language and delete the new language

Page 24, lines 9, 10, 21, and 22, reinstate the stricken language and delete the new language

Pages 57 and 58, delete sections 80 and 81

Pages 61 and 62, delete section 90

Page 67, line 24, delete everything after "[TERMS.]"

Page 67, delete lines 25 to 36

Page 68, delete lines 1 to 9

Page 68, line 10, delete "(d)"

Page 68, delete lines 22 to 33

Page 68, line 34, delete "116K.15" and insert "116J.545"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 17, delete "a state"

Page 1, delete line 18

Page 1, line 19, delete "development and"

Page 1, delete line 44

Page 1, line 45, delete "116K;"

CALL OF THE SENATE

Mr. Moe, D.M. imposed a call of the Senate for the balance of the proceedings on H.F. No. 300. The Sergeant at Arms was instructed to bring in the absent members.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Samuelson moved that the following members be

excused for a Conference Committee on H.F. No. 1234:

Messrs. Samuelson, Spear, Dicklich, Knutson and Johnson, D.E. The motion prevailed.

The question recurred on the Ulland amendment.

The roll was called, and there were yeas 17 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Laidig	Ramstad	Ulland
Benson	Isackson	McQuaid	Renneke	
Bernhagen	Kamrath	Mehrkens	Storm	
Dieterich	Kronebusch	Peterson, D.L.	Taylor	

Those who voted in the negative were:

Adkins	Diessner	Langseth	Peterson, C.C.	Solon
Bertram	Frank	Lantry	Peterson, D.C.	Stumpf
Chmielewski	Freeman	Lessard	Peterson, R.W.	Vega
Dahl	Hughes	Luther	Petty	Waldorf
Davis	Johnson, D.J.	Moe, D. M.	Pogemiller	Wegscheid
DeCramer	Jude	Novak	Reichgott	Willet
Dicklich	Kroening	Pehler	Schmitz	

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

Mr. Laidig moved to amend H.F. No. 300, as amended by the Senate May 13, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 810.)

Page 36, line 21, delete everything after the period

Page 36, lines 22 to 25, delete the new language

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 18 and nays 29, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kronebusch	Olson	Storm
Benson	Isackson	Laidig	Peterson, D.L.	Ulland
Berg	Kamrath	McQuaid	Ramstad	
Bernhagen	Knaak	Mehrkens	Renneke	

Those who voted in the negative were:

Adkins	Diessner	Kroening	Peterson, C.C.	Stumpf
Bertram	Dieterich	Langseth	Peterson, D.C.	Vega
Chmielewski	Frank	Lantry	Peterson, R.W.	Waldorf
Dahl	Freeman	Lessard	Petty	Wegscheid
Davis	Hughes	Luther	Pogemiller	Willet
DeCramer	Jude	Moe, D. M.	Reichgott	

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

Mr. Laidig then moved to amend H.F. No. 300, as amended by the Senate May 13, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 810.)

Page 36, lines 27 to 29, delete the new language

The motion prevailed. So the amendment was adopted.

Ms. Olson moved to amend H.F. No. 300, as amended by the Senate May 13, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 810.)

Page 17, line 14, before the period, insert “:

(m) Report to the legislature by February 1 of each year both the processes and results of efforts to communicate the statutory requirements concerning energy efficiency standards under section 116J.27 and the extent of compliance with the requirements”

The motion prevailed. So the amendment was adopted.

Mr. Renneke moved to amend H.F. No. 300, as amended by the Senate May 13, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 810.)

Page 34, line 24, delete “(a)”

Page 35, delete lines 6 to 13

The motion prevailed. So the amendment was adopted.

Mr. Ulland moved to amend H.F. No. 300, as amended by the Senate May 13, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 810.)

Page 69, delete section 99

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 19 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kronebusch	Olson	Storm
Benson	Isackson	Laidig	Peterson, D.L.	Taylor
Berg	Kamrath	McQuaid	Ramstad	Ulland
Bernhagen	Knaak	Mehrkens	Renneke	

Those who voted in the negative were:

Adkins	Diessner	Langseth	Pehler	Solon
Berglin	Dieterich	Lantry	Peterson, C.C.	Stumpf
Bertram	Frank	Lessard	Peterson, D.C.	Vega
Chmielewski	Freeman	Luther	Peterson, R.W.	Waldorf
Dahl	Hughes	Merriam	Petty	Wegscheid
Davis	Jude	Moe, D. M.	Pogemiller	Willet
DeCramer	Kroening	Novak	Reichgott	

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

Mr. Willet moved to amend H.F. No. 300, as amended by the Senate May 13, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 810.)

Page 49, line 18, delete “may” and insert “shall” and delete “without

complying” and insert “*in compliance*”

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend H.F. No. 300, as amended by the Senate May 13, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 810.)

Page 11, lines 27 and 33, delete “*attorney general*” and insert “*commissioner*”

Page 12, lines 2 to 4 reinstate the stricken language

Page 12, line 7, delete “*that*”

Page 13, lines 8, 13, 21, 25, 32, and 36, delete “*attorney general*” and insert “*commissioner*”

Page 14, lines 2, 17, 23, and 32, delete “*attorney general*” and insert “*commissioner*”

Page 14, line 7, delete “*attorney*”

Page 14, line 8, delete “*general*” and insert “*commissioner*”

Page 58, line 7, reinstate the stricken comma

Page 58, line 8, before “*or*” insert “*commissioner of commerce,*”

Page 62, line 28, delete “*public service*” and insert “*commerce*”

Page 67, delete lines 21 and 22

Amend the title accordingly

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

H.F. No. 300 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 41 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Lessard	Peterson, D.C.	Stumpf
Berglin	Frank	Luther	Peterson, R.W.	Vega
Bertram	Freeman	Merriam	Petty	Waldorf
Chmielewski	Hughes	Moe, D. M.	Pogemiller	Wegscheid
Dahl	Johnson, D.J.	Moe, R. D.	Purfeerst	Willet
Davis	Jude	Nelson	Reichgott	
DeCramer	Kroening	Novak	Samuelson	
Dicklich	Langseth	Pehler	Schmitz	
Diessner	Lantry	Peterson, C.C.	Spear	

Those who voted in the negative were:

Anderson	Brataas	Kamrath	Olson	Storm
Belanger	Frederick	Knaak	Peterson, D.L.	Taylor
Benson	Frederickson	Kronebusch	Ramstad	Ulland
Berg	Isackson	Laidig	Renneke	
Bernhagen	Johnson, D.E.	McQuaid	Sieloff	

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

Mr. Vega moved that S.F. No. 810, No. 61 on Special Orders, be stricken and laid on the table. The motion prevailed.

SPECIAL ORDER

S.F. No. 862: A bill for an act relating to public employment; providing rights for certain part-time employees; amending the definition of supervisory employee; authorizing recognition of legal strikes by non-members of bargaining units; providing that the public employer's duty to bargain supersedes all municipal charters, ordinances or resolutions; amending Minnesota Statutes 1982, sections 179.63, subdivisions 7 and 9; and 179.66, subdivision 2.

Mr. Chmielewski moved to amend S. F. No. 862 as follows:

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, delete line 5

The motion prevailed. So the amendment was adopted.

Mr. Nelson moved to amend S. F. No. 862 as follows:

Page 2, line 1, delete "*temporary*" and insert "*employees who hold positions of a basically temporary character for a period not in excess of 100 working days in a calendar year,*" and before "*who*" insert a comma

Page 3, line 12, after "*require*" insert "*either*"

Page 3, line 13, delete "*or*" and insert "*and*"

Page 3, line 13, after "*director*" insert "*or a separate determination by the director*"

Page 3, after line 30, insert:

"Sec. 4. Minnesota Statutes 1982, section 179.71, subdivision 8, is amended to read:

Subd. 8. Hearings and mediation meetings authorized by this section shall be held ~~in the county which best meets the conveniences of the witnesses, but such hearings may be held~~ at a time and place as is ~~agreed to by the petitioner and those parties affected by the petition determined by the director, but, whenever practical, a hearing shall be held in the general geographic area where the question has arisen or exists.~~

Page 3, line 32, delete "*Sections 1 to 3 are*" and insert "*This act is*" and delete "*their*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, delete "*and*"

Page 1, line 10, after "*2*" insert "*;* and 179.71, subdivision 8"

The motion prevailed. So the amendment was adopted.

Mr. Vega moved to amend S. F. No. 862 as follows:

Page 3, after line 30, insert:

“Sec. 4. Minnesota Statutes 1982, section 179.70, subdivision 1, is amended to read:

Subdivision 1. A written contract or memorandum of contract containing the agreed upon terms and conditions of employment and ~~such~~ other matters as may be agreed upon by the employer and exclusive representative shall be executed by the parties. The duration of the contract shall be negotiable except in no event shall contracts be for a term exceeding three years. Any contract between employer school board and an exclusive representative of teachers shall in every instance be for a term of two years beginning on July 1 of each odd-numbered year. For contracts effective July 1, 1979 or thereafter, the written contract executed by an employer school board and an exclusive representative of teachers shall contain the teachers' compensation including fringe benefits for the entire two year term and shall not contain a wage reopening clause or any other provision for the renegotiation of the teachers' compensation for the second year of the contract. *A contract between an employer and an exclusive representative of essential employees shall be for a term of not less than two years and no more than three years.* All contracts shall include a grievance procedure which shall provide compulsory binding arbitration of grievances including all disciplinary actions. In the event that the parties cannot reach agreement on the grievance procedure, they shall be subject to the grievance procedure promulgated by the director pursuant to section 179.71, subdivision 5, clause (4) (h). Employees covered by civil service systems created pursuant to chapters ~~43~~ 43A, 44, 375, 387, 419 or 420, or by provision of a home rule charter pursuant to chapter 410, or by Laws 1941, Chapter 423, may pursue a redress of their grievances through the grievance procedure established pursuant to this section. When the resolution of a grievance is also within the jurisdiction of appeals boards or appeals procedures created by chapters ~~43~~ 43A, 44, 375, 387, 419 or 420, or by provision of a home rule charter pursuant to chapter 410, or by Laws 1941, Chapter 423, the aggrieved employee shall have the option of pursuing redress through the grievance procedure or the civil service appeals procedure, but once a written grievance or appeal has been properly filed or submitted by the employee or on the employee's behalf with his consent the employee's right to pursue redress in the alternative manner is terminated. This section does not require employers or employee organizations to negotiate on matters other than terms and conditions of employment as defined in section 179.63, subdivision 18.”

Page 3, line 32, delete “Sections 1 to 3 are” and insert “This act is” and delete “their”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, delete “and”

Page 1, line 10, after “2” insert “; and 179.70, subdivision 1”

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

Mr. Chmielewski moved to amend S. F. No. 862 as follows:

Page 1, line 28, after “year” insert “or, in the case of employees of a

recreational facility or authority, not in excess of 100 working days in any calendar year”

The motion prevailed. So the amendment was adopted.

Mr. Belanger moved to amend S.F. No. 862 as follows:

Page 3, after line 30, insert:

“Sec. 4. [REPEALER.]

Minnesota Statutes 1982, section 179.03, is repealed.”

Page 3, line 32, delete “3” and insert “4”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, before the period, insert “; repealing Minnesota Statutes 1982, section 179.03”

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

Mr. Frederickson moved to amend S.F. No. 862 as follows:

Page 3, after line 30, insert:

“Sec. 4. Minnesota Statutes 1982, section 179.72, subdivision 6, is amended to read:

Subd. 6. When final positions are certified to the board as provided in section 179.69, the board shall constitute an arbitration panel as follows:

The parties shall, under the direction of the chairman of the board, alternately strike names from a list of seven arbitrators until only three names remain, which three members shall be members of the panel; provided, however, that if ~~either party requests~~ *both parties agree* the parties shall select a single arbitrator to hear the dispute. If the parties are unable to agree on who shall strike the first name, the question shall be decided by the flip of a coin. In submitting names of arbitrators to the parties the board shall endeavor whenever possible to include names of persons from the general geographical area in which the public employer is located. The panel shall assume and have jurisdiction over the items of dispute certified to the board for which the panel was constituted. The panel’s orders shall be issued upon a majority vote of members considering a given dispute. The members of the panel shall be paid their actual and necessary traveling and other expenses incurred in the performance of their duties plus a per diem allowance of \$180 for each day or part thereof while engaged in the consideration of a dispute. All fees, expenses and costs of the panel shall be shared and assessed equally to the parties to the dispute. In those cases where a single arbitrator is hearing a dispute, the fees, expenses and costs of the arbitrator shall also be shared and assessed equally by the parties to the dispute.”

Page 3, line 32, delete “3” and insert “4”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after the semicolon, insert “requiring both parties’ consent

for selection of a single arbitrator;”

Page 1, line 9, delete “and”

Page 1, line 10, before the period, insert “; and 179.72, subdivision 6”

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

Mr. Frederick moved to amend S.F. No. 862 as follows:

Page 1, line 27, after “67” insert “full-time equivalent”

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

Mr. Frederick then moved to amend S.F. No. 862 as follows:

Page 3, after line 14, insert:

“Sec. 3. Minnesota Statutes 1982, section 179.64, is amended by adding a subdivision to read:

Subd. 8. Public employees, other than those engaged in strikes under subdivision 1 or 1a, or section 179.692, who refuse to cross a picket line shall be deemed to be engaged in an illegal strike and shall be subject to the provisions of this section.”

Page 3, line 32, delete “3” and insert “4”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, after the semicolon, insert “179.64, by adding a subdivision;”

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Anderson	Brataas	Knaak	Peterson, D.L.	Stumpf
Belanger	Frederick	Kronebusch	Ramstad	Taylor
Berg	Frederickson	Laidig	Renneke	Ulland
Bernhagen	Isackson	McQuaid	Sieloff	
Bertram	Kamrath	Olson	Storm	

Those who voted in the negative were:

Adkins	Frank	Lessard	Peterson, D.C.	Vega
Chmielewski	Freeman	Luther	Peterson, R.W.	Waldorf
Dahl	Hughes	Merriam	Petty	Wegscheid
Davis	Johnson, D.J.	Moe, D. M.	Pogemiller	Willet
DeCramer	Jude	Moe, R. D.	Purfeerst	
Dicklich	Kroening	Nelson	Reichgott	
Diessner	Langseth	Novak	Schmitz	
Dieterich	Lantry	Pehler	Spear	

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

Mrs. McQuaid moved to amend S.F. No. 862 as follows:

Page 3, delete lines 24 to 30

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Bertram	Johnson, D.E.	Laidig	Renneke
Belanger	Brataas	Kamrath	McQuaid	Sieloff
Benson	Frederick	Knaak	Olson	Storm
Berg	Frederickson	Knutson	Peterson, D.L.	Taylor
Bernhagen	Isackson	Kronebusch	Ramstad	Ulland

Those who voted in the negative were:

Adkins	Frank	Luther	Peterson, R.W.	Stumpf
Chmielewski	Freeman	Merriam	Petty	Vega
Dahl	Johnson, D.J.	Moe, R. D.	Pogemiller	Waldorf
Davis	Jude	Nelson	Purfeerst	Wegscheid
DeCramer	Kroening	Novak	Reichgott	Willet
Dicklich	Langseth	Pehler	Samuelson	
Diessner	Lantry	Peterson, C.C.	Schmitz	
Dieterich	Lessard	Peterson, D.C.	Spear	

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

S.F. No. 862 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 44 and nays 20, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Lessard	Peterson, D.C.	Solon
Bertram	Frank	Luther	Peterson, R.W.	Spear
Brataas	Freeman	Merriam	Petty	Stumpf
Chmielewski	Johnson, D.J.	Moe, D. M.	Pogemiller	Taylor
Dahl	Jude	Moe, R. D.	Purfeerst	Vega
Davis	Knaak	Nelson	Reichgott	Waldorf
DeCramer	Kroening	Novak	Samuelson	Wegscheid
Dicklich	Langseth	Pehler	Schmitz	Willet
Diessner	Lantry	Peterson, C.C.	Sieloff	

Those who voted in the negative were:

Anderson	Bernhagen	Johnson, D.E.	Laidig	Ramstad
Belanger	Frederick	Kamrath	McQuaid	Renneke
Benson	Frederickson	Knutson	Olson	Storm
Berg	Isackson	Kronebusch	Peterson, D.L.	Ulland

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

Without objection, the Senate reverted to the Order of Business of Messages From the House, First Reading of House Bills, Reports of Committees and Second Reading of House Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 160, 752 and 601.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 1983

Mr. President:

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

S.F. No. 297: A bill for an act relating to criminal justice; requiring peace officers to make arrests based on probable cause in cases of domestic assault; requiring peace officers to notify victims of domestic assault of the legal remedies available; amending Minnesota Statutes 1982, section 629.341; and Laws 1983, chapter 52, by adding a section.

Senate File No. 297 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 1983

Mr. Petty moved that the Senate do not concur in the amendments by the House to S.F. No. 297, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 473: A bill for an act relating to traffic regulations; removing restrictions on use at trial of an accused's refusal to take a chemical test; providing that a suspect be informed that refusal to take a chemical test will be used against him at trial; removing requirements for mandatory detoxification in certain instances; providing penalties; amending Minnesota Statutes 1982, sections 169.121, subdivisions 2, 3, 4, and 8; and 169.123, subdivisions 2, 3, and 4; repealing Minnesota Statutes 1982, section 169.1231.

Senate File No. 473 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1983

Mr. Freeman moved that the Senate do not concur in the amendments by the House to S.F. No. 473, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 683: A bill for an act relating to education; prohibiting certain licenses for teachers; proposing new law coded in Minnesota Statutes, chapter 125.

Senate File No. 683 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1983

Mr. Kroening moved that the Senate do not concur in the amendments by the House to S.F. No. 683, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 695: A bill for an act relating to public welfare; requiring new procedures for determining nursing home payment rates; requiring a moratorium on certification or welfare licensure of new beds with certain exceptions; providing for an interagency board for quality assurance; appropriating money; amending Minnesota Statutes 1982, sections 144A.10, subdivisions 4, 6, and by adding a subdivision; 256B.091, subdivisions 1, 2, 4, and 8; 256B.41; 256B.47; and 256B.48; proposing new law coded in Minnesota Statutes 1982, chapters 144A and 256B; repealing Minnesota Statutes 1982, sections 256B.42; 256B.43; 256B.44; 256B.45; and 256B.46; and 12 MCAR 2.049.

Senate File No. 695 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 1983

Ms. Berglin moved that the Senate do not concur in the amendments by the House to S.F. No. 695, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 923: A bill for an act relating to libraries; prohibiting the theft or damage of library materials; restricting tort liability for public libraries; prescribing a penalty; amending Minnesota Statutes 1982, section 466.01, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 609.

Senate File No. 923 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 12, 1983

Mr. Wegscheid moved that the Senate do not concur in the amendments by the House to S.F. No. 923, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the

House. The motion prevailed.

Mr. President:

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

S.F. No. 989: A bill for an act relating to collection and dissemination of data; classifying government data as public, private, and nonpublic; clarifying issues relating to classifications of data, access to data, the effect of death of individuals on classifications, and the temporary classification of data; refining provisions of the data practice act; amending Minnesota Statutes 1982, sections 13.02, subdivision 8, and by adding a subdivision; 13.03, subdivisions 3 and 4, and by adding subdivisions; 13.04, subdivision 2; 13.05, subdivisions 3, 7, 9, and 10, and by adding a subdivision; 13.06, subdivisions 1 and 6; 13.31, subdivision 2; 13.41, by adding a subdivision; 13.43, subdivision 2; 13.44; 13.46, subdivision 2, and by adding subdivisions; 13.67; 144.335, subdivision 2; and 253B.03, subdivision 8; proposing new law coded in Minnesota Statutes, chapter 13.

Senate File No. 989 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1983

Mr. Peterson, R.W. moved that the Senate do not concur in the amendments by the House to S.F. No. 989, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 1146: A bill for an act relating to statutes; conforming certain laws to judicial decisions of unconstitutionality; amending Minnesota Statutes 1982, sections 65B.51, subdivision 1; 154.03; 570.02, subdivision 2; and 573.01.

Senate File No. 1146 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1983

Mr. Jude moved that S.F. No. 1146 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 1189: A bill for an act relating to employment; exempting search

firms from employment agency licensing; subjecting certain search firms to fee and bond requirements; requiring certain statements, fees, and bonds to be submitted at the time a search firm is established; amending Minnesota Statutes 1982, sections 184.22, subdivision 2, and by adding subdivisions; 184.29; 184.30, subdivision 1; and 184.41.

Senate File No. 1189 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1983

Mr. Freeman moved that the Senate do not concur in the amendments by the House to S.F. No. 1189, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 365 and repassed said bill in accordance with the report of the Committee, so adopted.

H.F. No. 365: A bill for an act relating to health care facilities; clarifying the rights and responsibilities of patients and residents; amending Minnesota Statutes 1982, sections 144.651; and 144.652.

House File No. 365 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 13, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 365

A bill for an act relating to health care facilities; clarifying the rights and responsibilities of patients and residents; amending Minnesota Statutes 1982, sections 144.651; and 144.652.

May 6, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 365, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 365 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 144.651, is amended to read:

144.651 [PATIENTS AND RESIDENTS OF HEALTH CARE FACILITIES; BILL OF RIGHTS.]

Subdivision 1. [LEGISLATIVE INTENT.] It is the intent of the legislature and the purpose of this section to promote the interests and well being of the patients and residents of health care facilities. No health care facility may require a patient or resident to waive these rights as a condition of admission to the facility. Any guardian or conservator of a patient or resident or, in the absence of a guardian or conservator, an interested person, may seek enforcement of these rights on behalf of a patient or resident. It is the intent of this section that every patient's civil and religious liberties, including the right to independent personal decisions and knowledge of available choices, shall not be infringed and that the facility shall encourage and assist in the fullest possible exercise of these rights.

Subd. 2. [DEFINITIONS.] For the purposes of this section, "patient" means a person who is admitted to an acute care inpatient facility for a continuous period longer than 24 hours, for the purpose of diagnosis or treatment bearing on the physical or mental health of that person. "Resident" means a person who is admitted to a non-acute care facility including extended care facilities, nursing homes, and board and care homes for care required because of prolonged mental or physical illness or disability, recovery from injury or disease, or advancing age.

Subd. 3. [PUBLIC POLICY DECLARATION.] It is declared to be the public policy of this state that the interests of each patient and resident be protected by a declaration of a patients' bill of rights which shall include but not be limited to the following:

(1) Every patient and resident shall have the right to considerate and respectful care;

(2) Every patient and resident can reasonably expect to obtain from his physician or the resident physician of the facility complete and current information concerning his diagnosis, treatment and prognosis in terms and language the patient can reasonably be expected to understand. In cases in which it is not medically advisable to give the information to the patient or resident the information may be made available to the appropriate person in his behalf;

(3) Every patient and resident shall have the right to know by name and specialty, if any, the physician responsible for coordination of his care;

(4) Every patient and resident shall have the right to every consideration of his privacy and individuality as it relates to his social, religious, and psychological well being;

(5) Every patient and resident shall have the right to respectfulness and privacy as it relates to his medical care program. Case discussion, consultation, examination, and treatment are confidential and should be conducted discreetly;

(6) Every patient and resident shall have the right to expect the facility to make a reasonable response to his requests;

(7) Every patient and resident shall have the right to obtain information as to any relationship of the facility to other health care and related institutions insofar as his care is concerned;

(8) Every patient and resident shall have the right to expect reasonable continuity of care which shall include but not be limited to what appointment

times and physicians are available;

(9) Every resident shall be fully informed, prior to or at the time of admission and during his stay, of services available in the facility, and of related charges including any charges for services not covered under medicare or medicaid or not covered by the facility's basic per diem rate;

(10) Every patient and resident shall be afforded the opportunity to participate in the planning of his medical treatment and to refuse to participate in experimental research;

(11) No resident shall be arbitrarily transferred or discharged but may be transferred or discharged only for medical reasons, for his or other residents' welfare, or for nonpayment for stay unless prohibited by the welfare programs paying for the care of the resident, as documented in the medical record. Reasonable advance notice of any transfer or discharge must be given to a resident;

(12) Every resident may manage his personal financial affairs, or shall be given at least a quarterly accounting of financial transactions on his behalf if he delegates this responsibility in accordance with the laws of Minnesota to the facility for any period of time;

(13) Every resident shall be encouraged and assisted, throughout his period of stay in a facility, to understand and exercise his rights as a patient and as a citizen, and to this end, he may voice grievances and recommend changes in policies and services to facility staff and outside representatives of his choice, free from restraint, interference, coercion, discrimination or reprisal;

(14) Every resident shall be free from mental and physical abuse, and free from chemical and physical restraints, except in emergencies, or as authorized in writing by his physician for a specified and limited period of time, and when necessary to protect the resident from injury to himself or to others;

(15) Every patient and resident shall be assured confidential treatment of his personal and medical records, and may approve or refuse their release to any individual outside the facility, except as otherwise provided by law or a third party payment contract;

(16) No resident shall be required to perform services for the facility that are not included for therapeutic purposes in his plan of care;

(17) Every resident may associate and communicate privately with persons of his choice, and send and receive his personal mail unopened, unless medically contraindicated and documented by his physician in the medical record;

(18) Every resident may meet with representatives and participate in activities of commercial, religious, and community groups at his discretion; provided, however, that the activities shall not infringe upon the right to privacy of other residents;

(19) Every resident may retain and use his personal clothing and possessions as space permits, unless to do so would infringe upon rights of other patients or residents, and unless medically contraindicated and documented by his physician in the medical record;

(20) Every resident, if married, shall be assured privacy for visits by his or her spouse and if both spouses are residents of the facility, they shall be

permitted to share a room, unless medically contraindicated and documented by their physicians in the medical record;

(21) Every patient or resident shall be fully informed, prior to or at the time of admission and during his stay at a facility, of the rights and responsibilities set forth in this section and of all rules governing patient conduct and responsibilities; and

(22) Every patient or resident suffering from any form of breast cancer shall be fully informed, prior to or at the time of admission and during her stay, of all alternative effective methods of treatment of which the treating physician is knowledgeable, including surgical, radiological, or chemotherapeutic treatments or combinations of treatments and the risks associated with each of those methods rights specified in this section.

Subd. 4. [INFORMATION ABOUT RIGHTS.] Patients and residents shall, at admission, be told that there are legal rights for their protection during their stay at the facility and that these are described in an accompanying written statement of the applicable rights and responsibilities set forth in this section. Reasonable arrangements shall be made for those with communication impairments and those who speak a language other than English. Current facility policies, inspection findings of state and local health authorities, and further explanation of the written statement of rights shall be available to patients, residents, their guardians or their chosen representatives upon reasonable request to the administrator or other designated staff person.

Subd. 5. [COURTEOUS TREATMENT.] Patients and residents have the right to be treated with courtesy and respect for their individuality by employees of or persons providing service in a health care facility.

Subd. 6. [APPROPRIATE HEALTH CARE.] Patients and residents shall have the right to appropriate medical and personal care based on individual needs. Appropriate care for residents means care designed to enable residents to achieve their highest level of physical and mental functioning. This right is limited where the service is not reimbursable by public or private resources.

Subd. 7. [PHYSICIAN'S IDENTITY.] Patients and residents shall have or be given, in writing, the name, business address, telephone number, and specialty, if any, of the physician responsible for coordination of their care. In cases where it is medically inadvisable, as documented by the attending physician in a patient's or resident's care record, the information shall be given to the patient's or resident's guardian or other person designated by the patient or resident as his or her representative.

Subd. 8. [RELATIONSHIP WITH OTHER HEALTH SERVICES.] Patients and residents who receive services from an outside provider are entitled, upon request, to be told the identity of the provider. Residents shall be informed, in writing, of any health care services which are provided to those residents by individuals, corporations, or organizations other than their facility. Information shall include the name of the outside provider, the address, and a description of the service which may be rendered. In cases where it is medically inadvisable, as documented by the attending physician in a patient's or resident's care record, the information shall be given to the

patient's or resident's guardian or other person designated by the patient or resident as his or her representative.

Subd. 9. [INFORMATION ABOUT TREATMENT.] Patients and residents shall be given by their physicians complete and current information concerning their diagnosis, treatment, alternatives, risks, and prognosis as required by the physician's legal duty to disclose. This information shall be in terms and language the patients or residents can reasonably be expected to understand. Patients and residents may be accompanied by a family member or other chosen representative. This information shall include the likely medical or major psychological results of the treatment and its alternatives. In cases where it is medically inadvisable, as documented by the attending physician in a patient's or resident's medical record, the information shall be given to the patient's or resident's guardian or other person designated by the patient or resident as his or her representative. Individuals have the right to refuse this information.

Subd. 10. [PARTICIPATION IN PLANNING TREATMENT.] Patients and residents shall have the right to participate in the planning of their health care. This right includes the opportunity to discuss treatment and alternatives with individual caregivers, the opportunity to request and participate in formal care conferences, and the right to include a family member or other chosen representative. In the event that the patient or resident cannot be present, a family member or other representative chosen by the patient or resident may be included in such conferences.

Subd. 11. [CONTINUITY OF CARE.] Patients and residents shall have the right to be cared for with reasonable regularity and continuity of staff assignment as far as facility policy allows.

Subd. 12. [RIGHT TO REFUSE CARE.] Competent patients and residents shall have the right to refuse treatment based on the information required in subdivision 9. Residents who refuse treatment, medication, or dietary restrictions shall be informed of the likely medical or major psychological results of the refusal, with documentation in the individual medical record. In cases where a patient or resident is incapable of understanding the circumstances but has not been adjudicated incompetent, or when legal requirements limit the right to refuse treatment, the conditions and circumstances shall be fully documented by the attending physician in the patient's or resident's medical record.

Subd. 13. [EXPERIMENTAL RESEARCH.] Written, informed consent must be obtained prior to a patient's or resident's participation in experimental research. Patients and residents have the right to refuse participation. Both consent and refusal shall be documented in the individual care record.

Subd. 14. [FREEDOM FROM ABUSE.] Patients and residents shall be free from mental and physical abuse as defined in the Vulnerable Adults Protection Act. "Abuse" means any act which constitutes assault, sexual exploitation, or criminal sexual conduct as described in section 626.557, subdivision 2d, or the intentional and nontherapeutic infliction of physical pain or injury, or any persistent course of conduct intended to produce mental or emotional distress. Every patient and resident shall also be free from nontherapeutic chemical and physical restraints, except in fully docu-

mented emergencies, or as authorized in writing after examination by a patient's or resident's physician for a specified and limited period of time, and only when necessary to protect the resident from self-injury or injury to others.

Subd. 15. [TREATMENT PRIVACY.] Patients and residents shall have the right to respectfulness and privacy as it relates to their medical and personal care program. Case discussion, consultation, examination, and treatment are confidential and shall be conducted discreetly. Privacy shall be respected during toileting, bathing, and other activities of personal hygiene, except as needed for patient or resident safety or assistance.

Subd. 16. [CONFIDENTIALITY OF RECORDS.] Patients and residents shall be assured confidential treatment of their personal and medical records, and may approve or refuse their release to any individual outside the facility. Residents shall be notified when personal records are requested by any individual outside the facility and may select someone to accompany them when the records or information are the subject of a personal interview. Copies of records and written information from the records shall be made available in accordance with this subdivision and section 144.335. This right does not apply to complaint investigations and inspections by the department of health, where required by third party payment contracts, or where otherwise provided by law.

Subd. 17. [DISCLOSURE OF SERVICES AVAILABLE.] Patients and residents shall be informed, prior to or at the time of admission and during their stay, of services which are included in the facility's basic per diem or daily room rate and that other services are available at additional charges. Facilities shall make every effort to assist patients and residents in obtaining information regarding whether the medicare or medical assistance program will pay for any or all of the aforementioned services.

Subd. 18. [RESPONSIVE SERVICE.] Patients and residents shall have the right to a prompt and reasonable response to their questions and requests.

Subd. 19. [PERSONAL PRIVACY.] Patients and residents shall have the right to every consideration of their privacy, individuality, and cultural identity as related to their social, religious, and psychological well-being. Facility staff shall respect the privacy of a resident's room by knocking on the door and seeking consent before entering, except in an emergency or where clearly inadvisable.

Subd. 20. [GRIEVANCES.] Patients and residents shall be encouraged and assisted, throughout their stay in a facility, to understand and exercise their rights as patients, residents, and citizens. Patients and residents may voice grievances and recommend changes in policies and services to facility staff and others of their choice, free from restraint, interference, coercion, discrimination, or reprisal, including threat of discharge. Notice of the facility's grievance procedure, as well as addresses and telephone numbers for the office of health facility complaints and the area nursing home ombudsman pursuant to the Older Americans Act, section 307(a)(12) shall be posted in a conspicuous place.

Subd. 21. [COMMUNICATION PRIVACY.] Patients and residents may

associate and communicate privately with persons of their choice and enter and, except as provided by the Minnesota Commitment Act, leave the facility as they choose. Patients and residents shall have access, at their expense, to writing instruments, stationery, and postage. Personal mail shall be sent without interference and received unopened unless medically or programmatically contraindicated and documented by the physician in the medical record. There shall be access to a telephone where patients and residents can make and receive calls as well as speak privately. Facilities which are unable to provide a private area shall make reasonable arrangements to accommodate the privacy of patients' or residents' calls. This right is limited where medically inadvisable, as documented by the attending physician in a patient's or resident's care record. Where programmatically limited by a facility abuse prevention plan pursuant to section 626.557, subdivision 14, clause 2, this right shall also be limited accordingly.

Subd. 22. [PERSONAL PROPERTY.] Patients and residents may retain and use their personal clothing and possessions as space permits, unless to do so would infringe upon rights of other patients or residents, and unless medically or programmatically contraindicated for documented medical, safety, or programmatic reasons. The facility must either maintain a central locked depository or provide individual locked storage areas in which residents may store their valuables for safekeeping. The facility may, but is not required to, provide compensation for or replacement of lost or stolen items.

Subd. 23. [SERVICES FOR THE FACILITY.] Patients and residents shall not perform labor or services for the facility unless those activities are included for therapeutic purposes and appropriately goal-related in their individual medical record.

Subd. 24. [CHOICE OF SUPPLIER.] A resident may purchase or rent goods or services not included in the per diem rate from a supplier of his or her choice unless otherwise provided by law. The supplier shall ensure that these purchases are sufficient to meet the medical or treatment needs of the resident.

Subd. 25. [FINANCIAL AFFAIRS.] Competent residents may manage their personal financial affairs, or shall be given at least a quarterly accounting of financial transactions on their behalf if they delegate this responsibility in accordance with the laws of Minnesota to the facility for any period of time.

Subd. 26. [RIGHT TO ASSOCIATE.] Residents may meet with visitors and participate in activities of commercial, religious, political, as defined in section 203B.11 and community groups without interference at their discretion if the activities do not infringe on the right to privacy of other residents or are not programmatically contraindicated. This includes the right to join with other individuals within and outside the facility to work for improvements in long-term care.

Subd. 27. [ADVISORY COUNCILS.] Residents and their families shall have the right to organize, maintain, and participate in resident advisory and family councils. Each facility shall provide assistance and space for meetings. Council meetings shall be afforded privacy, with staff or visitors attending only upon the council's invitation. A staff person shall be designated the responsibility of providing this assistance and responding to written

requests which result from council meetings. Resident and family councils shall be encouraged to make recommendations regarding facility policies.

Subd. 28. [MARRIED RESIDENTS.] Residents, if married, shall be assured privacy for visits by their spouses and, if both spouses are residents of the facility, they shall be permitted to share a room, unless medically contraindicated and documented by their physicians in the medical records.

Subd. 29. [TRANSFERS AND DISCHARGES.] Residents shall not be arbitrarily transferred or discharged. Residents must be notified, in writing, of the proposed discharge or transfer and its justification no later than 30 days before discharge from the facility and seven days before transfer to another room within the facility. This notice shall include the resident's right to contest the proposed action, with the address and telephone number of the area nursing home ombudsman pursuant to the Older Americans Act, section 307(a)(12). The resident, informed of this right, may choose to relocate before the notice period ends. The notice period may be shortened in situations outside the facility's control, such as a determination by utilization review, the accommodation of newly-admitted residents, a change in the resident's medical or treatment program, the resident's own or another resident's welfare, or nonpayment for stay unless prohibited by the public program or programs paying for the resident's care, as documented in the medical record. Facilities shall make a reasonable effort to accommodate new residents without disrupting room assignments.

Sec. 2. Minnesota Statutes 1982, section 144.652, is amended to read:

144.652 [POLICY STATEMENT BILL OF RIGHTS NOTICE TO PATIENT OR RESIDENT; VIOLATION.]

*Subdivision 1. [DISTRIBUTION; POSTING.] ~~The policy statement contained in~~ Except as provided below, section 144.651 shall be posted conspicuously in a public place in all facilities licensed under the provisions of sections 144.50 to 144.58, or 144A.02 ~~or any law providing for the licensure of nursing homes.~~ Copies of the ~~policy statement law~~ shall be furnished the patient or resident and the patient or resident's guardian or conservator upon admittance to the facility. ~~Facilities providing services to patients may delete section 144.651, subdivisions 24 to 29, and those portions of other subdivisions that apply only to residents, from copies posted or distributed to patients with appropriate notation that residents have additional rights under law.~~ The policy statement shall include the address and telephone number of the board of medical examiners and/or the name and phone number of the person within the facility to whom inquiries about the medical care received may be directed. The notice shall include a brief statement describing how to file a complaint with the ~~nursing home complaint team of the health department or any division or agency of state government which succeeds its office of health facility complaints established pursuant to section 144A.52~~ concerning a violation of section 144.651 or any other state statute or rule. *This notice shall include the address and phone number of the office of health facility complaints.**

Subd. 2. [CORRECTION ORDER; EMERGENCIES.] A substantial violation of the rights of any patient or resident as defined in section 144.651, shall be grounds for issuance of a correction order pursuant to section 144.653 or 144A.10. The issuance or nonissuance of a correction order shall

not preclude, *diminish, enlarge, or otherwise alter* private action by or on behalf of a *patient or resident* to enforce *any unreasonable violation* of his rights. *Compliance with the provisions of section 144.651 shall not be required whenever emergency conditions, as documented by the attending physician in a patient's medical record or a resident's care record, indicate immediate medical treatment, including but not limited to surgical procedures, is necessary and it is impossible or impractical to comply with the provisions of section 144.651 because delay would endanger the patient's or resident's life, health, or safety.*

Sec. 3. Minnesota Statutes 1982, section 145.93, subdivision 3, is amended to read:

Subd. 3. [GRANT AWARD; DESIGNATION; PAYMENTS UNDER GRANT.] ~~Each~~ *Every odd-numbered* year the commissioner shall give reasonable public notice of the availability of ~~moneys~~ *money* appropriated ~~pursuant to Laws 1980, Chapter 577, Section 2 or otherwise available for the purposes of this section.~~ After consulting with the advisory council, the commissioner shall select as grantee a nonprofit corporation or unit of government which applies for the moneys and best fulfills the criteria specified in subdivision 4. The grantee selected shall be designated the Minnesota poison information center. ~~Moneys~~ *Money* appropriated ~~under Laws 1980, Chapter 577, Section 2 or otherwise available for the purposes of this section~~ shall be paid to the grantee quarterly beginning on July 1."

Delete the title and insert:

"A bill for an act relating to health care facilities; clarifying the rights and responsibilities of patients and residents; amending Minnesota Statutes 1982, sections 144.651; 144.652; and 145.93, subdivision 3."

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

House Conferees: (Signed) Karen Clark, Tony Onnen, Lee Greenfield

Senate Conferees: (Signed) Linda Berglin, Nancy Brataas, Marilyn M. Lantry

Ms. Berglin moved that the foregoing recommendations and Conference Committee Report on H.F. No. 365 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 365 was read the third time as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 253, 559, 257, 572, 1149 and 1236.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 12, 1983

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 1106.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 13, 1983

FIRST READING OF HOUSE BILLS

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

H.F. No. 253: A bill for an act relating to the operation of state government; clarifying certain provisions regarding the term of the legislative auditor; providing for the review of audit contracts; amending Minnesota Statutes 1982, sections 3.97, subdivision 4; 3.972; and 462A.22, subdivision 10.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 20, now on Special Orders.

H.F. No. 559: A bill for an act relating to courts; providing for interest rates on judgments; amending Minnesota Statutes 1982, section 549.09, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 588, now on Special Orders.

H.F. No. 257: A bill for an act relating to motor vehicles; providing for special license plates for certain motor vehicles owned by certain members of the Minnesota national guard; imposing fees; appropriating money;

amending Minnesota Statutes 1982, section 168.12, by adding a subdivision.

Mr. Moe, R.D. moved that H.F. 257 be laid on the table. The motion prevailed.

H.F. No. 572: A bill for an act relating to economic development; creating the office of tourism; assigning powers and duties; appropriating money; proposing new law coded in Minnesota Statutes, chapter 4.

Mr. Moe, R.D. moved that H.F. No. 572 be laid on the table. The motion prevailed.

H.F. No. 1149: A bill for an act relating to liens; right of possession and liens on fabrication molds and patterns; providing a nonpossessory lien on personal property; lengthening the time limit for veterinary liens; amending Minnesota Statutes 1982, sections 514.18; 514.19; and 514.92, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 731, now on Special Orders.

H.F. No. 1236: A bill for an act relating to local government; permitting certain land transfers by the metropolitan sports facilities commission; permitting certain land acquisitions by the Bloomington port authority; amending Minnesota Statutes 1982, section 473.556, subdivision 6.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1109, now on Special Orders.

H.F. No. 1106: A bill for an act relating to insurance; correcting certain errors; removing certain deficiencies and ambiguities; correcting certain omissions; expanding certain insurers' investment authority; providing standards for application or reporting requirements; authorizing the commissioner to adopt rules; providing for miscellaneous changes and clarifications; amending Minnesota Statutes 1982, sections 60A.11, subdivisions 9, 10, 14, 18, 20, 21, 23, and 24; 60A.111, subdivision 2, and by adding subdivisions; 61A.28, subdivisions 3, 6, and 12; 61A.29, subdivision 2; 61A.31, subdivision 3; repealing Minnesota Statutes 1982, section 60A.111, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1052, now on Special Orders.

REPORTS OF COMMITTEES

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 860: A bill for an act relating to motor vehicles; providing for special license plates for certain motor vehicles owned by certain members of the Minnesota national guard; imposing fees; appropriating money; amending Minnesota Statutes 1982, section 168.12, by adding a subdivision.

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

Page 2, delete section 2

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "appropriating money;"

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

Mr. Willet from the Committee on Finance, to which was referred

H.F. No. 1067: A bill for an act relating to state government; authorizing the commissioner of the department of economic security to accept gifts; designating the commissioner as administrator of weatherization programs; providing for weatherization grants; regulating summer youth programs; providing financial assistance allocations for community action agencies; amending Minnesota Statutes 1982, sections 268.011, subdivision 2; 268.34; 268.37, subdivisions 2, 4, and 5; and 268.52, subdivision 2.

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

Amend the title as follows:

Page 1, line 3, delete "the department of"

Page 1, delete lines 4 to 6 and insert "accept gifts; removing certain restrictions on administration of summer youth employment programs and weatherization"

Page 1, line 7, delete "programs"

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 1031: A bill for an act relating to agriculture; regulating commerce in seeds; establishing a seed laboratory for the regulatory and service testing of seeds; imposing penalties; proposing new law coded in Minnesota Statutes, chapter 21; repealing Minnesota Statutes 1982, sections 21.47 to 21.58.

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

Page 4, line 8, delete "percent"

Page 7, line 25, before "If" insert "If any one kind or kind and variety of seed present in excess of five percent is hybrid seed, it must be designated hybrid on the label."

Page 21, after line 30, insert:

"Sec. 14. [APPROPRIATIONS CANCELED.]

The sums appropriated by any other law from the general fund to the commissioner of agriculture for purposes of the Minnesota Seed Law for the fiscal years ending June 30, 1984, and June 30, 1985, are canceled and shall be credited to the general fund."

Page 21, line 36, delete "14" and insert "15"

Renumber the sections in sequence

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 511: A bill for an act relating to low-level radioactive waste; entering the Midwest Interstate Low-Level Radioactive Waste Compact; assessing certain low-level radioactive waste generators; providing for enforcement of the compact; providing for civil and criminal penalties; appropriating money; proposing new law coded in Minnesota Statutes, chapter 116C.

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 949: A bill for an act relating to agriculture; appropriating money for the Minnesota Corn Research and Promotion Council; providing for repayment to the state.

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

Mr. Willet from the Committee on Finance, to which was referred

S.F. No. 1241: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 486: A bill for an act relating to agriculture; appropriating money for the Minnesota barley research and promotion council; providing for repayment to the state.

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 183: A bill for an act relating to labor; providing for occupational safety and health; defining "hazardous substance" and "harmful physical agent"; requiring manufacturers of hazardous substances or harmful physical agents to provide certain information; creating a right to refuse to work under conditions violating the state occupational safety and health act; creating a right to refuse to work with a hazardous substance or harmful physical agent under certain conditions; requiring employers using hazardous substances and harmful physical agents to provide employees with certain training and information; creating a presumption that hazardous substances and harmful physical agents must be labeled under certain circumstances; pro-

hibiting waiver of any employee rights under the state occupational safety and health act; clarifying relation of bargaining agreements to safety laws; providing protection for trade secrets; providing penalties; amending Minnesota Statutes 1982, sections 182.651, by adding subdivisions; 182.653, by adding subdivisions; 182.654, subdivision 7, and by adding subdivisions; 182.655, subdivisions 4, 10, 11, and by adding a subdivision; 182.658; 182.66, subdivision 1; 182.663, subdivision 3; 182.666, by adding a subdivision; and 182.668; proposing new law coded in Minnesota Statutes, chapter 182.

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

Page 2, line 34, before the period, insert "*, or in a pharmacy registered and licensed under chapter 151*"

Page 3, line 5, delete everything after "*employee*"

Page 3, delete lines 6 to 8

Page 3, line 9, delete everything before the period

Page 3, lines 13 and 18, delete "*handled*" and insert "*utilized*"

Page 3, line 16, before the period, insert "*, or in a pharmacy registered and licensed under chapter 151*"

Page 3, line 24, after "*with*" delete "*the*" and insert "*each*"

Page 3, line 25, after "*handled*" insert "*or utilized*"

Page 3, line 26, after the first "*or*" insert a comma and delete "*his or her*" and insert "*the person's*" and after "*supervision*" insert "*, by other technically qualified individuals*"

Page 5, line 26, after "*9*" insert "*or 10*"

Page 6, line 13, after the period, insert "*The term 'routinely exposed' includes the exposure of an employee to a hazardous substance when assigned to work in an area where a hazardous substance has been spilled.*"

Page 6, line 14, delete "*or harmful physical agent*"

Page 6, lines 17 and 21, delete "*or physical agent*"

Page 6, line 22, delete "*hazardous*" and insert "*safe*"

Page 6, line 29, after "*the*" insert "*known*"

Page 6, line 31, before "*symptoms*" insert "*known*"

Page 6, line 33, delete "*or physical agent*"

Page 6, line 35, after "*(g)*" insert "*the known*"

Page 6, line 36, delete "*or physical agent*"

Page 7, line 3, delete "*or harmful physical agent*"

Page 7, line 4, after "*information*" insert "*which shall be readily accessible in the area or areas in which the hazardous substance is used or handled*"

Page 7, line 11, after "*be*" insert "*routinely*"

Page 7, line 13, delete the period and insert “, including but not limited to:

(a) the name or names of the physical agent including any commonly used synonym;

(b) the level, if any and if known, at which exposure to the physical agent has been determined to be safe according to standards adopted by the commissioner, or, if no standard has been adopted, according to guidelines established by competent professional groups including but not limited to the American Conference of Governmental Industrial Hygienists, the Center for Disease Control, the Bureau of Radiological Health, and the American National Standards Institute;

(c) the known acute and chronic effects of exposure at hazardous levels;

(d) the known symptoms of the effects;

(e) appropriate emergency treatment;

(f) the known proper conditions for safe use of and exposure to the physical agent;

(g) the name, phone number and address, if appropriate, of the manufacturer of the harmful physical agent; and

(h) a written copy of all of the above information which shall be readily accessible in the area or areas in which the harmful physical agent is present and where the employee may be exposed to the agent through use, handling or otherwise.

Every employer shall maintain current information for training under this subdivision or for information requests by employees under section 13.”

Page 8, line 9, delete “and an association, union,”

Page 8, line 13, after “9” insert “or 10” and after the period, insert “For the purposes of this subdivision and section 24, subdivision 5, “designated representative” means a labor organization, as defined in section 179.01, subdivision 6, that represents employees under a valid collective bargaining agreement, or another employee whom an employee or former employee has authorized, in writing, to exercise the employee’s rights under chapter 182.”

Page 8, line 18, delete “constitute a violation of chapter 182 because they”

Page 8, line 26, after the second comma, insert “section 10, clause (f),”

Page 8, line 30, delete “or attempted to request”

Page 9, line 6, delete the semicolon and insert a comma and after “(4)” insert “the commissioner determines that”

Page 9, lines 7 and 11, after “9” insert “or 10”

Page 10, line 21, delete the new language

Page 10, delete lines 22 to 29 and insert:

“In the case of containers containing a hazardous substance or a harmful physical agent, a label is required as an appropriate form of warning in

providing the same information as required under sections 9 or 10. A label may be a coded reference to an appropriate and accessible data sheet containing the information required under sections 9 or 10. When appropriate, a current data sheet may be affixed to or posted in accessible close proximity to a container containing a hazardous substance or a harmful physical agent in satisfaction of standards adopted for labels under this chapter. Containers may be labeled pursuant to federal or state labeling requirements that the commissioner certifies as satisfying the labeling standards adopted under this chapter."

Page 11, line 12, delete "on request of the employer"

Page 11, line 36, delete "section 182.654" and insert "this chapter" and after "or" insert "under"

Pages 13 to 15, delete section 24 and insert:

"Sec. 24. Minnesota Statutes 1982, section 182.668, is amended to read:

182.668 [PROTECTION OF TRADE SECRETS.]

Subdivision 1. [REGISTRATION.] A manufacturer or employer who believes that all or a part of the information required under sections 9 or 10 or requested under section 13 is a trade secret as defined in section 325C.01, subdivision 5, may register the information with the commissioner as trade secret information.

Subd. 2. [CLASSIFICATION OF DATA.] Information that has been registered pursuant to subdivision 1 shall be classified as nonpublic or private data as defined in section 13.02, subdivisions 9 and 12.

All other information reported to or otherwise obtained by the commissioner or his a representative in connection with any inspection or proceeding under ~~Laws 1973, chapter 732~~ 182 which contains or which might reveal a trade secret shall be ~~considered confidential except that such~~ classified as nonpublic or private data as defined in section 13.02, subdivisions 9 and 12. Information classified as nonpublic or private may be disclosed to other officers or employees concerned with carrying out ~~Laws 1973, chapter 732~~ 182 or when relevant in any proceeding under ~~Laws 1973, this chapter 732~~ or when otherwise required in order to comply with federal law or regulation but only to the extent required by the federal law or regulation.

Subd. 3. [DETERMINATION BY COMMISSIONER.] On the request of a manufacturer, employer, employee or employee representative, the commissioner shall determine whether information registered pursuant to subdivision 1 or otherwise reported to or obtained by the commissioner is a trade secret as defined in section 325C.01, subdivision 5. In making a determination the commissioner shall also determine whether the information should in any event be disclosed in order to properly protect the health and safety of employees.

An employer or manufacturer that disagrees with a determination under this subdivision may pursue its remedies as provided in chapter 325C or other relevant law.

Subd. 4. [ORDERS.] The commissioner shall issue ~~such~~ orders as may be appropriate to protect the ~~confidentiality~~ classification of trade secrets by

~~allowing and may, upon~~ at the request of an employer ~~any authorized representative of employees,~~ in inspections of trade secrets areas or in discussions involving trade secrets, ~~allow an authorized representative of employees to be replaced by an employee authorized by the employer; by permitting.~~ The commissioner may also allow the employer to screen out trade secret details where photographs are deemed essential to the investigation; and ~~by allowing the employer to restrict samples to be taken where trade secrets might be exposed.~~

Subd. 5. [RESTRICTIONS ON DISCLOSURE.] Information provided to an employee or designated representative pursuant to sections 8, 9, 10, or 13 which has been determined by the commissioner to be a trade secret shall not be disclosed to anyone except as required for medical treatment or as otherwise required in chapter 182. An employee, designated representative or other person who knowingly discloses information in violation of this subdivision or any person knowingly receiving the information is subject to the provisions of section 609.52 relating to the theft of trade secrets and to the civil liabilities provided by chapter 325C or other relevant law."

Page 16, after line 6, insert:

"Sec. 27. [APPROPRIATION.]

The sum of \$100,000 is appropriated from the general fund to the commissioner of labor and industry to administer the Employee Right to Know Act, to be available for the fiscal year ending June 30 in the years indicated. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

1984	1985
\$50,000	\$50,000

The approved complement of the department of labor and industry is increased by two positions."

Page 16, line 7, delete "27" and insert "28"

Page 16, line 9, delete "and 25" and insert ". 25 and 27"

Amend the title as follows:

Page 1, line 20, after the semicolon, insert "appropriating money;"

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

SECOND READING OF SENATE BILLS

S.F. Nos. 860, 1031, 511, 949, 1241, 486 and 183 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 1067 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Knaak moved that his name be stricken as a co-author to S.F. No. 901.

The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 30: Ms. Peterson, D.C.; Messrs. Bertram and Isackson.

S.F. No. 652: Messrs. Wegscheid, Merriam, Davis, Berg and DeCramer.

S.F. No. 72: Messrs. Wegscheid, Pogemiller and Ms. Olson.

S.F. No. 297: Mr. Petty, Ms. Reichgott and Mr. Knaak.

S.F. No. 695: Ms. Berglin, Mrs. Lantry and Mr. Benson.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Kroening moved that H.F. No. 1290 be taken from the table and given its second reading. The motion prevailed.

H.F. No. 1290: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain money in the state treasury; authorizing land acquisition in certain cases; fixing and limiting the amount of fees to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; imposing a penalty; amending Minnesota Statutes 1982, sections 3.732, by adding a subdivision; 15.16, subdivision 5; 15A.083, subdivision 1; 16.32, subdivision 2; 16.75, by adding a subdivision; 16.82, subdivision 1; 16.866, subdivision 1; 16A.125, subdivision 5; 16A.127, subdivisions 1 and 7; 16A.36; 16A.50; 16A.64, subdivisions 2 and 4; 16A.66, subdivisions 1, 2, and 3; 40.072, subdivision 3; 43A.05, subdivision 5; 85A.01, subdivision 2; 85A.04, subdivision 3; 98.47, by adding a subdivision; 98.48, subdivision 9; 105.405, subdivision 2; 105.41, subdivision 5; 116.07, subdivision 2a; 124.46, subdivision 2; 136.40, subdivision 8; 169.123, subdivision 6; 175A.05; 176.183, subdivision 2; 179.7411; 181A.12, subdivision 1; 183.375, subdivision 5; 183.411, subdivision 3; 183.545; 183.57, subdivision 2; 256.481; 256.482; 270.18; 271.01, subdivision 1; 290.06, subdivision 13; 296.18, subdivision 1; 296.421, subdivision 5; 309.53, subdivision 2, and by adding a subdivision; 357.08; 363.02, subdivision 1; 363.06, subdivision 4, and by adding a subdivision; 363.071, subdivision 2; 462A.05, by adding a subdivision; 462A.21, by adding a subdivision; 480.09, subdivision 5; 480.241, subdivision 2; 480A.01, subdivision 2; 481.01; and 546.27, subdivision 2; Laws 1976, chapter 314.

section 3; Laws 1980, chapter 614, section 192; proposing new law coded in Minnesota Statutes, chapters 3; 16A; 116C; 198; 270; repealing Minnesota Statutes 1982, sections 3.472; 3.86; 4.073; 105.71; 105.72; 105.73; 105.74; 105.75; 105.751; 105.76; 105.77; 105.78; 105.79; 114A.01; 114A.02; 114A.03; 114A.04; 114A.05; 114A.06; 114A.07; 114A.08; 114A.09; 193.35; 297A.05; and Laws 1965, chapter 66.

H.F. No. 1290 was read the second time.

Mr. Kroening moved to amend H.F. No. 1290 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 1290, and insert the language after the enacting clause, and the title, of S.F. No. 1244, the First Engrossment.

The motion prevailed. So the amendment was adopted.

SUSPENSION OF RULES

Mr. Kroening moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1290 and that the rules of the Senate be so far suspended as to give H.F. No. 1290 its third reading and place it on its final passage. The motion prevailed.

H.F. No. 1290 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 41 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Luther	Peterson, D.C.	Stumpf
Berglin	Frank	McQuaid	Peterson, R.W.	Vega
Bertram	Freeman	Merriam	Pogemiller	Waldorf
Chmielewski	Johnson, D.J.	Moe, D. M.	Purfeerst	Wegscheid
Dahl	Jude	Moe, R. D.	Reichgott	Willet
Davis	Kroening	Nelson	Samuelson	
DeCramer	Langseth	Novak	Schmitz	
Dicklich	Lantry	Pehler	Solon	
Diessner	Lessard	Peterson, C.C.	Spear	

Those who voted in the negative were:

Anderson	Frederick	Knaak	Peterson, D.L.	Storm
Belanger	Frederickson	Knutson	Petty	Taylor
Benson	Isackson	Kronebusch	Ramstad	Ulland
Bernhagen	Johnson, D.E.	Laidig	Renneke	
Brataas	Kamrath	Olson	Sieloff	

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

MEMBERS EXCUSED

Messrs. Solon and Spear were excused from the Session of today from 9:00 to 10:30 a.m. Mr. Lessard was excused from the Session of today from 9:00 to 11:50 a.m. Mr. Bertram was excused from the Session of today from 11:00 to 11:15 a.m. Messrs. Dicklich, Kroening, Langseth, Waldorf and Willet were excused from the Session of today from 1:00 to 3:30 p.m. Mr. Knutson

was excused from the Session of today from 2:45 to 7:00 p.m. Mr. Mehrkens was excused from the Session of today at 6:05 p.m. Mr. Belanger was excused from the Session of today from 4:45 to 6:10 p.m. Ms. Berglin was excused from the Session of today from 6:30 to 7:20 p.m. Mr. Berg was excused from the Session of today at 7:50 p.m. Mr. Hughes was excused from the Session of today at 7:10 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 1:00 p.m., Monday, May 16, 1983. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-FOURTH DAY

St. Paul, Minnesota, Monday, May 16, 1983

The Senate met at 1:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Warren Sorteberg.

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 10, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1983 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for pres-

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

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1983	Date Filed 1983
	76	121	May 10	May 10
	194	122	May 10	May 10
	230	123	May 10	May 10
	513	124	May 10	May 10
	581	125	May 10	May 10
	673	126	May 10	May 10
	730	127	May 10	May 10
	760	128	May 10	May 10
	787	129	May 10	May 10
	954	130	May 10	May 10
	1062	131	May 10	May 10

Sincerely,

Joan Anderson Growe
Secretary of State

May 12, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1983 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1983	Date Filed 1983
664		132	May 12	May 12
987		133	May 12	May 12
1067		134	May 12	May 12
1104		135	May 12	May 12
	190	136	May 12	May 12
	482	137	May 12	May 12
	684	138	May 12	May 12
	529	139	May 12	May 12
	592	140	May 12	May 12
	598	141	May 12	May 12
	830	142	May 12	May 12

Sincerely,

Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the adoption by the House of the following Senate Concurrent Resolution, herewith returned:

Senate Concurrent Resolution No. 12: A Senate concurrent resolution proclaiming September 25 to October 8 as Germanfest in Minnesota.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1983

Mr. President:

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

S.F. No. 161: A bill for an act relating to the city of Minneapolis; changing the position of cable communications officer to the unclassified service; amending Laws 1969, chapter 937, section 1, subdivision 9, as amended.

Senate File No. 161 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1983

CONCURRENCE AND REPASSAGE

Mr. Spear moved that the Senate concur in the amendments by the House to S.F. No. 161 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 161: A bill for an act relating to the city of Minneapolis; changing the position of cable communications officer to the unclassified service; changing procedures for the appointment of certain positions; providing for the right to retain certain benefits for employees; permitting the transfer of certain employees to the community development agency; amending Laws 1969, chapter 937, section 1, subdivisions 9, as amended, and 17, and by adding a section and Laws 1980, chapter 595, section 2, subdivision 1, as amended.

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

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

The roll was called, and there were yeas 40 and nays 16, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Langseth	Novak	Schmitz
Belanger	Dieterich	Lantry	Pehler	Sieloff
Bertram	Frank	Lessard	Peterson, D.C.	Spear
Brataas	Freeman	Luther	Petty	Stumpf
Chmielewski	Hughes	Mehrkens	Pogemiller	Taylor
Dahl	Johnson, D.E.	Merriam	Purfeerst	Vega
Davis	Jude	Moe, D. M.	Reichgott	Waldorf
DeCramer	Kroening	Moe, R. D.	Samuelson	Willet

Those who voted in the negative were:

Anderson	Frederick	Knaak	McQuaid	Ramstad
Benson	Isackson	Knutson	Olson	Renneke
Berg	Kamrath	Laidig	Peterson, D.L.	Storm
Bernhagen				

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 263: A bill for an act relating to insurance; health and accident; providing reimbursement for the services of certain licensed and certified registered nurses on an equal basis with other licensed health professional services; amending Minnesota Statutes 1982, sections 62A.03, subdivision 1; and 62A.15.

Senate File No. 263 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1983

CONCURRENCE AND REPASSAGE

Mrs. Lantry moved that the Senate concur in the amendments by the House to S.F. No. 263 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 263 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 529: A bill for an act relating to human rights; prohibiting discrimination because of disability; providing penalties; amending Minnesota Statutes 1982, sections 363.01, subdivision 25, and by adding subdivi-

sions; 363.02, subdivisions 1 and 5; 363.03, subdivisions 1, 3, 4, and 7; and repealing Minnesota Statutes 1982, section 363.03, subdivision 4a.

Senate File No. 529 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1983

CONCURRENCE AND REPASSAGE

Mr. Spear moved that the Senate concur in the amendments by the House to S.F. No. 529 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 529: A bill for an act relating to human rights; prohibiting discrimination because of disability; providing penalties; clarifying the meaning of a change in the time for filing suit in the district court; amending Minnesota Statutes 1982, sections 363.01, subdivision 25, and by adding subdivisions; 363.02, subdivisions 1 and 5; 363.03, subdivisions 1, 3, 4, and 7; and repealing Minnesota Statutes 1982, section 363.03, subdivision 4a.

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

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

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 380:

H.F. No. 380: A bill for an act relating to negligence; regulating the liability of good samaritans; amending Minnesota Statutes 1982, section 604.05.

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

Staten, Ogren and Halberg have been appointed as such committee on the

part of the House.

House File No. 380 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 13, 1983

Mr. Luther moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 380, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1283:

H.F. No. 1283: A bill for an act relating to the organization and operation of state government; appropriating money for education and related purposes to the department of education, higher education coordinating board, state university board, state community college board, University of Minnesota, and the Mayo medical foundation, with certain conditions; establishing a state board of vocational technical education; providing it and certain independent and intermediate school districts operating vocational technical schools with certain powers and duties; changing the authority and duties of the above named agencies, or one or more of them, or certain of their advisory councils with respect to governance, duration of existence, disposition of property, employment and compensation of personnel, tuition, institutional closings, gifts, appropriations, parking fees, scholarships, grants-in-aid, planning, hospital charges, and related educational matters; amending Minnesota Statutes 1982, sections 43A.18, subdivision 4; 120.17, subdivision 7a; 121.212, subdivision 2; 121.931, subdivision 7; 121.934, subdivision 2; 123.742, by adding a subdivision; 123.743; 124.48; 125.05, by adding a subdivision; 136.03; 136.034; 136.11, subdivision 1; 136.144; 136.62, by adding a subdivision; 136.63, subdivision 1a; 136.67, by adding a subdivision; 136A.121; 136A.14; 136A.141; 136A.143; 136A.15; 136A.16; 136A.17; 136A.26; 136A.29, subdivisions 2 and 9; 136A.42; and 158.05; proposing new law coded in Minnesota Statutes, chapters 136 and 136A; proposing new law coded as Minnesota Statutes, chapter 135A; and 136C; repealing Minnesota Statutes 1982, sections 121.11, subdivision 1; 121.217; 121.902, subdivision 1a; 121.936, subdivision 6; 124.53; 136A.144; 136A.145; 136A.146; 136A.161; 136A.18; 136A.19; 136A.20; 136A.21; and 136A.22.

And the House respectfully requests that a Conference Committee of five members be appointed thereon.

Carlson, L.; Rice; Welch; Swanson and Erickson have been appointed as such committee on the part of the House.

House File No. 1283 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 13, 1983

Mr. Waldorf moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1283, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 828, 720 and 1308.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 13, 1983

FIRST READING OF HOUSE BILLS

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

H.F. No. 828: A bill for an act relating to energy; providing an omnibus energy policy; appropriating money; amending Minnesota Statutes 1982, sections 16.02, by adding a subdivision; 116J.24, by adding a subdivision; 116J.27, subdivisions 2, 6, and by adding a subdivision; 116J.31; 116J.36; 156A.02, subdivision 6; 156A.10, subdivision 1; 216B.164, subdivisions 2, 5, and by adding a subdivision; 216B.44; 453.54, by adding a subdivision; and 471.345, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 116J and 216B; repealing Minnesota Statutes 1982, sections 3.351 and 116J.27, subdivisions 5 and 7.

Mr. Moe, R.D. moved that H.F. No. 828 be laid on the table. The motion prevailed.

H.F. No. 720: A bill for an act relating to education; providing for computer and related services to aid education; providing for the transfer of duties and property of the Minnesota educational computing consortium; appropriating money; amending Minnesota Statutes 1982, sections 10A.01, subdivision 18; 120.81, subdivision 2; and 120.83, subdivision 1; proposing new law coded in chapter 120; repealing Minnesota Statutes 1982, sections 120.81, subdivision 1; and 120.82.

Referred to the Committee on Finance.

H.F. No. 1308: A bill for an act relating to appropriations; reducing appropriations for the fiscal year ending June 30, 1983; appropriating money; amending Minnesota Statutes 1982, section 41.61, subdivision 1; 270.18; repealing Minnesota Statutes 1982, section 41.61, subdivisions 2 and 3.

Mr. Moe, R.D. moved that H.F. No. 1308 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

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

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

which was referred

H.F. No. 1236 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
1236	1109				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1236 be amended as follows:

Page 1, line 11, delete "lease or"

Page 1, line 12, delete "purchase"

Page 2, delete lines 12 to 18 and insert:

"(c) If the real property described in paragraph (b) is not sold or leased pursuant to the provisions of paragraph (b), the port authority or the city of Bloomington shall have the option to purchase or lease, in whole or in part, the real property at the metropolitan sports area not including the indoor public assembly facility and adjacent parking facilities on negotiated terms and conditions.

(d) Real property disposed of under this subdivision shall be subject to leases, agreements, or other written interests in force on the effective date of this act."

Page 2, line 21, delete "or"

Page 2, delete lines 23 to 29 and insert:

"This act is effective the day following final enactment. Section 2 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington."

And when so amended H.F. No. 1236 will be identical to S.F. No. 1109, and further recommends that H.F. No. 1236 be given its second reading and substituted for S.F. No. 1109, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 1149 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
1149	731				

Pursuant to Rule 49, the Committee on Rules and Administration recom-

mends that H.F. No. 1149 be amended as follows:

Page 1, line 10, to page 2, line 20, delete section 1

Page 2, line 21, delete "Sec. 2." and insert "Section 1."

Page 2, lines 6 to 31, delete section 3

Amend the title as follows:

Page 1, lines 3 to 5, delete "providing a nonpossessory lien on personal property; lengthening the time limit for veterinary liens;"

Page 1, line 6, delete "sections 514.18;" and insert "section"

Page 1, lines 6 and 7, after "514.19" delete everything before the period

And when so amended H.F. No. 1149 will be identical to S.F. No. 731, and further recommends that H.F. No. 1149 be given its second reading and substituted for S.F. No. 731, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 559 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
559	588				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 559 be amended as follows:

Page 1, line 11, strike "of the verdict or report" and insert "*the claim or cause of action accrues and harm or loss results*"

Page 1, line 13, after "judgment" insert "*, unless otherwise provided by law*"

Page 1, line 13, to page 2, line 6, delete new material and insert "*For judgments on workers' compensation claims interest accrues from the time of verdict or report. In the case of prejudgment interest, the court may reduce the amount of interest to conform to the circumstances of the case if it specifically finds that certain elements of the damages arose after the date the claim or cause of action accrued.*"

Page 2, line 7, after the period insert "*Unless otherwise provided by law or contract, other than an insurance contract.*"

Page 2, delete lines 24 to 26, and insert:

"This act is effective the day following final enactment and interest begins to accrue as of that date on all claims or causes of action regardless of when

the claims or causes accrued."

And when so amended H.F. No. 559 will be identical to S.F. No. 588, and further recommends that H.F. No. 559 be given its second reading and substituted for S.F. No. 588, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 253 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
253			20		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 253 be amended as follows:

Amend the title as follows:

Page 1, line 3, after "term" insert "and duties"

Page 1, lines 4 and 5, delete "providing for the review of audit contracts;"

And when so amended H.F. No. 253 will be identical to S.F. No. 20, and further recommends that H.F. No. 253 be given its second reading and substituted for S.F. No. 20, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 1106 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1106			1052		

and that the above Senate File be indefinitely postponed.

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

SECOND READING OF SENATE BILLS

S.F. No. 1250 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1236, 1149, 559, 253 and 1106 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Jude moved that S.F. No. 1146 be taken from the table. The motion prevailed.

CONCURRENCE AND REPASSAGE

Mr. Jude moved that the Senate concur in the amendments by the House to S.F. No. 1146 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1146: A bill for an act relating to statutes; conforming certain laws to judicial decisions of unconstitutionality; correcting terms used to replace the word illegitimate; amending Minnesota Statutes 1982, sections 65B.51, subdivision 1; 154.03; 570.02, subdivision 2; and 573.01; and Laws 1983, chapter 7, sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 12, 13, 14, and 15.

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

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

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mrs. Adkins moved that H.F. No. 257 be taken from the table and referred to the Committee on Rules and Administration for comparison with S.F. No. 860, now on Special Orders. The motion prevailed.

S.F. No. 50 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 50

A bill for an act relating to crimes; providing for new crimes relating to

abuse of children; establishing willful and unlawful restraint as a crime; establishing malicious punishment as a crime; establishing neglect as a crime; providing penalties; amending Minnesota Statutes 1982, sections 260.315; 609.255; and 626.556, subdivision 12; proposing new law coded in Minnesota Statutes, chapter 609.

May 13, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 50, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and S.F. No. 50 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 260.315, is amended to read:
260.315 [CONTRIBUTING TO NEGLECT OR DELINQUENCY.]

Any person who by act, word or omission encourages, causes or contributes to the neglect or delinquency of a child, ~~and such act, word or omission is not by other provisions of law declared to be a felony, shall be~~ *is* guilty of a misdemeanor.

Sec. 2. Minnesota Statutes 1982, section 609.255, is amended to read:
609.255 [FALSE IMPRISONMENT.]

Subdivision 1. [DEFINITION.] As used in this section, the following term has the meaning given it unless specific content indicates otherwise.

(a) “Caretaker” means an individual who has responsibility for the care of a child as a result of a family relationship, or who has assumed responsibility for all or a portion of the care of a child.

Subd. 2. [INTENTIONAL RESTRAINT.] Whoever, knowing he has no lawful authority to do so, intentionally confines or restrains a child not his own under the age of 18 years without his parent’s or legal custodian’s consent, or any other person without his consent, is guilty of false imprisonment and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$3,000, or both.

Subd. 3. [UNREASONABLE RESTRAINT OF CHILDREN.] A parent, legal guardian, or caretaker who intentionally subjects a child under the age of 18 years to unreasonable physical confinement or restraint by means including but not limited to, tying, locking, caging, or chaining for a prolonged period of time and in a cruel manner which is excessive under the circumstances and which results in substantial emotional harm, is guilty of unreasonable restraint of a child and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$1,000, or both. If the confinement or restraint results in substantial bodily harm, that person may be sentenced to imprisonment for not more than three years or to pay-

ment of not more than \$3,000, or both.

Sec. 3. [609.376] [DEFINITIONS.]

Subdivision 1. [TERMS DEFINED.] For the purposes of sections 2 and 3 to 7, the following terms have the meanings given unless specific content indicates otherwise.

Subd. 2. [CHILD.] "Child" means any person under the age of 18 years.

Subd. 3. [CARETAKER.] "Caretaker" means an individual who has responsibility for the care of a child as a result of a family relationship or who has assumed responsibility for all or a portion of the care of a child.

Subd. 4. [COMPLAINANT.] "Complainant" means a person alleged to have been a victim of a violation of section 609.255, subdivision 3, section 4, or section 5, but need not be the person who signs the complaint.

Sec. 4. [609.377] [MALICIOUS PUNISHMENT OF A CHILD.]

A parent, legal guardian, or caretaker who, by an intentional act or a series of intentional acts, evidences unreasonable force or cruelty which causes substantial emotional harm to a child is guilty of malicious punishment of a child and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$1,000, or both. If the punishment results in substantial bodily harm, that person may be sentenced to imprisonment for not more than 3 years or to payment of not more than \$3,000, or both.

Sec. 5. [609.378] [NEGLECT OF A CHILD.]

(a) A parent, legal guardian, or caretaker who willfully deprives a child of necessary food, clothing, shelter, health care, or supervision appropriate to the child's age, when the parent, guardian, or caretaker is reasonably able to make the necessary provisions and which deprivation substantially harms the child's physical or emotional health, or (b) a parent, legal guardian, or foster parent who knowingly permits the continuing physical or sexual abuse of a child is guilty of neglect of a child and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$1,000, or both. It is a defense to a prosecution under clause (b) that at the time of the neglect there was a reasonable apprehension in the mind of the defendant that acting to stop or prevent the neglect would result in substantial bodily harm to the defendant or the child in retaliation.

If a parent, guardian, or caretaker responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, this treatment shall constitute "health care" as used in clause (a) of this section.

Sec. 6. [609.379] [PERMITTED ACTIONS.]

Subdivision 1. [REASONABLE FORCE.] Reasonable force may be used upon or toward the person of a child without the child's consent when the following circumstance exists or the actor reasonably believes it to exist:

When used by a parent, legal guardian, teacher, or other caretaker of a child or pupil, in the exercise of lawful authority, to restrain or correct the child or pupil.

Subd. 2. [APPLICABILITY.] This section applies to sections 1 to 5 and section 626.556, subdivision 12.

Sec. 7. [609.38] [STAYED SENTENCE.]

For any violation of section 609.255, subdivision 3, section 4, or section 5 for which the sentencing guidelines establish a presumptive executed sentence, the court may stay imposition or execution of the sentence if it finds that a stay is in the best interest of the complainant or the family unit and that the defendant is willing to participate in any necessary or appropriate treatment. In determining an appropriate sentence when there is a family relationship between the complainant and the defendant, the court shall be guided by the policy of preserving and strengthening the family unit whenever possible.

Sec. 8. Minnesota Statutes 1982, section 626.556, subdivision 12, is amended to read:

Subd. 12. [DUTIES OF FACILITY OPERATORS.] Any operator, employee, or volunteer worker at any facility who intentionally neglects, physically abuses, or sexually abuses any child in the care of that facility may be charged with a violation of ~~section 609.23~~ sections 2, 4 or 5. Any operator of a facility who knowingly permits conditions to exist which result in neglect, physical abuse, or sexual abuse of a child in the care of that facility may be charged with a violation of section 609.23 or section 5.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective August 1, 1983 and apply to crimes committed on or after that date.

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

Senate Conferees: (Signed) Eric D. Petty, Ember D. Reichgott, Jim Ramstad

House Conferees: (Signed) Janet Clark, Ken Nelson, Mary M. Forsythe

Mr. Petty moved that the foregoing recommendations and Conference Committee Report on S.F. No. 50 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 50 was read the third time as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 892 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 892

A bill for an act relating to insurance; authorizing the establishment of joint self-insurance employee health plans; providing administrative, trust, bonding, investment, and reporting requirements; establishing a quarterly revenue fee; proposing new law coded as Minnesota Statutes, chapter 62H.

May 13, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 892, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and S. F. No. 892 be amended as follows:

Page 1, line 24, delete "reinsurer" and insert "excess or stop-loss insurer"

Page 1, line 25, delete "who" and insert "that"

Page 2, line 2, delete "reinsurer" and insert "excess or stop-loss insurer"

Page 2, line 4, delete "a sample reinsurance" and insert "its proposed excess or stop-loss insurance"

Page 2, line 8, delete "this"

Page 2, line 9, delete "subdivision" and insert "sections 1 to 8"

Page 2, line 9, delete "reinsurance" and insert "excess or stop-loss insurance"

Page 2, line 21, delete "the provisions of"

Page 2, line 21, delete "72A.325" and insert "72A.32"

Page 3, line 5, after "subdivisions" insert "pursuant to section 475.66"

Page 3, line 8, delete "quarterly" and insert "annual"

Page 3, line 10, delete "quarter" and insert "calendar year"

Page 3, line 15, delete "appropriate"

Page 3, line 16, after "rules" insert ", including temporary rules,"

Page 3, line 16, after "solvency" insert "and operation"

Page 3, line 17, delete "of insurance may review and"

Page 3, delete lines 18 to 25 and insert "may examine the joint self-insurance plans pursuant to sections 60A.03 and 60A.31."

Page 3, line 26, delete "QUARTERLY"

Page 3, delete line 27

Page 3, line 28, delete "duties imposed by sections 1 to 8,"

Page 3, line 30, delete "immediately preceding"

Page 3, line 31, delete "quarterly"

Page 3, line 31, after "level" insert "for the most recently completed calendar year. This revenue must be deposited in the general fund"

Page 3, line 31, delete everything after the period

Page 3, delete lines 32 and 33

Page 4, after line 6, insert:

"Sec. 9. Minnesota Statutes 1982, section 471.617, subdivision 1, is amended to read:

Subdivision 1. A statutory or home rule charter city ~~or~~, county ~~or~~, school district, or instrumentality thereof which has more than 100 employees, may by ordinance or resolution self insure for any employee health benefits ~~except including long term disability and~~, but not for employee life benefits. Any self insurance plan shall provide all benefits which are required by law to be provided by group health insurance policies. Self insurance plans shall be certified as provided by section 62E.05. Employee wage deductions for the purpose of funding a self insured health benefit plan ~~shall be~~ are subject to the licensing provisions of section 60A.23, subdivision 7.

Sec. 10. Minnesota Statutes 1982, section 471.617, subdivision 2, is amended to read:

Subd. 2. Any two or more statutory or home rule charter cities ~~or~~, counties ~~or~~, school districts, or instrumentalities thereof which together have more than 100 employees may jointly self insure for any employee health benefits ~~except including long term disability and~~, but not for employee life benefits, subject to the same requirements as an individual self insurer under subdivision 1. The commissioner of insurance is ~~authorized to promulgate administrative~~ may adopt rules, including emergency rules, pursuant to sections 14.01 to 14.70, providing standards or guidelines for the operation and

administration of self insurance pools.

Sec. 11. Minnesota Statutes 1982, section 471.617, subdivision 3, is amended to read:

Subd. 3. Any self insurance plan covering fewer than 1,000 employees shall include excess or stop-loss coverage, provided by a licensed insurance company or an insurance company approved pursuant to section 60A.20, or service plan corporation, *but excess or stop-loss coverage need not be obtained for long term disability.*

This excess or stop-loss coverage shall cover all eligible claims incurred during the term of the policy or contract. In addition to excess or stop-loss coverage, the self insurance plan shall provide for reserving of an appropriate amount of funds to cover the estimated cost of claims incurred, but unpaid, during the term of the policy or contract which shall be added to the expected claim level. These funds shall be in addition to funds reserved to cover the claims paid during the term of the policy or contract. The excess or stop-loss coverage shall be provided at levels in excess of self insured retention which is appropriate, taking into account the number of covered persons in the group."

Page 4, line 8, delete "*This act is*" and insert "*Sections 6 and 9 to 11 are effective the day after final enactment. Sections 1 to 5, 7, and 8 are*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "quarterly"

Page 1, line 6, after the semicolon, insert "authorizing certain governmental subdivisions to self insure for long term disability coverage; amending Minnesota Statutes 1982, section 471.617, subdivisions 1, 2, and 3;"

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

Senate Conferees: (Signed) Eric D. Petty, Sam G. Solon, Duane D. Benson

House Conferees: (Signed) Thomas R. Berkelman, James Metzen, Adolph L. Kvam

Mr. Petty moved that the foregoing recommendations and Conference Committee Report on S.F. No. 892 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 892 was read the third time as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 800 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 800

A bill for an act relating to health; providing for retention and destruction of certain medical records; amending Minnesota Statutes 1982, section 145.32.

May 12, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 800, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 800 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 145.32, is amended to read:

145.32 [OLD RECORDS MAY BE DESTROYED.]

Subdivision 1. [HOSPITAL RECORDS.] The superintendent or other chief administrative officer of any ~~such~~ public or private hospital, by and with the consent and approval of ~~such the~~ board of directors or other governing body ~~thereof of the hospital, is authorized to~~ may divest the files and records of ~~such that~~ hospital of any ~~such~~ individual case records bearing dates more than three years prior to the date of ~~such the~~ divestiture and, with ~~such that~~ consent and approval, ~~to may~~ destroy the ~~same records. Such~~ The records shall first have been transferred and recorded as authorized in section 145.30.

Portions of individual hospital medical records that comprise an individual permanent medical record, as defined by the commissioner of health, shall be retained as authorized in section 145.30. Other portions of the individual

medical record, including any miscellaneous documents, papers, and correspondence in connection with them, may be divested and destroyed after seven years without transfer to photographic film.

All portions of individual hospital medical records of minors shall be maintained for seven years following the age of majority.

Nothing in this section shall be construed to prohibit the retention of hospital medical records beyond the periods described in this section. Nor shall anything in this section be construed to prohibit patient access to hospital medical records as provided in section 144.335.

Subd. 2. [RESPONSIBILITIES OF THE COMMISSIONER OF HEALTH.] The commissioner of health shall define by rule the term "individual permanent medical record" by enumerating the specific types of records or other information which, at a minimum, must be maintained on a permanent basis by the hospital."

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

Senate Conferees: (Signed) Randolph W. Peterson, Fritz Knaak, Michael O. Freeman

House Conferees: (Signed) John E. Brandl, James C. Swanson, Kathleen Blatz

Mr. Peterson, R.W. moved that the foregoing recommendations and Conference Committee Report on S.F. No. 800 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 800 was read the third time as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of

the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 473: Messrs. Freeman, Luther, Ms. Reichgott, Messrs. Knaak and Rämstad.

S.F. No. 989: Messrs. Peterson, R.W.; Merriam and Sieloff.

S.F. No. 1189: Messrs. Freeman, Wegscheid and Anderson.

S.F. No. 923: Messrs. Wegscheid, Freeman and Knaak.

H.F. No. 653: Substitute the name of Ms. Peterson, D.C. for Mr. Luther and substitute the name of Mr. Johnson, D.E. for Mr. Peterson, D.L.

H.F. No. 1283: Messrs. Waldorf, Nelson, Dicklich, Hughes and Taylor.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Special Orders Calendar. The motion prevailed.

SPECIAL ORDER

S.F. No. 415: A bill for an act relating to state government; providing for salaries for constitutional officers, agency heads, metropolitan agency heads, and certain judicial positions; establishing a compensation council; limiting local government salaries; prohibiting cash payments for accumulated vacation pay; expanding the authority of the commissioner of employee relations to set salaries; requiring the governor to recommend certain salaries; removing salary setting authority of certain state agencies; removing additional compensation for the career executive service; requiring approval of the Minneapolis city council of compensation and benefits of employees of the Minneapolis employees retirement fund board; ratifying state and University of Minnesota labor agreements, compensation plans, and plans for early retirement incentives; amending Minnesota Statutes 1982, sections 3.855, subdivision 3; 3.922, subdivision 5; 15A.081, subdivisions 1, 6, and 7; 15A.083, subdivisions 1, 2, and 4; 43A.17, by adding a subdivision; 43A.18, subdivisions 3, 4, and 5; 43A.21, by adding a subdivision; 105.71, subdivision 2; 136.034; 136A.03; 179.741, subdivision 1; 244.09, subdivision 10; 256.482, subdivision 2; 298.22, subdivision 1; 326.241, subdivision 2; 352.03, subdivision 4; 354.06, subdivision 2; 484.68, subdivision 6; and Laws 1980, chapter 564, article XII, section 1, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 15A; repealing Minnesota Statutes 1982, section 136A.035.

Mr. Moe, D.M. moved to amend S.F. No. 415 as follows:

Amend the title as follows:

Page 1, delete lines 13 to 15 and insert "ratifying"

The motion prevailed. So the amendment was adopted.

Mr. Moe, D.M. then moved to amend S.F. No. 415 as follows:

Page 13, after line 5, insert:

"Sec. 11. Minnesota Statutes 1982, section 43A.17, is amended by adding a subdivision to read:

Subd. 9. [POLITICAL SUBDIVISION SALARY LIMIT.] The salary of a person employed by a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision of this state may not exceed 90 percent of the salary of the governor, except as provided in this subdivision. The salary of a medical doctor occupying a position that the governing body of the political subdivision has determined requires an M.D. degree is excluded from the limitation in this subdivision. The commissioner may increase the limitation in this subdivision for a position that the commissioner has determined requires special expertise necessitating a higher salary to attract or retain a qualified person. The commissioner shall review each proposed increase giving due consideration to salary rates paid to other persons with similar responsibilities in the state. The commissioner may not grant the increase until the commissioner has presented the proposed increase to the legislative commission on employee relations and received the commission's recommendation on it. The recommendation is advisory only. Failure or refusal to make a recommendation promptly is deemed a negative recommendation."

Page 27, line 31, before "Sections" insert "Section 11 is effective the day following final enactment and applies to salaries set or changed after that date."

Page 27, line 31, delete "13, 18, 28, and 29" and insert "14, 19, 29, and 30"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 21, delete "a subdivision" and insert "subdivisions"

Mr. Jude moved to amend the Moe, D.M. amendment to S.F. No. 415 as follows:

Page 1, line 8, after "state" insert "or the University of Minnesota"

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

The roll was called, and there were yeas 9 and nays 53, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Jude	Kroening	Schmitz
Benson	Frank	Knaak	McQuaid	

Those who voted in the negative were:

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

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Ms. Berglin moved that the following members be excused for a Conference Committee on S.F. No. 695 at 3:10 p.m.:

Mrs. Lantry, Mr. Benson and Ms. Berglin. The motion prevailed.

Mr. Johnson, D.J. moved to amend the Moe, D.M. amendment to S.F. No. 415 as follows:

Page 1, line 13, delete everything after the period

Page 1, delete lines 14 to 24

The motion did not prevail. So the amendment to the Moe, D.M. amendment was not adopted.

The question recurred on the Moe, D.M. amendment.

The roll was called, and there were yeas 43 and nays 19, as follows:

Those who voted in the affirmative were:

Anderson	Dicklich	Kroening	Novak	Sieloff
Benson	Diessner	Kronebusch	Pehler	Storm
Berg	Frank	Laidig	Peterson, C. C.	Stumpf
Berglin	Frederick	Langseth	Peterson, D. L.	Vega
Bernhagen	Frederickson	Lantry	Peterson, R. W.	Waldorf
Bertram	Freeman	Lessard	Reichgott	Wegscheid
Dahl	Hughes	Luther	Renneke	Willet
Davis	Isackson	Moe, D. M.	Samuelson	
DeCramer	Johnson, D.J.	Nelson	Schmitz	

Those who voted in the negative were:

Adkins	Johnson, D.E.	Knutson	Moe, R. D.	Pogemiller
Belanger	Jude	McQuaid	Olson	Ramstad
Brataas	Kamrath	Mehrkens	Peterson, D. C.	Spear
Dieterich	Knaak	Merriam	Petty	

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend S.F. No. 415 as follows:

Page 9, line 27, after the third comma, insert "and"

Page 9, delete lines 28 and 29 and insert "court."

Page 10, line 11, after the third comma, insert "and"

Page 10, line 12, delete “, constitutional officers, and legislators”

Page 10, line 17, delete the comma

Page 10, line 18, delete everything before the period

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 33, as follows:

Those who voted in the affirmative were:

Adkins	Frederick	Knutson	Peterson, D.L.	Storm
Benson	Frederickson	Kronebusch	Peterson, R.W.	Waldorf
Bernhagen	Isackson	Laidig	Ramstad	Wegscheid
Bertram	Jude	McQuaid	Renneke	
DeCramer	Kamrath	Mehrkens	Samuelson	
Dicklich	Knaak	Olson	Sieloff	

Those who voted in the negative were:

Anderson	Frank	Lessard	Pehler	Solon
Berg	Freeman	Luther	Peterson, C.C.	Spear
Berglin	Hughes	Merriam	Peterson, D.C.	Stumpf
Dahl	Johnson, D.E.	Moe, D. M.	Petty	Vega
Davis	Johnson, D.J.	Moe, R. D.	Pogemiller	Willet
Diessner	Langseth	Nelson	Reichgott	
Dieterich	Lantry	Novak	Schmitz	

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

Mr. Dicklich moved to amend S.F. No. 415 as follows:

Page 2, line 15, delete “governor” and insert “commissioner of employee relations”

Page 2, line 16, delete “agency head”

Page 3, lines 22 to 26, delete the new language and insert “commissioner of employee relations shall set the salary rate for the positions listed in this section by ascertaining the average increase granted to the largest group of employees covered by a collective bargaining agreement pursuant to section 179.74. The salary rates once determined by the commissioner shall be submitted to the legislative commission on employee relations as provided by section 43A.18, subdivision 5.”

Page 6, delete lines 24 to 26

Page 6, line 27, delete “\$57,500-\$70,000”

Page 6, line 36, delete “\$50,000-\$60,000”

Page 7, line 21, delete “\$40,000-\$52,500”

Page 8, line 8, strike “following” and “are provided”

Page 8, line 9, strike the colon and insert “shall be set as provided in subdivision 1.”

Page 8, lines 10 to 18, delete the new language and strike the old language

Page 8, line 25, strike “following” and “are provided”

Page 8, line 26, before the colon insert “shall be set as provided in subdivision 1”

Page 9, delete lines 7 to 9

Page 9, line 11, delete everything after "council"

Page 9, lines 13, 15, and 18, delete everything after "commission"

Pages 9 and 10, delete section 6

Page 15, line 27, strike "GOVERNOR" and insert "COMMISSIONER OF EMPLOYEE RELATIONS"

Page 15, line 28, strike "governor" and insert "commissioner of employee relations"

Page 15, line 30, delete the new language

Page 15, strike lines 32 and 33

Page 15, line 34, strike "governor" and insert "commissioner"

Page 15, line 35, strike the comma and insert "and"

Page 15, line 36, strike everything after "finance"

Page 16, line 1, strike "relations"

Page 16, line 13, strike "governor" and insert "commissioner"

Page 16, line 14, after "in" insert "section 15A.081,"

Page 16, line 14, delete "8" and insert "1"

Page 16, line 20, delete "governor's" and insert "commissioner's"

Page 16, line 24, delete "governor" and insert "commissioner"

Page 27, line 31, delete "13, 18," and insert "12, 17, 27; and"

Page 27, line 31, delete ", and 29"

ReNUMBER the sections in sequence and correct internal references

Amend the title as follows:

Page 1, line 5, delete everything after the first semicolon

Page 1, line 6, delete everything before "prohibiting"

Page 1, line 9, delete everything after the semicolon

Page 1, line 10, delete "certain salaries;"

Page 1, delete line 29

Page 1, line 30, delete "15A;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 10 and nays 49, as follows:

Those who voted in the affirmative were:

Berglin	DeCramer	Johnson, D.J.	Peterson, C.C.	Stumpf
Davis	Dicklich	Knaak	Samuelson	Willet

Those who voted in the negative were:

Adkins	Dieterich	Kronebusch	Moe, R. D.	Reichgott
Anderson	Frank	Laidig	Nelson	Renneke
Benson	Frederick	Langseth	Olson	Schmitz
Berg	Frederickson	Lantry	Pehler	Solon
Bernhagen	Freeman	Lessard	Peterson, D.C.	Spear
Bertram	Hughes	Luther	Peterson, D.L.	Storm
Brataas	Isackson	McQuaid	Peterson, R.W.	Vega
Chmielewski	Johnson, D.E.	Mehrkens	Petty	Waldorf
Dahl	Jude	Merriam	Pogemiller	Wegscheid
Diessner	Kroening	Moe, D. M.	Ramstad	

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

Ms. Berglin moved to amend S.F. No. 415 as follows:

Page 9, after line 22, insert:

“Sec. 6. Minnesota Statutes 1982, section 15A.081, is amended by adding a subdivision to read:

Subd. 8. [EXPENSE ALLOWANCE.] Positions listed in subdivision 1 and the president of each state university are authorized an annual expense allowance not to exceed \$500 for necessary expenses in the normal performance of their duties for which no other reimbursement is provided. The expenditures under this subdivision are subject to any laws and rules relating to budgeting, allotment and encumbrance, preaudit and post audit. The commissioner of finance may promulgate rules to assure the proper expenditure of these funds, and to provide for reimbursement.”

Page 27, line 29, delete “section” and insert “sections 16A.16, 136.063 and”

Page 27, line 29, delete “is” and insert “are”

Renumber the sections in sequence and correct internal references

Amend the title as follows:

Page 1, line 5, after the first semicolon, insert “providing an expense allowance;”

Page 1, line 20, before the semicolon, insert “, and by adding a subdivision”

Page 1, line 30, delete “section” and insert “sections 16A.16; 136.063; and”

The motion prevailed. So the amendment was adopted.

Mr. Johnson, D.E. moved to amend S.F. No. 415 as follows:

Page 9, line 31, delete “two members” and insert “one member”

Page 9, line 31, delete “12” and insert “14”

Page 9, lines 32 and 33, delete “two members” and insert “one member”

Page 10, line 1, delete “six members” and insert “one member from each congressional district”

Mr. Waldorf requested division of the amendment as follows:

First portion:

Page 9, line 31, delete "two members" and insert "one member"

Page 9, lines 32 and 33, delete "two members" and insert "one member"

Second portion:

Page 9, line 31, delete "12" and insert "14"

Page 10, line 1, delete "six members" and insert "one member from each congressional district"

The question was taken on the adoption of first portion of the Johnson, D.E. amendment. The motion did not prevail. So the first portion of the amendment was not adopted.

The question was taken on the adoption of the second portion of the Johnson, D.E. amendment.

The roll was called, and there were yeas 54 and nays 6, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berglin	Dieterich	Johnson, D.J.	Merriam	Moe, D. M.
Dicklich				

The motion prevailed. So the second portion of the Johnson, D.E. amendment was adopted.

Mr. Frederickson moved to amend S.F. No. 415, as follows:

Page 17, line 2, after the period, insert "By January 1, 1985, at least 20 percent of the persons designated for inclusion in the career executive service must be women. By January 1, 1987, at least 40 percent of the persons designated for inclusion in the career executive service must be women."

Amend the title as follows:

Page 1, line 12, after the semicolon, insert "requiring the percentage of women in the career executive service to be increased;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 54 and nays 5, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson	Bertram	Merriam	Peterson, R. W.	Samuelson
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The motion prevailed. So the amendment was adopted.

S.F. No. 415 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 36 and nays 30, as follows:

Those who voted in the affirmative were:

Belanger	Freeman	Merriam	Pogemiller	Stumpf
Berg	Hughes	Moe, D. M.	Purfeerst	Vega
Berglin	Knaak	Moe, R. D.	Reichgott	Waldorf
Chmielewski	Knutson	Nelson	Schmitz	Wegscheid
Dahl	Kroening	Novak	Sieloff	
Diessner	Lantry	Peterson, D. C.	Solon	
Dieterich	Lessard	Peterson, R. W.	Spear	
Frederick	Luther	Petty	Storm	

Those who voted in the negative were:

Adkins	Davis	Johnson, D. E.	Langseth	Peterson, D. L.
Anderson	DeCramer	Johnson, D. J.	McQuaid	Ramstad
Benson	Dicklich	Jude	Mehrkens	Renneke
Bernhagen	Frank	Kamrath	Olson	Samuelson
Bertram	Frederickson	Kronebusch	Pehler	Taylor
Brataas	Isackson	Laidig	Peterson, C. C.	Willet

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

SPECIAL ORDER

H.F. No. 575: A bill for an act relating to labor; providing for comprehensive reform of all aspects of workers' compensation; ratifying changes in the state employee bargaining unit composition schedule; ratifying state and University of Minnesota labor agreements, compensation plans, and plans for early retirement incentives; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 43A.23, by adding a subdivision; 79.071, subdivisions 1 and 1a; 79.211, subdivision 1; 79.251; 79.34, subdivisions 1, 2, and by adding a subdivision; 79.35; 79.37; 79.51, subdivisions 1 and 3; 79.52, by adding a subdivision; 175.006, subdivision 1; 175.007, subdivision 1; 175.08; 175.10; 175.101, subdivisions 1 and 2; 176.011, by adding subdivisions; 176.012; 176.021, subdivision 3; 176.041, subdivision 1; 176.061; 176.101, subdivisions 2, 3, 6, and by adding subdivisions; 176.102, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11,

and by adding subdivisions; 176.105, by adding a subdivision; 176.111, subdivisions 6, 7, 8, and 18, and by adding a subdivision; 176.121; 176.131, subdivisions 1, 1a, 2, 3, 4, 5, 6, 7, and 8; 176.132, subdivision 1, and by adding a subdivision; 176.134, subdivision 4; 176.135, subdivisions 1 and 3; 176.136; 176.155, subdivisions 3 and 5; 176.179; 176.182; 176.183, subdivisions 1, 1a, and by adding subdivisions; 176.185, by adding a subdivision; 176.191, by adding subdivisions; 176.195, subdivision 2, and by adding subdivisions; 176.221; 176.225, subdivisions 1, 2, and 3; 176.231, subdivisions 3, 4, 5, 9, and 10; 176.241, subdivisions 2 and 4; 176.281; 176.285; 176.321, subdivision 1; 176.331; 176.341; 176.361; 176.371; 176.421, subdivisions 3, 4, 6, and 7; 176.442; 176.461; 176.521, subdivisions 2, 2a, and 3; 176.561; 176.571, subdivision 6; 176.645, subdivision 1; 176.66, by adding subdivisions; 179.741, subdivision 1, and by adding a subdivision; 268.08, subdivision 3; and 471.982, subdivision 2, and by adding a subdivision; Laws 1981, chapter 346, sections 145 and 146; proposing new law coded in Minnesota Statutes, chapters 79 and 176; repealing Minnesota Statutes 1982, sections 79.51, subdivision 2; 79.63; 175.07; 175.101, subdivision 3; 175.36; 176.102, subdivision 12; 176.131, subdivisions 9, 10, 11, and 12; 176.152; and 176.262.

CALL OF THE SENATE

Mr. Chmielewski imposed a call of the Senate for the balance of the proceedings on H.F. No. 575. The Sergeant at Arms was instructed to bring in the absent members.

CALL OF THE SENATE

Mr. Sieloff imposed a call of the Senate for the balance of today's proceedings. The Sergeant at Arms was instructed to bring in the absent members.

RECONSIDERATION

Mr. Sieloff moved that the vote whereby S.F. No. 415 was passed by the Senate on May 16, 1983, be now reconsidered.

The question was taken on the adoption of the motion.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 24 and nays 42, as follows:

Those who voted in the affirmative were:

Anderson	Isackson	Kronebusch	Peterson, D.L.	Stumpf
Benson	Johnson, D.E.	Laidig	Ramstad	Taylor
Berg	Jude	McQuaid	Renneke	Ulland
Brataas	Kamrath	Mehrkens	Sieloff	Vega
Frederickson	Kroening	Olson	Storm	

Those who voted in the negative were:

Adkins	Dicklich	Knutson	Novak	Samuelson
Belanger	Diessner	Langseth	Pehler	Schmitz
Berglin	Dieterich	Lantry	Peterson, C. C.	Spear
Bernhagen	Frank	Lessard	Peterson, D. C.	Waldorf
Bertram	Frederick	Luther	Peterson, R. W.	Wegscheid
Chmielewski	Freeman	Merriam	Petty	Willet
Dahl	Hughes	Moe, D. M.	Pogemiller	
Davis	Johnson, D. J.	Moe, R. D.	Purfeerst	
DeCramer	Knaak	Nelson	Reichgott	

The motion did not prevail.

The question recurred on H.F. No. 575.

Mr. Chmielewski moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 117, line 4, delete "*employer or*"

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski then moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 105, line 14, after "*data*" insert "*which is not directly*" and delete "*previous*" and insert "*current*"

Page 105, line 15, delete everything before "*shall*"

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski then moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 52, line 29, delete "*, without further*"

Page 52, line 30, delete "*adjustments under section 176.645,*"

Page 52, line 33, after "*shall*" insert "*not*"

Page 135, delete section 160

Renumber the sections in sequence and correct internal references

Amend the title as follows:

Page 1, line 40, delete "*176.645, subdivision 1;*"

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski then moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 9, line 9, delete "*to*" and insert "*for*"

Page 21, lines 4 and 13, after "*chapter*" insert "*who regularly practice in the area of workers' compensation*"

Page 21, lines 10 and 19, after the period insert "*These rules shall be consistent with section 214.12.*"

Page 30, line 20, delete "*concurrently with*" and strike "*temporary partial*"

Page 30, line 21, strike "*disability*"

Page 33, line 33, strike the second comma

Page 33, line 34, strike the comma

Page 35, line 9, after "fund" reinstate the comma

Page 35, line 30, after "fund" reinstate the comma and after "or" insert "if"

Page 37, line 4, reinstate the comma

Page 37, line 7, strike the comma

Page 37, line 8, strike the comma

Page 37, line 34, after "party" insert a comma

Page 37, line 35, strike the comma

Page 37, line 36, strike the comma

Page 40, line 3, after "to" insert "the"

Page 40, line 19, after "judge" delete the comma

Page 41, line 9, after "decision" insert "by a compensation judge or district court judge"

Page 41, line 23, after the comma, insert "or if an objection is filed under subdivision 1, clause (b)."

Page 42, line 30, strike "of the department of labor and industry"

Page 43, line 15, strike "benefits" and insert "compensation"

Page 46, line 19, after the period insert:

"(b)" and delete "this" and insert "the"

Page 46, line 20, after "period" insert "described in clause (a)"

Page 47, line 5, after the period insert "The beginning of the 90-day period shall commence on the day this report is served on the employee for the purpose of determining whether a job offer consistent with the requirements of this subdivision is made."

Page 47, after line 5, insert:

"(c) The job which is offered or procured by the employer or accepted by the employee under clause (b) does not necessarily have to commence immediately but shall commence within a reasonable period after the end of the 90-day period described in clause (a). Temporary total compensation shall not cease under this subdivision until the job commences."

Page 47, line 6, delete "(b)" and insert "(d)"

Page 47, line 15, delete "(c)" and insert "(e)"

Page 47, line 16, after the period, begin a new paragraph

Page 47, line 25, delete the comma and insert a semicolon

Page 47, line 27, after "subdivision" insert a semicolon and delete "this" and insert "a"

Page 47, line 28, after "employer" insert "which meets the requirements

of this subdivision”

Page 47, line 29, delete everything after the period

Page 47, delete lines 30 to 33 and insert “*In this case the employee shall receive impairment compensation for the permanent partial disability which is ascertainable at that time. This impairment compensation shall be paid at the same rate that temporary total compensation was last paid. Upon reaching maximum medical improvement the provisions of subdivisions 3e or 3p apply, whichever is appropriate, and economic recovery compensation or impairment compensation is payable accordingly except that the compensation shall be offset by impairment compensation received under this subdivision.*”

Page 48, line 1, after “and” insert “*the employee*”

Page 48, line 2, after the comma insert “*although*”

Page 48, line 3, after “*subdivision*” insert a comma

Page 48, line 4, delete “*return to*” and insert “*employee actually commences*”

Page 51, line 15, after “*compensation*” insert “*as determined*”

Page 51, line 27, delete “*or has received*” and insert “*periodic*”

Page 52, line 29, after “*due*” insert a comma

Page 52, line 30, after “176.645” insert a comma

Page 53, line 7, delete “*weekly*” and insert “*periodic*”

Page 79, line 18, delete “*made*” and insert “*provided*”

Page 85, line 15, delete “1” and insert “2”

Page 85, line 16, delete “122” and insert “138”

Page 86, lines 28, 29, and 30, delete “*two persons*” and insert “*one person*”

Page 107, line 27, strike “*thereof*” and insert “*of the state*”

Page 116, line 18, delete “*subdivision*” and insert “*subdivisions*” and after “9” insert “*and 11*”

Page 117, line 4, delete “*employer or*” and insert “*employer's*”

Page 117, line 10, after “*or*” insert “*the*”

Page 140, line 15, delete “*and*” and after “176.241;” insert “176.242; and 176.243”

Page 141, line 6, delete “1” and insert “2” and delete “68” and insert “82”

The motion prevailed. So the amendment was adopted.

Mr. Peterson, C.C. moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 7, delete section 4

Page 148, line 24, after “1982,” insert “79.211, subdivision 1;”

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 40 and nays 20, as follows:

Those who voted in the affirmative were:

Anderson	DeCramer	Kamrath	Mehrkens	Renneke
Belanger	Diessner	Knaak	Moe, R. D.	Soton
Berg	Dieterich	Knutson	Olson	Storm
Bernhagen	Frederick	Kronebusch	Peterson, C.C.	Stumpf
Bertram	Hughes	Laidig	Peterson, D.L.	Taylor
Brataas	Isackson	Langseth	Petty	Ulland
Chmielewski	Johnson, D.E.	Lessard	Purfeerst	Wegscheid
Davis	Jude	McQuaid	Ramstad	Willet

Those who voted in the negative were:

Adkins	Frank	Lantry	Novak	Schmitz
Berglin	Freeman	Luther	Peterson, D.C.	Sieloff
Dahl	Johnson, D.J.	Merriam	Peterson, R.W.	Spear
Dicklich	Kroening	Moe, D. M.	Pogemiller	Vega

The motion prevailed. So the amendment was adopted.

Mr. Peterson, C.C. then moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 6, after line 16, insert:

“Sec. 2. Minnesota Statutes 1982, section 79.01, subdivision 3, is amended to read:

Subd. 3. [INSURANCE.] The word “insurance” means workers’ compensation insurance and ~~insurance covering any part of the liability of an employer exempted from insuring his liability for compensation, as provided in section 176.181~~ and includes a program of self insurance, self insurance revolving fund or pool established under section 471.981.”

Page 11, line 6, strike “Each self-insurer”

Page 11, line 7, strike everything before “each”

Page 11, line 11, strike “(a)”

Page 11, line 16, strike the comma

Page 11, strike lines 17 to 19

Page 11, line 20, strike everything before the period

Page 15, after line 3, insert:

“Sec. 9. Minnesota Statutes 1982, section 79.34, subdivision 3, is amended to read:

Subd. 3. An insurer may withdraw from the reinsurance association only upon ceasing to be authorized by license issued by the commissioner to transact workers’ compensation insurance in this state and when all workers’ compensation insurance policies issued by such insurer have expired; ~~a self-insurer may withdraw from the reinsurance association only upon~~

ceasing to be approved to self-insure workers' compensation liability in this state pursuant to section 176.181.

An insurer or self-insurer which withdraws or whose membership in the reinsurance association is terminated shall continue to be bound by the plan of operation. Upon withdrawal or termination, all unpaid premiums which have been charged to the withdrawing or terminated member shall be payable as of the effective date of the withdrawal or termination."

Page 18, line 2, delete "13" and insert "10"

Page 18, line 6, strike ", at least one, but not more than" and delete "three" and strike ", of whom"

Page 18, line 7, strike "shall represent self-insurers,"

Page 107, after line 12, insert:

"Sec. 111. Minnesota Statutes 1982, section 176.181, subdivision 2, is amended to read:

Subd. 2. [COMPULSORY INSURANCE; SELF-INSURERS.] (1) Every employer, except the state and its municipal subdivisions, liable under this chapter to pay compensation shall insure payment of compensation with some insurance carrier authorized to insure workers' compensation liability in this state; or obtain a written order from the commissioner of insurance exempting the employer from insuring his liability for compensation and permitting him to self-insure the liability. The terms, conditions and requirements governing self-insurance shall be established by the commissioner pursuant to chapter 14. The commissioner of insurance shall also adopt, pursuant to clause (2)(c), rules permitting two or more employers, whether or not they are in the same industry, to enter into agreements to pool their liabilities under this chapter for the purpose of qualifying as group self-insurers. With the approval of the commissioner of insurance, any employer may exclude medical, chiropractic and hospital benefits as required by this chapter. An employer conducting distinct operations at different locations may either insure or self-insure the other portion of his operations which may be determined by the commissioner of insurance to be a distinct and separate risk. An employer desiring to be exempted from insuring his liability for compensation shall make application to the commissioner of insurance, showing his financial ability to pay the compensation, whereupon by written order the commissioner of insurance may make an exemption as he deems proper. The commissioner of insurance may require further statements of financial ability of the employer to pay compensation. Upon ten days written notice the commissioner of insurance may revoke his order granting an exemption, in which event the employer shall immediately insure his liability. As a condition for the granting of an exemption the commissioner of insurance may require the employer to furnish security the commissioner of insurance considers sufficient to insure payment of all claims under this chapter. If the required security is in the form of currency or negotiable bonds, the commissioner of insurance shall deposit it with the state treasurer. In the event of any default upon the part of a self-insurer to abide by any final order or decision of the commissioner of labor and industry directing and awarding payment of compensation and benefits to any employee or the dependents of any deceased employee, then upon at least ten days notice to the self-insurer, the commissioner of insurance may by written order to the

state treasurer require him to sell the pledged and assigned securities or a part thereof necessary to pay the full amount of any such claim or award with interest thereon. This authority to sell may be exercised from time to time to satisfy any order or award of the commissioner of labor and industry or any judgment obtained thereon. When securities are sold the money obtained shall be deposited in the state treasury to the credit of the commissioner of insurance and awards made against any such self-insurer by the commissioner of insurance shall be paid to the persons entitled thereto by the state treasurer upon warrants prepared by the commissioner of insurance and approved by the commissioner of finance out of the proceeds of the sale of securities. Where the security is in the form of a surety bond or personal guaranty the commissioner of insurance, at any time, upon at least ten days notice and opportunity to be heard, may require the surety to pay the amount of the award; the payments to be enforced in like manner as the award may be enforced.

(2)(a) No association, corporation, partnership, sole proprietorship, trust or other business entity shall provide services in the design, establishment or administration of a group self-insurance plan under rules adopted pursuant to this subdivision unless it is licensed to do so by the commissioner of insurance. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner of insurance is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner of insurance may issue a license subject to restrictions or limitations, including restrictions or limitations on the type of services which may be supplied or the activities which may be engaged in. The license is for a two year period.

(b) To assure that group self-insurance plans are financially solvent, administered in a fair and capable fashion, and able to process claims and pay benefits in a prompt, fair and equitable manner, entities licensed to engage in such business are subject to supervision and examination by the commissioner of insurance.

(c) To carry out the purposes of this subdivision, the commissioner of insurance may promulgate administrative rules, including emergency rules, pursuant to sections 14.01 to 14.70. These rules may:

(i) establish reporting requirements for administrators of group self-insurance plans;

(ii) establish standards and guidelines to assure the adequacy of the financing and administration of group self-insurance plans;

(iii) establish bonding requirements or other provisions assuring the financial integrity of entities administering group self-insurance plans;

(iv) establish standards, including but not limited to minimum terms of membership in self-insurance plans, as necessary to provide stability for those plans;

(v) establish standards or guidelines governing the formation, operation, administration and dissolution of self-insurance plans; and

(vi) establish other reasonable requirements to further the purposes of this

subdivision.”

Page 149, after line 4, insert:

“Sec. 173. [INSTRUCTION TO REVISOR.]

Wherever in chapters 79 and 176 the terms “self insurer”, “group self insurer” and similar terms occur, when referring to the exemption of private employers from the requirement to purchase insurance pursuant to Minnesota Statutes 1982, section 176.181, those terms shall be stricken if the remaining context is clear and free from ambiguity.”

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 4 and nays 59, as follows:

Messrs. Dieterich; Knutson; Peterson, C.C. and Stumpf voted in the affirmative.

Those who voted in the negative were:

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

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Peterson, R.W. moved that the following members be excused for a Conference Committee on H.F. No. 92 at 6:00 p.m.:

Messrs. Nelson; Merriam; Peterson, D.L.; Pehler and Peterson, R.W. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Wegscheid moved that the following members be excused for a Conference Committee on S.F. No. 652 at 6:00 p.m.:

Messrs. DeCramer, Merriam, Berg, Davis and Wegscheid. The motion prevailed.

Mr. Pehler moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 153, after line 30, insert:

“Sec. 9. [176A.09] [PRIVATE INDEPENDENT INSURANCE

AGENTS.]

Private independent insurance agents licensed to sell workers' compensation insurance in this state may sell insurance coverage for the fund according to rules adopted by the board. The board shall by rule also establish a schedule of commissions which the fund will pay for the services of an agent. A commission shall not be more than the cost per hour for a fund employee to perform the same services."

Renumber the sections in sequence

Correct internal cross references

Mr. Peterson, R.W. moved to amend the Pehler amendment to H.F. No. 575, the unofficial engrossment, as follows:

Page 1, line 9, delete "A"

Page 1, delete lines 10 and 11

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

The question recurred on the Pehler amendment, as amended.

The roll was called, and there were yeas 35 and nays 28, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Langseth	Peterson, C.C.	Samuelson
Berglin	Freeman	Lessard	Peterson, D.C.	Schmitz
Bertram	Hughes	Luther	Peterson, R.W.	Spear
Chmielewski	Isackson	Moe, D. M.	Petty	Stumpf
Dahl	Jude	Moe, R. D.	Pogemiller	Waldorf
Davis	Knaak	Nelson	Purfeerst	Wegscheid
DeCramer	Kroening	Pehler	Reichgott	Willet

Those who voted in the negative were:

Anderson	Dieterich	Knutson	Merriam	Storm
Belanger	Frank	Kronebusch	Olson	Taylor
Benson	Frederick	Laidig	Peterson, D.L.	Ulland
Berg	Frederickson	Lantry	Ramstad	Vega
Bernhagen	Johnson, D.E.	McQuaid	Renneke	
Dicklich	Kamrath	Mehrkens	Sieloff	

The motion prevailed. So the amendment, as amended, was adopted.

Mr. Frederick moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Pages 149 to 155, delete Article 3

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 38, as follows:

Those who voted in the affirmative were:

Anderson	DeCramer	Knaak	Olson	Storm
Belanger	Frederick	Knutson	Peterson, D.L.	Taylor
Benson	Frederickson	Kronebusch	Ramstad	Ulland
Berg	Isackson	Laidig	Renneke	
Bernhagen	Johnson, D.E.	McQuaid	Schmitz	
Bertram	Kamrath	Mehrkens	Sieloff	

Those who voted in the negative were:

Adkins	Frank	Lessard	Peterson, D. C.	Spear
Berglin	Freeman	Luther	Peterson, R. W.	Stumpf
Chmielewski	Hughes	Merriam	Petty	Vega
Dahl	Johnson, D. J.	Moe, D. M.	Pogemiller	Waldorf
Davis	Jude	Moe, R. D.	Purfeerst	Wegscheid
Dicklich	Kroening	Novak	Reichgott	Willet
Diessner	Langseth	Pehler	Samuelson	
Dieterich	Lantry	Peterson, C. C.	Solon	

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

Mr. Berg moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 154, delete section 10

Page 154, line 22, delete "1983" and insert "1987"

Page 154, line 30, delete "1986" and insert "1990"

Page 155, line 13, delete "1983" and insert "1987"

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 38, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Jude	McQuaid	Schmitz
Belanger	DeCramer	Kamrath	Mehrkens	Sieloff
Benson	Frederick	Knaak	Oison	Storm
Berg	Frederickson	Knutson	Peterson, D. L.	Taylor
Bernhagen	Isackson	Kronebusch	Ramstad	Ulland
Bertram	Johnson, D. E.	Laidig	Renneke	

Those who voted in the negative were:

Adkins	Frank	Luther	Peterson, D. C.	Spear
Berglin	Freeman	Merriam	Peterson, R. W.	Stumpf
Chmielewski	Hughes	Moe, D. M.	Petty	Vega
Dahl	Johnson, D. J.	Moe, R. D.	Pogemiller	Waldorf
Davis	Kroening	Nelson	Purfeerst	Wegscheid
Dicklich	Langseth	Novak	Reichgott	Willet
Diessner	Lantry	Pehler	Samuelson	
Dieterich	Lessard	Peterson, C. C.	Solon	

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

RECONSIDERATION

Having voted on the prevailing side, Mr. Wegscheid moved that the vote whereby the first Peterson, C. C. amendment to H.F. No. 575 was adopted on May 16, 1983, be now reconsidered. The motion prevailed.

The question recurred on the first Peterson, C. C. amendment.

Mr. Wegscheid requested division of the amendment as follows:

First portion:

Page 7, delete section 4

Renumber the sections in sequence and correct internal references

Amend the title accordingly

Second portion:

Page 148, line 24, after "1982," insert "79.211, subdivision 1;"

The question was taken on the adoption of the first portion of the Peterson, C.C. amendment.

The roll was called, and there were yeas 41 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Pehler	Stumpf
Anderson	Diessner	Kronebusch	Peterson,C.C.	Taylor
Benson	Frederick	Laidig	Peterson,D.L.	Ulland
Berg	Frederickson	Langseth	Purfeerst	Vega
Bernhagen	Isackson	Lessard	Ramstad	Willet
Bertram	Johnson, D.E.	McQuaid	Renneke	
Brataas	Jude	Mehrrens	Schmitz	
Chmielewski	Kamrath	Moe, R. D.	Sieloff	
Davis	Knaak	Olson	Solon	

Those who voted in the negative were:

Belanger	Hughes	Moe, D. M.	Reichgott	Wegscheid
Dahl	Kroening	Novak	Samuelson	
Dicklich	Lantry	Peterson,D.C.	Spear	
Frank	Luther	Peterson,R.W.	Storm	
Freeman	Merriam	Petty	Waldorf	

The motion prevailed. So the first portion of the Peterson, C.C. amendment was adopted.

The question was taken on the adoption of the second portion of the Peterson, C.C. amendment.

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

Mr. Peterson, C.C. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 29 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Davis	Kamrath	McQuaid	Renneke
Benson	DeCramer	Knaak	Mehrrens	Schmitz
Berg	Frederick	Kronebusch	Olson	Stumpf
Bernhagen	Frederickson	Laidig	Peterson,C.C.	Taylor
Bertram	Isackson	Langseth	Peterson,D.L.	Ulland
Brataas	Johnson, D.E.	Lessard	Ramstad	

Those who voted in the negative were:

Adkins	Freeman	Moe, D. M.	Pogemiller	Vega
Belanger	Hughes	Moe, R. D.	Purfeerst	Waldorf
Berglin	Jude	Nelson	Reichgott	Wegscheid
Chmielewski	Knutson	Novak	Samuelson	Willet
Dahl	Kroening	Pehler	Sieloff	
Dicklich	Lantry	Peterson,D.C.	Solon	
Diessner	Luther	Peterson,R.W.	Spear	
Frank	Merriam	Petty	Storm	

The motion did not prevail. So the second portion of the Peterson, C.C.

amendment was not adopted.

Mr. Anderson moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 154, delete lines 5 and 6 and insert "*the commissioner of finance the amount of \$1,176,900 in fiscal year 1985 for the purpose*"

Page 154, line 9, delete "*If the appropriation for either year is*"

Page 154, delete line 10

Page 154, line 11, delete "*for it.*"

Page 154, line 22, delete "*1983*" and insert "*1984*"

Page 154, line 30, delete "*1986*" and insert "*1987*"

Page 155, line 13, delete "*1983*" and insert "*1984*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 25, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Kamrath	Mehrkens	Storm
Belanger	Frederick	Knaak	Olson	Taylor
Benson	Frederickson	Kronebusch	Ramstad	Ulland
Bernhagen	Isackson	Laidig	Renneke	
Bertram	Johnson, D.E.	McQuaid	Sieloff	

Those who voted in the negative were:

Adkins	Frank	Langseth	Moe, R. D.	Schmitz
Chmielewski	Freeman	Lantry	Novak	Stumpf
Dahl	Hughes	Lessard	Peterson, D.C.	Vega
Davis	Jude	Luther	Petty	Waldorf
Diessner	Kroening	Moe, D. M.	Reichgott	Willet

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 1259 at 7:00 p.m.:

Messrs. Johnson, D.J.; Peterson, C.C.; Dieterich; Novak and Ms. Berglin. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Waldorf moved that the following members be excused for a Conference Committee on H.F. No. 1283 at 8:00 p.m.:

Messrs. Waldorf, Hughes, Nelson, Dicklich and Taylor. The motion prevailed.

Mr. Taylor moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 44, delete lines 22 to 32 and insert:

"0- 40 500
 41- 50 600
 51- 60 700
 61- 75 800
 76-100 1200"

Page 45, delete lines 13 to 28 and insert:

"0- 40 50,000
 41- 50 75,000
 51- 60 100,000
 61- 75 200,000
 76-100 400,000"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 28, as follows:

Those who voted in the affirmative were:

Anderson	Bertram	Kamrath	Olson	Storm
Belanger	Brataas	Knaak	Peterson, D.L.	Stumpf
Benson	Frederick	Kronebusch	Ramstad	Taylor
Berg	Frederickson	Laidig	Renneke	Ulland
Bernhagen	Isackson	McQuaid	Sieloff	

Those who voted in the negative were:

Adkins	Frank	Lessard	Pehler	Vega
Chmielewski	Freeman	Luther	Peterson, D.C.	Waldorf
Dahl	Hughes	Merriam	Peterson, R.W.	Wegscheid
Davis	Jude	Moe, D. M.	Petty	Willet
DeCramer	Kroening	Moe, R. D.	Reichgott	
Diessner	Lantry	Nelson	Schmitz	

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

Mrs. Brataas moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 84, line 23, delete "An"

Page 84, delete lines 24 to 33

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

Mr. Belanger moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 54, line 33, delete "that"

Page 54, delete lines 34 to 36

Page 55, delete lines 1 to 14 and insert "*the compensation payable for the permanent partial disability pursuant to this section shall be equal to the proportion of the disability which is not attributable to the pre-existing disability.*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 27, as follows:

Those who voted in the affirmative were:

Anderson	Bertram	Isackson	McQuaid	Renneke
Belanger	Brataas	Kamrath	Mehrkens	Sieloff
Benson	DeCramer	Knaak	Olson	Storm
Berg	Frederick	Kronebusch	Peterson, D.L.	Stumpf
Bernhagen	Frederickson	Laidig	Ramstad	Ulland

Those who voted in the negative were:

Adkins	Freeman	Lessard	Pehler	Vega
Chmielewski	Hughes	Luther	Peterson, D.C.	Wegscheid
Dahl	Jude	Merriam	Peterson, R.W.	Willet
Davis	Kroening	Moe, D. M.	Petty	
Diessner	Langseth	Moe, R. D.	Reichgott	
Frank	Lantry	Nelson	Schmitz	

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

Mr. Sieloff moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 23, after line 35, insert:

“Sec. 24. Minnesota Statutes 1982, section 176.001, is amended to read:

176.001 [INTENT OF THE LEGISLATURE.]

It is the intent of the legislature that chapter 176 be interpreted so as to assure the quick and efficient delivery of indemnity and medical benefits to injured workers at a reasonable cost to the employers who are subject to the provisions of chapter 176. *It is the specific intent of the legislature that workers' compensation cases shall be decided on their merits and that the common law rule of "liberal construction" based on the supposed "remedial" basis of workers' compensation legislation shall not apply in such cases. The workers' compensation system in Minnesota is based on a mutual renunciation of common law rights and defenses by employers and employees alike. Employees' rights to sue for damages over and above medical and health care benefits and wage loss benefits are to a certain degree limited by the provisions of this chapter, and employers' rights to raise common law defenses such as lack of negligence, contributory negligence on the part of the employee, and others, are curtailed as well. Accordingly, the legislature hereby declares that the workers' compensation laws are not remedial in any sense and are not to be given a broad liberal construction in favor of the claimant or employee on the one hand, nor are the rights and interests of the employer to be favored over those of the employee on the other hand.*”

Page 29, after line 21, insert:

“Sec. 30. Minnesota Statutes 1982, section 176.021, subdivision 1a, is amended to read:

Subd. 1a. [BURDEN OF PROOF.] All disputed issues of fact arising under chapter 176 shall be determined by a preponderance of the evidence, and in accordance with the principles laid down in section 176.001. Preponderance of the evidence means evidence produced in substantiation of a fact which, when weighed against the evidence opposing the fact, has more convincing force and greater probability of truth.

Questions of law arising under chapter 176 shall be determined in accordance with the rules of construction generally applied to all other civil matters

on an even-handed basis in accordance with the principles laid down in section 176.001."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Frederick moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 79.071, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall adopt a schedule of workers' compensation insurance rates for use in this state for each classification under which business is written until January 1, ~~1986~~ 1984. The schedule of rates shall not be excessive, inadequate, or unfairly discriminatory. In adopting a schedule of rates, the commissioner may act on the written petition of the association or any other interested party requesting that a hearing be held for modification of the schedule of rates. The commissioner may include the expense of a reasonable charge for the services of an agent of record, for the service of rejected risks as set forth in sections 79.24 to 79.27.

Sec. 2. Minnesota Statutes 1982, section 79.34, subdivision 1, is amended to read:

Subdivision 1. A nonprofit association known as the workers' compensation reinsurance association is created, which may be incorporated under chapter 317 with all the powers of a corporation formed under that chapter, except that if the provisions of that chapter are inconsistent with sections 79.34 to 79.40 or any amendments thereto, sections 79.34 to 79.40 shall govern. Each insurer as defined by section 79.01, subdivision 2, shall as a condition of its authority to transact workers' compensation insurance in this state, be a member of the reinsurance association and shall be bound by the plan of operation of the reinsurance association; provided, that all affiliated insurers within a holding company system as defined in sections 60D.01 to 60D.13 shall be considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association. Each self-insurer approved pursuant to section 176.181 and each political subdivision which self-insures shall, as a condition of its authority to self-insure workers' compensation liability in this state, be a member of the reinsurance association and shall be bound by its plan of operation; provided, that (a) all affiliated companies within a holding company system, as determined by the commissioner in a manner consistent with the standards and definitions in sections 60D.01 to 60D.13, shall be considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association, and (b) all group self-insurers granted authority to self-insure pursuant to section 176.181 shall be considered a single entity for purposes of the exercise of all the rights and duties of membership in the reinsurance association. *As a condition of its authority to self-insure workers' compensation liability, and for losses incurred on or after January 1, 1984, the state shall be a member of the reinsurance association and is*

bound by its plan of operation. The commissioner of labor and industry represents the state in the exercise of all the rights and duties of membership in the reinsurance association. The state treasurer shall pay the premium to the reinsurance association from the state compensation revolving fund upon warrants of the commissioner of labor and industry. For the purposes of this section "state" means the administrative branch of state government, the legislative branch, the judicial branch, the University of Minnesota, and any other entity whose workers' compensation liability is paid from the state revolving fund. The commissioner may calculate, prorate, and charge a department or agency the portion of premiums paid to the reinsurance association for employees who are paid wholly or in part by federal funds, dedicated funds, or special revenue funds. The reinsurance association shall is not be deemed a state agency. Actions of the reinsurance association and its board of directors and actions of the commissioner of insurance with respect to the reinsurance association shall are not be subject to chapter chapters 13, 14, and 15. The reinsurance association shall be is exempt from taxation under the laws of this state and all property owned by the association shall be is exempt from taxation. The reinsurance association shall is not be obligated to make any payments or pay any assessments to any funds or pools established pursuant to this chapter or chapter 176 or any other law.

Sec. 3. Minnesota Statutes 1982, section 79.34, subdivision 2, is amended to read:

Subd. 2. The reinsurance association shall provide and each member shall accept indemnification for 100 percent of the amount of ultimate loss sustained in each loss occurrence relating to one or more claims arising out of a single compensable event, including aggregate losses related to a single event or occurrence which constitutes a single loss occurrence, under chapter 176 on and after October 1, 1979, in excess of \$300,000 or \$100,000 retention limit, at the option of the member. In case of occupational disease causing disablement on and after October 1, 1979, each person suffering such disablement shall be considered to be involved in a separate loss occurrence. The lesser lower retention limit shall be increased to the nearest \$10,000, on January 1, 1982 and on each January 1 thereafter by the percentage increase in the statewide average weekly wage, as determined in accordance with section 176.011, subdivision 20. On January 1, 1982 and on each January 1 thereafter, the greater higher retention limit shall be increased by the amount necessary to retain a \$200,000 difference between the two retention limits. Ultimate loss as used in this section means the actual loss amount which a member is obligated to pay and which is paid by the member for workers' compensation benefits payable under chapter 176 and shall not include claim expenses, assessments, damages or penalties. For losses incurred on or after January 1, 1979, any amounts paid by a member pursuant to sections 176.183, 176.221, 176.225, and 176.82 shall not be included in ultimate loss and shall not be indemnified by the reinsurance association. A loss is incurred by the reinsurance association on the date on which the accident or other compensable event giving rise to the loss occurs, and a member is liable for a loss up to its retention limit in effect at the time that the loss was incurred, except that members which are determined by the reinsurance association to be controlled by or under common control with another member, and which are liable for claims from one or more employees entitled to compensation for a single compensable event, including aggregate losses relating to a single loss occurrence, may aggregate their losses and obtain indemnification from the reinsurance association for the aggregate losses in excess of the higher retention limit in effect at

the time the loss was incurred. Each member is liable for payment of its ultimate loss and shall be entitled to indemnification from the reinsurance association for the ultimate loss in excess of the member's retention limit in effect at the time of the loss occurrence.

A member that chooses the higher retention limit shall retain the liability for all losses below the higher retention limit itself and shall not transfer the liability to any other entity or reinsure or otherwise contract for reimbursement or indemnification for losses below its retention limit, except in the following cases: (a) when the reinsurance or contract is with another member which, directly or indirectly, through one or more intermediaries, control or are controlled by or are under common control with the member; (b) when the reinsurance or contract provides for reimbursement or indemnification of a member if and only if the total of all claims which the member pays or incurs, but which are not reimbursable or subject to indemnification by the reinsurance association for a given period of time, exceeds a dollar value or percentage of premium written or earned and stated in the reinsurance agreement or contract; (c) when the reinsurance or contract is a pooling arrangement with other insurers where liability of the member to pay claims pursuant to chapter 176 is incidental to participation in the pool and not as a result of providing workers' compensation insurance to employers on a direct basis under chapter 176; (d) when the reinsurance or contract is limited to all the claims of a specific insured of a member which are reimbursed or indemnified by a reinsurer which, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the insured of the member so long as any subsequent contract or reinsurance of the reinsurer relating to the claims of the insured of a member is not inconsistent with the bases of exception provided under clauses (a), (b) and (c) above; or (e) when the reinsurance or contract is limited to all claims of a specific self-insurer member which are reimbursed or indemnified by a reinsurer which, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the self-insurer member so long as any subsequent contract or reinsurance of the reinsurer relating to the claims of the self-insurer member are not inconsistent with the bases for exception provided under clauses (a), (b) and (c) above.

Whenever it appears to the commissioner that any member that chooses the higher retention limit has participated in the transfer of liability to any other entity or reinsured or otherwise contracted for reimbursement or indemnification of losses below its retention limit in a manner inconsistent with the bases for exception provided under clauses (a), (b), (c), (d), and (e), the commissioner may, after giving notice and an opportunity to be heard, order the member to pay to the state of Minnesota an amount not to exceed twice the difference between the reinsurance premium for the higher and lower retention limit applicable to the member for each year in which the prohibited reinsurance or contract was in effect. Any member subject to this penalty provision shall continue to be bound by its selection of the higher retention limit for purposes of membership in the reinsurance association.

Sec. 4. Minnesota Statutes 1982, section 79.34, is amended by adding a subdivision to read:

Subd. 7. For losses incurred on or after January 1, 1984, the reinsurance

association shall indemnify the member for the ultimate loss, in excess of the retention limit in effect at the time of the loss occurrence, sustained in each loss occurrence relating to one or more claims arising out of a single compensable event in another state provided that:

(a) the injured worker is eligible for benefits under section 176.041, subdivision 2 or 3 but elects to receive benefits under the workers' compensation statute of another state in lieu of benefits under chapter 176; and

(b) the ultimate loss indemnified by the reinsurance association shall be determined as provided in this chapter, except that the benefits shall be equal to those required to be paid under the workers' compensation statute of the state elected.

Sec. 5. Minnesota Statutes 1982, section 79.35, is amended to read:

79.35 [DUTIES; RESPONSIBILITIES; POWERS.]

The reinsurance association shall do the following on behalf of its members:

(a) Assume 100 percent of the liability as provided in section 79.34;

(b) Establish procedures by which members shall promptly report to the reinsurance association each claim which, on the basis of the injury sustained, may reasonably be anticipated to involve liability to the reinsurance association if the member is held liable under chapter 176. Solely for the purpose of reporting claims, the member shall in all instances consider itself legally liable for the injury. The member shall advise the reinsurance association of subsequent developments likely to materially affect the interest of the reinsurance association in the claim;

(c) Maintain relevant loss and expense data relative to all liabilities of the reinsurance association and require each member to furnish statistics in connection with liabilities of the reinsurance association at the times and in the form and detail as may be required by the plan of operation;

(d) Calculate and charge to members a total premium sufficient to cover the expected liability which the reinsurance association will incur in excess of the higher retention limit but less than the prefunded limit, together with incurred or estimated to be incurred operating and administrative expenses for the period to which this premium applies and actual claim payments to be made by members, during the period to which this premium applies, for claims in excess of the prefunded limit in effect at the time the loss was incurred. The prefunded limit shall be \$2,500,000 on and after October 1, 1979, provided that the prefunded limit shall be increased on January 1, 1983 and on each January 1 thereafter by the percentage increase in the statewide average weekly wage, to the nearest \$100,000, as determined in accordance with section 176.011, subdivision 20. Each member shall be charged a proportion of the total premium in an amount equal to its proportion of the ~~total standard earned premium exposure base~~ of all members during the period to which the reinsurance association premium will apply, ~~as determined by the commissioner.~~ *The exposure base shall be determined by the board and is subject to the approval of the commissioner. In determining the exposure base, the board shall consider, among other things, equity, administrative convenience, records maintained by members, amenability to*

audit, and degree of risk refinement. Each member exercising the lower retention option shall also be charged a premium established by the board as sufficient to cover incurred or estimated to be incurred claims for the liability the reinsurance association is likely to incur between the lower and higher retention limits for the period to which the premium applies. Each member shall also be charged a premium determined by the board to equitably distribute excess or deficient premiums from previous periods including any excess or deficient premiums resulting from a retroactive change in the prefunded limit. ~~An equitable basis for determining standard earned premium for self-insurers shall be established by the commissioner.~~ The premiums charged to members shall not be unfairly discriminatory as defined in section 79.074. All premiums shall be approved by the commissioner;

(e) Require and accept the payment of premiums from members of the reinsurance association;

(f) Receive and distribute all sums required by the operation of the reinsurance association;

(g) Establish procedures for reviewing claims procedures and practices of members of the reinsurance association. If the claims procedures or practices of a member are considered inadequate to properly service the liabilities of the reinsurance association, the reinsurance association may undertake, or may contract with another person, including another member, to adjust or assist in the adjustment of claims which create a potential liability to the association ~~and~~. *The reinsurance association may charge the cost of the adjustment under this paragraph to the member, except that any penalties or interest incurred under sections 176.183, 176.221, 176.225, and 176.82 as a result of actions by the reinsurance association after it has undertaken adjustment of the claim shall not be charged to the member but shall be included in the ultimate loss and listed as a separate item; and*

(h) Provide each member of the reinsurance association with an annual report of the operations of the reinsurance association in a form the board of directors may specify.

Sec. 6. Minnesota Statutes 1982, section 79.37, is amended to read:

79.37 [BOARD OF DIRECTORS.]

A board of directors of the reinsurance association is created and ~~shall be~~ is responsible for the operation of the reinsurance association consistent with the plan of operation and sections 79.34 to 79.42. The board ~~shall consist~~ consists of nine directors and the ~~commissioner~~ *commissioners of insurance who shall be an ex officio member and labor and industry, both of whom are voting members.* Four members of the board shall represent insurers, three members of the board shall represent employers, at least one, but not more than two of whom shall represent self-insurers, and two members of the board shall represent employees. Members shall elect the insurer directors, and the commissioner of insurance shall appoint the employer and employee directors, for the terms authorized in the plan of operation. Each board member ~~shall be~~ is entitled to one vote. Terms of the directors shall be staggered so that the terms of all the directors do not expire at the same time and so that a director does not serve a term of more than four years. The board shall select a chairman and other officers it deems appropriate.

A majority of the board ~~shall constitute~~ *constitutes* a quorum, notwithstanding any vacancies. Action may be taken by a majority vote of the directors present.

Sec. 7. Minnesota Statutes 1982, section 79.51, subdivision 2, is amended to read:

Subd. 2. [TRANSITION PERIOD; RULES GOVERN.] Insurance rates from July 1, 1983, to December 31, ~~1985~~ 1983, shall be determined in accordance with rules adopted by the commissioner. The rules shall require (1) that a hearing be held pursuant to the provisions of section 79.071 to consider any petition requesting modification of rates and (2) that following the hearing the commissioner shall adopt a schedule of rates.

Sec. 8. Minnesota Statutes 1982, section 79.51, subdivision 3, is amended to read:

Subd. 3. [RULES; SUBJECT MATTER.] (a) The commissioner in issuing rules shall consider:

- (1) Data reporting requirements, including types of data reported, such as loss and expense data;
- (2) Experience rating plans;
- (3) Retrospective rating plans;
- (4) General expenses and related expense provisions;
- (5) Minimum premiums;
- (6) Classification systems and assignment of risks to classifications;
- (7) Loss development and trend factors;
- (8) The workers' compensation reinsurance association;
- (9) Restrictions, prohibitions, and requirements with respect to the activities of the workers' compensation insurers rating association of Minnesota during the period from July 1, 1983 to January 1, ~~1986~~ 1984;
- (10) Requiring substantial compliance with the rules mandated by this section as a condition of workers' compensation carrier licensure;
- (11) Imposing limitations on the functions of workers' compensation data service organizations consistent with the introduction of competition;
- (12) The rules contained in the workers' compensation rating manual adopted by the workers' compensation insurers rating association; and
- (13) Any other factors that the commissioner deems relevant to achieve the purposes of chapter 79.

(b) The rules shall provide for the following:

- (1) Competition in workers' compensation insurance rates in such a way that the advantages of competition are introduced with a minimum of employer hardship during the transition period;
- (2) Adequate safeguards against excessive or discriminatory rates in workers' compensation during the transition period;
- (3) Encouragement of workers' compensation insurance rates which are

as low as reasonably necessary, but shall make provision against inadequate rates, insolvencies and unpaid benefits;

(4) Assurances that employers are not unfairly relegated to the assigned risk pool;

(5) Requiring all appropriate data and other information from insurers for the purpose of issuing rules and making legislative recommendations pursuant to this section; and

(6) Preserving a framework for risk classification, data collection, and other appropriate joint insurer services where these will not impede the introduction of competition in premium rates.

(c) The rules shall expire on January 1, 1986 1984.

Sec. 9. Laws 1981, chapter 346, section 145, is amended to read:

Sec. 145. [REPEALER.]

Minnesota Statutes 1980, Sections 79.071, Subdivision 1; 79.074, Subdivision 1; 79.075; 79.076; 79.08; 79.09; 79.11; 79.12; 79.13; 79.14; 79.15; 79.16; 79.17; 79.171; 79.18; 79.19; 79.20; 79.21; 79.22, Subdivision 1; 79.221; 79.23; 79.24; 79.25; 79.26; 79.27; 79.28; 79.29; 79.30; 79.31; 79.32; and 79.33 are repealed effective July 1, 1983. Minnesota Statutes 1980, Sections 79.071, Subdivisions 2, 3, 4, 5, 6, and 7; 79.072; and 79.073 are repealed effective January 1, 1986 1984. Minnesota Statutes 1980, Sections 175.006, Subdivisions 1a and 2; 175.0061; 175.09; 176.111, Subdivision 11; and 176.441, Subdivision 2, are repealed.

Sec. 10. Minnesota Statutes 1982, section 175.006, subdivision 1, is amended to read:

Subdivision 1. [CREATION AND ORGANIZATION.] The division of workers' compensation, generally administering the workers' compensation law, is created within the department of labor and industry. ~~There is created as a separate appellate tribunal for workers' compensation, the workers' compensation court of appeals.~~

~~The workers' compensation court of appeals shall be composed of five judges each serving in the unclassified service of the state civil service. Of the five judges, at least three shall be learned in the law. Each judge of the workers' compensation court of appeals shall be appointed by the governor, by and with the advice and consent of the senate, for a term of six years. The judges of the workers' compensation court of appeals as now created shall be the judges of the workers' compensation court of appeals until the expiration of the terms for which they have been appointed and qualified.~~

Sec. 11. Minnesota Statutes 1982, section 175.007, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall appoint an advisory council on workers' compensation, which ~~shall consist~~ consists of five representatives of employers and five representatives of employees and ~~three~~ five nonvoting members representing the general public. The council may consult with ~~the judges of the workers' compensation court of appeals~~ any party it so desires. ~~The council shall expire and the terms, compensation and removal of members shall be as provided in section 15.059. The council is not subject to~~

section 15.059, subdivision 5.

Sec. 12. Minnesota Statutes 1982, section 175.08, is amended to read:

175.08 [OFFICE.]

The ~~workers' compensation court of appeals and the~~ department of labor and industry shall maintain ~~their~~ *its* main ~~offices~~ *office* within the Minneapolis-Saint Paul metropolitan area and be provided by the commissioner of administration with suitable rooms and necessary furniture. ~~The offices of the workers' compensation court of appeals and the department of labor and industry shall be in separate buildings. They~~ *It* may hold sessions at any other place in the state when ~~their convenience and that of the parties interested so requires~~ *it is convenient*.

Sec. 13. Minnesota Statutes 1982, section 175.10, is amended to read:

175.10 [SESSIONS TO BE PUBLIC.]

The department of labor and industry shall be open for the transaction of business during all business hours of each and every day, excepting Saturdays, Sundays and legal holidays. The hearings of ~~the workers' compensation court of appeals and the~~ workers' compensation division shall be open to the public and may be adjourned from time to time. All the proceedings of ~~the workers' compensation court of appeals and the~~ division shall be shown on their records, which shall be public records.

Sec. 14. Minnesota Statutes 1982, section 175.101, subdivision 1, is amended to read:

Subdivision 1. It is the legislative purpose in creating a division of workers' compensation, and in assigning to the commissioner of the department of labor and industry specific duties and responsibilities, to:

(a) provide for a unified department of labor and industry for the limited purposes of organization and administration of common administrative functions; *and*

(b) assure the autonomy and maximum independence of the necessary adjudicative functions and quasi-legislative administrative duties of the division; *and;*

(c) ~~separate and limit the functions and responsibilities of the existing workers' compensation court of appeals to those appropriate to an independent appellate reviewing body.~~

The commissioner of ~~the department of labor and industry~~ as head of the workers' compensation division is the administrator of the workers' compensation division. ~~He~~ *The commissioner* shall possess only ~~such~~ *the* powers and shall perform only ~~such~~ *the* duties as ~~are specifically~~ prescribed by law.

Sec. 15. Minnesota Statutes 1982, section 175.101, subdivision 2, is amended to read:

Subd. 2. The commissioner of ~~the department of labor and industry~~ shall keep a full and true record of all proceedings of the workers' compensation division ~~and the workers' compensation court of appeals~~, issue all necessary processes, writs, warrants, and notices which the division ~~or workers' compensation court of appeals~~ *are* is required or authorized to issue and generally

act as the administrator of the division of workers' compensation in the department of labor and industry. Notices and other documents required to be served or filed on the division of workers' compensation or the workers' compensation court of appeals shall be served on the commissioner of the department of labor and industry.

Sec. 16. Minnesota Statutes 1982, section 176.001, is amended to read:

176.001 [INTENT OF THE LEGISLATURE.]

It is the intent of the legislature that chapter 176 be interpreted so as to assure the quick and efficient delivery of indemnity and medical benefits to injured workers at a reasonable cost to the employers who are subject to the provisions of chapter 176. *It is the specific intent of the legislature that workers' compensation cases shall be decided on their merits and that the common law rule of "liberal construction" based on the supposed "remedial" basis of workers' compensation legislation shall not apply in such cases. The workers' compensation system in Minnesota is based on a mutual renunciation of common law rights and defenses by employers and employees alike. Employees' rights to sue for damages over and above medical and health care benefits and wage loss benefits are to a certain degree limited by the provisions of this chapter, and employers' rights to raise common law defenses such as lack of negligence, contributory negligence on the part of the employee, and others, are curtailed as well. Accordingly, the legislature hereby declares that the workers' compensation laws are not remedial in any sense and are not to be given a broad liberal construction in favor of the claimant or employee on the one hand, nor are the rights and interests of the employer to be favored over those of the employee on the other hand.*

Sec. 17. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

Subd. 23. [RETRAINING.] "Retraining" means a formal course of study in a school setting which is designed to train an employee to return to suitable gainful employment.

Sec. 18. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

Subd. 24. [HEALTH CARE PROVIDER.] "Health care provider" means a physician, podiatrist, chiropractor, dentist, optometrist, osteopath, psychologist, psychiatric social worker, or any other person who furnishes a medical or health service to an employee under this chapter but does not include a qualified rehabilitation consultant or approved vendor.

Sec. 19. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

Subd. 25. [MAXIMUM MEDICAL IMPROVEMENT.] "Maximum medical improvement" means the date after which no further significant recovery from or lasting significant improvement to a personal injury can reasonably be anticipated, based upon reasonable medical probability.

Sec. 20. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

Subd. 26. [MONITORING PERIOD.] "Monitoring period" means the

number of weeks during which economic recovery compensation pursuant to section 176.101, subdivision 3a, would have been paid if that compensation were payable.

Sec. 21. Minnesota Statutes 1982, section 176.012, is amended to read:

176.012 [ELECTION OF COVERAGE.]

The persons, partnerships and corporations described in this section may elect to provide the insurance coverage required by this chapter.

(a) An owner or owners of a business or farm may elect coverage for themselves.

(b) A partnership owning a business or farm may elect coverage for any partner.

(c) A family farm corporation as defined in section 500.24, subdivision 2, clause (c) may elect coverage for any executive officer.

(d) A closely held corporation which had less than 22,880 hours of payroll in the previous calendar year may elect coverage for any executive officer if that executive officer is also an owner of at least 25 percent of the stock of the corporation.

(e) *Individuals who are independent contractors as defined by rules adopted by the commissioner.*

The persons, partnerships and corporations described in this section may also elect coverage for an employee who is a spouse, parent or child, regardless of age, of an owner, partner, or executive officer, who is eligible for coverage under this section. Coverage may be elected for a spouse, parent or child whether or not coverage is elected for the related owner, partner or executive director and whether or not the person, partnership or corporation employs any other person to perform a service for hire. Any person for whom coverage is elected pursuant to this section shall be included within the meaning of the term employee for the purposes of this chapter.

Notice of election of coverage or of termination of election under this section shall be provided in writing to the insurer. Coverage or termination of coverage is effective the day following receipt of notice by the insurer or at a subsequent date if so indicated in the notice. The insurance policy shall be endorsed to indicate the names of those persons for whom coverage has been elected or terminated under this section. An election of coverage under this section shall continue in effect as long as a policy or renewal policy of the same insurer is in effect.

Nothing in this section shall be construed to limit the responsibilities of owners, partnerships or corporations to provide coverage for their employees, if any, as required under this chapter.

Sec. 22. Minnesota Statutes 1982, section 176.021, subdivision 1a, is amended to read:

ucbSubd. 1a. [BURDEN OF PROOF.] All disputed issues of fact arising under chapter 176 shall be determined by a preponderance of the evidence, and in accordance with the principles laid down in section 176.001. Pre-

ponderance of the evidence means evidence produced in substantiation of a fact which, when weighed against the evidence opposing the fact, has more convincing force and greater probability of truth.

Questions of law arising under chapter 176 shall be determined ~~in accordance with the rules of construction generally applied to all other civil matters on an even-handed basis in accordance with the principles laid down in section 176.001.~~

Sec. 23. Minnesota Statutes 1982, section 176.021, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION, COMMENCEMENT OF PAYMENT.] All employers shall commence payment of compensation at the time and in the manner prescribed by this chapter without the necessity of any agreement or any order of the division. Except for medical, burial, and other non-periodic benefits, payments shall be made as nearly as possible at the intervals when the wage was payable, provided, however, that payments for permanent partial disability shall be governed by ~~subdivision 3a section 176.101.~~ If doubt exists as to the eventual permanent partial disability, payment for the economic recovery compensation or impairment compensation, whichever is due, pursuant to ~~subdivision 3a section 176.101,~~ shall be then made when due for the minimum permanent partial disability ascertainable, and further payment shall be made upon any later ascertainment of greater permanent partial disability. ~~Prior to or at the time of any tender commencement of the lump sum payment of economic recovery compensation or impairment compensation,~~ the employee and employer shall be furnished with a copy of the medical report upon which the payment is based and all other medical reports which the insurer has that indicate a permanent partial disability rating, together with a statement by the insurer as to whether the tendered payment is for minimum permanent partial disability or final and eventual disability. ~~Compensation for permanent partial disability~~ After receipt of all reports available to the insurer that indicate a permanent partial disability rating, the employee shall make available or permit the insurer to obtain any medical report that the employee has or has knowledge of that contains a permanent partial disability rating which the insurer does not already have. Economic recovery compensation or impairment compensation pursuant to section 176.101 is payable in addition to but not concurrently with compensation for temporary total disability and temporary partial disability pursuant to section 176.101, subdivisions 1 and 2, and as provided in ~~subdivision 3a section 176.101.~~ ~~Compensation for permanent partial disability~~ Impairment compensation is payable concurrently and in addition to compensation for permanent total disability pursuant to section 176.101, subdivision 5, and as provided in ~~subdivision 3a section 176.101.~~ ~~Compensation for permanent partial disability~~ Economic recovery compensation or impairment compensation pursuant to section 176.101 shall be withheld pending completion of payment for temporary total and temporary partial disability but shall not be withheld pending payment of compensation for permanent total disability, and no credit shall be taken for payment of ~~permanent partial disability economic recovery compensation or impairment compensation~~ against liability for temporary total or permanent total disability. Liability on the part of an employer or his the insurer for disability of a temporary total, temporary partial, and permanent total nature shall be considered as a continuing

product and part of the employee's inability to earn or reduction in earning capacity due to injury or occupational disease and ~~shall be compensation~~ is payable accordingly, subject to ~~subdivision 3a section 176.101~~. ~~Permanent partial disability~~ *Economic recovery compensation or impairment compensation* is payable for functional loss of use or impairment of function, permanent in nature, and payment therefore shall be separate, distinct, and in addition to payment for any other compensation, subject to ~~subdivision 3a section 176.101~~. The right to receive temporary total, temporary partial, ~~permanent partial~~ or permanent total disability payments ~~shall vest~~ vests in the injured employee or ~~his~~ *the employee's* dependents under this chapter or, if none, in ~~his~~ *the employee's* legal heirs at the time the disability can be ascertained and the right ~~shall~~ is not be abrogated by the employee's death prior to the making of the payment.

The right to receive economic recovery compensation or impairment compensation vests in an injured employee at the time the disability is ascertained provided that the employee lives for at least 30 days beyond the date of the injury. Upon the death of an employee who is receiving economic recovery compensation or impairment compensation, further compensation is payable pursuant to section 176.101.

Sec. 24. Minnesota Statutes 1982, section 176.041, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYMENTS EXCLUDED.] This chapter does not apply to persons employed by any common carrier by railroad engaged in interstate or foreign commerce, which persons are covered by the Federal Employers' Liability Act (45 U.S.C. 51-60) or other comparable federal law; persons employed by family farms as defined by section 176.011, subdivision 11a, the spouse, parent and child, regardless of age, of a farmer employer working for him; partners engaged in any farm operation or partners engaged in a business and the spouse, parent, and child, regardless of age, of any of the partners of the farm operation or business; an executive officer of a family farm corporation; an executive officer of a closely held corporation referred to in section 176.012; any spouse, parent, or child, regardless of age, of an executive officer of a family farm corporation as defined in section 500.24, subdivision 2, employed by that family farm corporation; any spouse, parent, or child, regardless of age, of an executive officer of a closely held corporation referred to in section 176.012; or other farmers or members of their families exchanging work with the farmer employer or family farm corporation operator in the same community, or persons whose employment at the time of the injury is casual, and not in the usual course of the trade, business, profession, or occupation of his employer; *persons who are independent contractors as defined by rules adopted by the commissioner pursuant to section 176.83*; nor does it apply to officers or members of veteran's organizations whose employment relationship arises solely by virtue of attending meetings or conventions of their organization, unless the veteran's organizations elect by resolution to provide coverage under this chapter for the officers or members. Neither shall the chapter apply to any person employed as a household worker in, for, or about, a private home or household who earns less than \$500 in cash in any three month period from a single private home or household provided that any household worker who has earned \$500 or more from his present em-

ployer in any three month period within the previous year shall be covered by this chapter regardless of whether or not he has in the present quarter earned \$500. This chapter does not apply to those persons employed by a corporation where those persons are related by blood or marriage, within the third degree of kindred according to the rules of civil law, to all of the officers of the corporation, and if the corporation files a written election with the commissioner of labor and industry to have those persons excluded from this chapter *except that a written election is not required for a person who is otherwise excluded from this chapter by this section.* This chapter does not apply to a nonprofit association which does not pay more than \$500 in salary or wages in a year.

Sec. 25. Minnesota Statutes 1982, section 176.061, is amended to read:

176.061 [THIRD PARTY LIABILITY.]

Subdivision 1. [ELECTION OF REMEDIES.] Where an injury or death for which benefits are payable occurs under circumstances which create a legal liability for damages on the part of a party other than the employer and at the time of ~~such the~~ injury or death that party was insured or self-insured in accordance with this chapter, the employee, in case of injury, or ~~his the~~ employee's dependents, in case of death, may proceed either at law against that party to recover damages or against the employer for benefits, but not against both.

Subd. 2. [ACTION FOR RECOVERY OF DAMAGES.] If the employee, in case of injury, or ~~his the~~ employee's dependents, in case of death, brings an action for the recovery of damages, the amount thereof, the manner in which, and the persons to whom the same are payable, shall be as provided in this chapter. In no case shall ~~such the~~ party be liable to any person other than the employee or ~~his the~~ employee's dependents for any damages resulting from ~~such the~~ injury or death.

Subd. 3. [ELECTION TO RECEIVE BENEFITS FROM EMPLOYER; SUBROGATION.] If the employee or ~~his the~~ employee's dependents elect to receive benefits from the employer, or the special compensation fund, the employer, or the special compensation fund, *has a right of indemnity or is* subrogated to the right of the employee or ~~his the~~ employee's dependents to recover damages against the other party. The employer, or the attorney general on behalf of the special compensation fund, may bring legal proceedings against ~~such the~~ party and recover the aggregate amount of benefits payable to or on behalf of the employee or ~~his the~~ employee's dependents, together with costs, disbursements, and reasonable attorney's fees of the action.

If an action as provided in this chapter prosecuted by the employee, the employer, or the attorney general on behalf of the special compensation fund, against the third person, results in judgment against the third person, or settlement by the third person, the employer ~~shall have~~ *has no* liability to reimburse or hold the third person harmless on the judgment or settlement in absence of a written agreement to do so executed prior to the injury.

Subd. 4. [APPLICATION OF SUBDIVISIONS 1, 2, AND 3.] The provisions of subdivisions 1, 2, and 3 apply only where the employer liable for benefits and the other party legally liable for damages are insured or self-

insured and engaged, in the due course of business in, (a) furtherance of a common enterprise, or (b) in the accomplishment of the same or related purposes in operations on the premises where the injury was received at the time ~~thereof~~ *of the injury*.

Subd. 5. [CUMULATIVE REMEDIES.] Where an injury or death for which benefits are payable is caused under circumstances which created a legal liability for damages on the part of a party other than the employer, that party being then insured or self-insured in accordance with this chapter, and the provisions of subdivisions 1, 2, 3, and 4 do not apply, or the party other than the employer is not then insured or self-insured as provided by this chapter, legal proceedings may be taken by the employee or ~~his~~ *the employee's* dependents in accordance with clause (a), or by his employer, or by the attorney general on behalf of the special compensation fund, in accordance with clause (b), against the other party to recover damages, notwithstanding the payment by the employer, or the special compensation fund or their liability to pay benefits.

(a) If an action against the other party is brought by the injured employee or ~~his~~ *the employee's* dependents and a judgment is obtained and paid or settlement is made with the other party, the employer or the special compensation fund may deduct from the benefits payable the amount actually received by the employee or dependents or paid on their behalf in accordance with subdivision 6. If the action is not diligently prosecuted or if the court deems it advisable in order to protect the interests of the employer, or the special compensation fund, upon application the court may grant the employer, or the special compensation fund, the right to intervene in ~~any such~~ *the* action for the prosecution ~~thereof~~ *of the action*. If the injured employee or ~~his~~ *the employee's* dependents or any party on their behalf receives benefits from the employer, or the special compensation fund, or institute proceedings to recover ~~the same~~ *benefits* or accept from the employer, or the special compensation fund, any payment on account of the benefits, the employer, or the special compensation fund, is subrogated to the rights of the employee or ~~his~~ *the employee's* dependents or *has a right of indemnity against a third party*. This employer, or the attorney general on behalf of the special compensation fund, may maintain ~~an~~ *a separate* action or continue an action already instituted. This action may be maintained in the name of the employee or the names of the *employee's* dependents, or in the name of the employer or in the name of the attorney general on behalf of the special compensation fund against ~~such~~ *the* other party for the recovery of damages. If the action is not diligently prosecuted by the employer, or the attorney general on behalf of the special compensation fund, or the court deems it advisable in order to protect the interest of the employee, the court, upon application, may grant to the employee or ~~his~~ *the employee's* dependents the right to intervene in the action for the prosecution ~~thereof~~ *of the action*. The proceeds of ~~such~~ *the* action or settlement ~~thereof~~ *of the action* shall be paid in accordance with subdivision 6.

(b) If an employer, being then insured, sustains damages due to a change in workers' compensation insurance premiums, whether by a failure to achieve a decrease or by a retroactive or prospective increase, as a result of the injury or death of ~~his~~ *an* employee which was caused under circumstances which created a legal liability for damages on the part of a party

other than the employer, the employer, notwithstanding other remedies provided, may maintain an action against the other party for recovery of ~~such the~~ premiums. This cause of action may be brought either by joining in an action described in clause (a) or by a separate action. Damages recovered under this clause ~~shall be~~ *are* for the benefit of the employer and the provisions of subdivision 6 ~~shall are~~ not be applicable to ~~such the~~ damages.

(c) The third party is not liable to any person other than the employee or ~~his~~ *the employee's* dependents, or ~~his the~~ employer, or the special compensation fund, for any damages resulting from the injury or death.

A co-employee working for the same employer is not liable for a personal injury incurred by another employee unless the injury resulted from the gross negligence of the co-employee or was intentionally inflicted by the co-employee.

Subd. 6. [COSTS, ATTORNEY FEES, EXPENSES.] The proceeds of all actions for damages or settlement ~~thereof of an action~~ under this section, except for damages received under subdivision 5, clause (b) received by the injured employee or ~~his the employee's~~ dependents or by the employer, or the special compensation fund, as provided by subdivision 5, shall be divided as follows:

(a) After deducting the reasonable cost of collection, including but not limited to attorneys fees and burial expense in excess of the statutory liability, then

(b) One-third of the remainder shall in any event be paid to the injured employee or ~~his the employee's~~ dependents, without being subject to any right of subrogation.

(c) Out of the balance remaining, the employer, or the special compensation fund, shall be reimbursed in an amount equal to all benefits paid under this chapter to or on behalf of the employee or ~~his the employee's~~ dependents by the employer, or special compensation fund, less the product of the costs deducted under clause (a) divided by the total proceeds received by the employee or his dependents from the other party multiplied by all benefits paid by the employer, or the special compensation fund, to the employee or ~~his the employee's~~ dependents.

(d) Any balance remaining shall be paid to the employee or ~~his the employee's~~ dependents, and shall be a credit to employer, and the special compensation fund, for any benefits which employer is obligated to pay, but has not paid, and for any benefits that ~~such the~~ employer ~~shall be~~ *is* obligated to make in the future.

There shall be no reimbursement or credit to the employer, or the special compensation fund, for interest or penalties.

Subd. 7. [MEDICAL TREATMENT.] The liability of an employer, or the special compensation fund, for medical treatment *or payment of any other compensation* under this chapter ~~shall is~~ not be affected by the fact that ~~his the~~ employee was injured through the fault or negligence of a third party, against whom the employee may have a cause of action which may be sued under this chapter, but the employer, or the attorney general on behalf of the special compensation fund, ~~shall have~~ *has* a separate additional cause of

action against ~~such~~ the third party to recover any amounts paid for medical treatment or for other compensation payable under this section resulting from the negligence of ~~such~~ the third party. This separate cause of action of the employer, or the attorney general on behalf of the special compensation fund, may be asserted in a separate action brought by the employer, or the attorney general on behalf of the special compensation fund, against ~~such~~ the third party or in the action commenced by the employee or the employer, or the attorney general on behalf of the special compensation fund, under this chapter, but in the latter case the cause of action shall be separately stated, the amount awarded thereon shall be separately set out in the verdict, and the amount recovered by suit or otherwise as reimbursement for medical expenses or other compensation shall be for the benefit of the employer, or the special compensation fund, to the extent that the employer, or the special compensation fund, has paid or will be required to pay compensation or for medical treatment of the injured employee and ~~shall~~ does not affect the amount of periodic compensation to be paid.

Subd. 8. [STATE AS EMPLOYER.] In every case arising under subdivision 5 when the state is the employer and a settlement between the third party and the employee is made it is not valid unless prior notice thereof is given to the state within a reasonable time. If the state pays compensation to the employee under the provisions of this chapter and becomes subrogated to the rights of the employee or his dependents any settlement between the employee or his dependents and the third party is void as against the state's right of subrogation. When an action at law is instituted by an employee or his dependents against a third party for recovery of damages a copy of the complaint and notice of trial or note of issue in such action shall be served on the state. Any judgment rendered therein is subject to a lien of the state for the amount to which it is entitled to be subrogated under the provisions of subdivision 5.

Subd. 8a. [NOTICE TO EMPLOYER.] In every case arising under subdivision 5, a settlement between the third party and the employee is not valid unless prior notice of the intention to settle is given to the employer within a reasonable time. If the employer or insurer pays compensation to the employee under the provisions of this chapter and becomes subrogated to the right of the employee or the employee's dependents or has a right of indemnity, any settlement between the employee or the employee's dependents and the third party is void as against the employer's right of subrogation or indemnity unless prior notice was given. When an action at law is instituted by an employee or the employee's dependents against a third party for recovery of damages, a copy of the complaint and notice of trial or note of issue in the action shall be served on the employer or insurer. Any judgment rendered in the action is subject to a lien of the employer for the amount to which it is entitled to be subrogated or indemnified under the provisions of subdivision 5.

Subd. 9. [SERVICE OF NOTICE ON ATTORNEY GENERAL.] In every case in which the state is liable to pay compensation or is subrogated to the rights of the employee or his the employee's dependents or has a right of indemnity, all notices required to be given the state shall be served on the attorney general and the commissioner of the department of labor and industry.

Subd. 10. [INDEMNITY.] Notwithstanding the provisions of chapter 65B

or any other law to the contrary, an employer has a right of indemnity for any compensation paid or payable pursuant to this chapter, including temporary total compensation, temporary partial compensation, permanent partial disability economic recovery compensation, impairment compensation, medical compensation, rehabilitation, death, and permanent total compensation.

Sec. 26. Minnesota Statutes 1982, section 176.101, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY PARTIAL DISABILITY.] In all cases of temporary partial disability the compensation shall be $66 \frac{2}{3}$ percent of the difference between the ~~daily weekly~~ wage of the ~~worker~~ employee at the time of injury and the wage ~~he~~ the employee is able to earn in ~~his~~ the employee's partially disabled condition. This compensation shall be paid during the period of disability *except as provided in section 176.101*, payment to be made at the intervals when the wage was payable, as nearly as may be, and subject to a maximum compensation equal to the statewide average weekly wage. ~~If the employer does not furnish the worker with work which he can do in his temporary partially disabled condition and he is unable to procure such work with another employer, after reasonably diligent effort, the employee shall be paid at the full compensation rate for his or her temporary total disability.~~

Sec. 27. Minnesota Statutes 1982, section 176.101, subdivision 3, is amended to read:

Subd. 3. [PERMANENT PARTIAL DISABILITY.] For permanent partial disability compensation shall be that named in the following schedule; subject to a maximum compensation equal to the statewide weekly wage:

(1) For the loss of a thumb, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 65 weeks 13 percent of the whole body;

(2) For the loss of a first finger, commonly called index finger, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 40 weeks eight percent of the whole body;

(3) For the loss of a second finger, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 35 weeks seven percent of the whole body;

(4) For the loss of a third finger, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 25 weeks five percent of the whole body;

(5) For the loss of a fourth finger, commonly called the little finger, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 20 weeks four percent of the whole body;

(6) The loss of the first phalange of the thumb or of any finger, is considered equal to the loss of one-half of the thumb or finger and compensation shall be paid at the prescribed rate during one-half the time specified for the loss of the thumb or finger;

(7) The loss of one and one-half or more phalanges is considered equal to the loss of the entire finger or thumb; but in no case shall the amount received for more than one finger exceed the amount provided in this schedule for the loss of a hand;

(8) For the loss of a great toe, $66 \frac{2}{3}$ percent of the daily wage at the time of

injury during 35 weeks seven percent of the whole body;

(9) (7) For the loss of a toe other than a great toe, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 15 weeks *three percent of the whole body;*

(10) The loss of the first phalange of any toe is considered equal to the loss of one-half of the toe, and compensation shall be paid at the prescribed rate during one-half the time specified for the loss of the toe;

(11) The loss of one and one-half or more phalanges is considered equal to the loss of the entire toe;

(12) (8) For the loss of a hand, not including the wrist movement, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 195 weeks *40 percent of the whole body;*

(13) (9) For the loss of a hand, including wrist movement, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 220 weeks *44 percent of the whole body;*

(14) (10) For the loss of an arm, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 270 weeks *54 percent of the whole body;*

(15) Amputation of the arm below the elbow is considered the loss of a hand, including wrist movement, if enough of the forearm remains to permit the use of an effective artificial member, otherwise it is considered the loss of an arm;

(16) (11) For the loss of a foot, not including ankle movement, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 140 weeks *28 percent of the whole body;*

(17) (12) For the loss of a foot, including ankle movement, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 165 weeks *33 percent of the whole body;*

(18) (13) For the loss of a leg, if enough of the leg remains to permit the use of an effective artificial member, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 195 weeks *40 percent of the whole body;*

(19) (14) For the loss of a leg so close to the hip that no effective artificial member can be used, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 220 weeks *44 percent of the whole body;*

(20) Amputation of a leg below the knee is considered as equal to the loss of a foot, including ankle movement, if enough of the lower leg remains to permit the use of an effective artificial member, otherwise it is considered as equal to the loss of a leg;

(21) (15) For the loss of an eye, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 160 weeks *32 percent of the whole body;*

(22) (16) For the complete permanent loss of hearing in one ear, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 85 weeks *17 percent of the whole body;*

(23) (17) For the complete permanent loss of hearing in both ears, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 170 weeks *34 percent of the whole body;*

(24) (18) For the loss of an eye and a leg, $66 \frac{2}{3}$ percent of the daily wage at

the time of injury during 475 weeks 95 percent of the whole body;

(25) (19) For the loss of an eye and an arm, 66 2/3 percent of the daily wage at the time of injury during 475 weeks 95 percent of the whole body;

(26) (20) For the loss of an eye and a hand, 66 2/3 percent of the daily wage at the time of injury during 450 weeks 90 percent of the whole body;

(27) (21) For the loss of an eye and a foot, 66 2/3 percent of the daily wage at the time of injury during 400 weeks 80 percent of the whole body;

(28) (22) For the loss of two arms, other than at the shoulder, 66 2/3 percent of the daily wage at the time of injury during 500 weeks 100 percent of the whole body;

(29) (23) For the loss of two hands, 66 2/3 percent of the daily wage at the time of injury during 500 weeks 100 percent of the whole body;

(30) (24) For the loss of two legs, other than so close to the hips that no effective artificial member can be used, 66 2/3 percent of the daily wage at the time of injury during 500 weeks 100 percent of the whole body;

(31) (25) For the loss of two feet, 66 2/3 percent of the daily wage at the time of injury during 500 weeks 100 percent of the whole body;

(32) (26) For the loss of one arm and the other hand, 66 2/3 percent of the daily wage at the time of injury during 500 weeks 100 percent of the whole body;

(33) (27) For the loss of one hand and one foot, 66 2/3 percent of the daily wage at the time of injury during 500 weeks 100 percent of the whole body;

(34) (28) For the loss of one leg and the other foot, 66 2/3 percent of the daily wage at the time of injury during 500 weeks 100 percent of the whole body;

(35) (29) For the loss of one leg and one hand, 66 2/3 percent of the daily wage at the time of injury during 500 weeks 100 percent of the whole body;

(36) (30) For the loss of one arm and one foot, 66 2/3 percent of the daily wage at the time of injury during 500 weeks 100 percent of the whole body;

(37) (31) For the loss of one arm and one leg, 66 2/3 percent of the daily wage at the time of injury during 500 weeks 100 percent of the whole body;

(38) (32) For loss of the voice mechanism, 66 2/3 percent of the daily wage at the time of injury during 500 weeks 100 percent of the whole body;

(39) (33) For head injuries, 66 2/3 percent of the daily wage at the time of injury for that proportion of 500 weeks 100 percent which is represented by its percentage of the permanent partial disability to the entire body as is determined from competent testimony at a hearing before a compensation judge or as determined by the workers' compensation court of appeals in cases on appeal;

(40) (34) For permanent partial disability resulting from injury to any internal organ until such time as the commissioner of labor and industry shall promulgate a schedule of internal organs and thereafter for internal organs covered by the schedule of internal organs established by the commissioner, 66 2/3 percent of the daily wage at time of injury for that proportion of 500

weeks, not to exceed 500 weeks 100 percent, as determined by the commissioner; which is the proportionate amount of permanent partial disability caused to the entire body by the injury as is determined from competent testimony at a hearing before a compensation judge or the workers' compensation court of appeals;

(41) (35) For disfigurement or scarring not resulting from the loss of a member or other injury specifically compensated, affecting the employability or advancement opportunity of the injured person in the employment in which he was injured or other employment for which the employee is then qualified or for which the employee has become qualified, 66 2/3 percent of the daily wage at the time of injury during the period the parties agree to or the compensation judge or the workers' compensation court of appeals in cases on appeal determines; not exceeding 90 weeks 18 percent of the whole body;

(42) (36) For permanent partial disability resulting from injury to the back, 66 2/3 percent of the daily wage at the time of injury for that proportion of 350 weeks which is represented by the percentage of the permanent partial disability as is determined from competent testimony at a hearing before a compensation judge, the commissioner, or the workers' compensation court of appeals 70 percent of the whole body;

(43) (37) When an employee sustains concurrent injuries resulting in concurrent disabilities he shall receive compensation only for the injury which entitled him to the largest amount of compensation, but this does not affect liability for disfigurement affecting the employability of the injured person or liability for the concurrent loss of more than one member, for which members compensations are provided in the specific schedule and in subdivision 5;

(44) In all cases of permanent partial disability it is considered that the permanent loss of the use of a member is equivalent to and draws the same compensation as the loss of that member, but the compensation in and by this schedule provided shall be in lieu of all other compensation in these cases, except as otherwise provided by this section;

In the event a worker has been awarded or is entitled to receive compensation for loss of use of a member under any workers' compensation law, and thereafter sustains loss of the member under circumstances entitling him to compensation therefor under this subdivision, the amount of compensation awarded, or that he is entitled to receive, for the loss of use, is to be deducted from the compensation due under the schedules of this section for the loss of the member, provided, that the amount of compensation due for the loss of the member caused by the subsequent accident is in no case less than 25 percent of the compensation payable under the schedule of this section for the loss of the member;

(45) (38) In cases of permanent partial disability due to injury to a member, resulting in less than total loss of the member, not otherwise compensated in this schedule, compensation shall be paid at the prescribed rate during that part of the time specified in the schedule for the total loss of the member which the extent of the injury to the member bears to its total loss as determined by rules adopted by the commissioner;

(46) In cases of permanent partial disability caused by simultaneous injury to

two or more members; the applicable schedules in this subdivision shall be increased by 15 percent. This clause shall not apply when the injuries are compensated under paragraphs 22 to 37 inclusive, of this subdivision. In cases of partial disability due to injury to both eyes resulting in less than total loss of vision in one or both eyes compensation shall be paid at the prescribed rate during that part of 450 weeks which the extent of the combined injury to both eyes bears to the complete loss of industrial vision;

(47) The commissioner may make or revise rules for the determination of the extent of the impairment of the industrial use of one or both eyes taking into account all primary coordinate factors of vision. These rules shall be made or revised after consultation with experts on industrial vision and after public notice to and hearing of interested parties;

(48) (39) For permanent partial disability resulting from injury to the body as a whole due to burns, 66 $\frac{2}{3}$ percent of the daily wage at the time of injury, for that proportion of 350 weeks 70 percent which is represented by the percentage of the permanent partial disability as is determined from competent testimony at a hearing before a compensation judge or as determined by the workers' compensation court of appeals in cases on appeal, the compensation to be paid in addition to the compensation as employee would otherwise be entitled to for loss of use of a member in accordance with this section;

(49) In all cases of permanent partial disability not enumerated in this schedule the compensation shall be 66 $\frac{2}{3}$ percent of the difference between the daily wage of the worker at the time of the injury and the daily wage he is able to earn in his partially disabled condition; subject to a maximum equal to the statewide average weekly wage; and continue during disability; not to exceed 350 weeks; and if the employer does not furnish the worker with work which he can do in his permanently partially disabled condition and he is unable to secure such work with another employer after a reasonably diligent effort, the employee shall be paid at his or her maximum rate of compensation for total disability.

Sec. 28. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3a. [ECONOMIC RECOVERY COMPENSATION.] If an employee is not eligible for an impairment award pursuant to subdivision 3b, then the employee shall receive economic recovery compensation for a permanent partial disability pursuant to this subdivision. The compensation shall be 66-2/3 percent of the weekly wage at the time of injury subject to a maximum equal to the statewide average weekly wage. For permanent partial disability up to the percent of the whole body in the following schedule the compensation shall be paid for the proportion that the loss of function of the disabled part bears to the whole body multiplied by the number of weeks aligned with that percent.

<i>Percent of disability</i>	<i>Weeks of compensation</i>
<i>0-35</i>	<i>500</i>
<i>36-45</i>	<i>600</i>
<i>46-55</i>	<i>700</i>
<i>56-70</i>	<i>800</i>
<i>71-80</i>	<i>1000</i>
<i>81-100</i>	<i>1200</i>

The percentage loss in all cases under this subdivision is determined according to the rules adopted by the commissioner pursuant to section 176.105, subdivision 4. This subdivision shall apply to a permanent partial disability incurred on or after the adoption of those rules.

Sec. 29. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3b. [IMPAIRMENT COMPENSATION.] An employee who suffers a permanent partial disability due to a personal injury and receives impairment compensation under this section shall receive compensation in an amount as provided by this subdivision. For permanent partial disability up to the percent of the whole body shown in the following schedule the amount shall be equal to the proportion that the loss of function of the disabled part bears to the whole body multiplied by the amount aligned with that percent in the following schedule:

<i>Percent of disability</i>	<i>Amount</i>
<i>0-35</i>	<i>60,000</i>
<i>36-45</i>	<i>75,000</i>
<i>46-55</i>	<i>85,000</i>
<i>56-70</i>	<i>100,000</i>
<i>71-80</i>	<i>150,000</i>
<i>81-100</i>	<i>240,000</i>

For all cases under this subdivision the percentage loss of function of a part of the body is determined by the commissioner pursuant to section 176.105, subdivision 4. This subdivision shall apply to a permanent partial disability incurred on or after the adoption of those rules.

Sec. 30. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3c. [MAXIMUM PAYABLE.] The maximum amount payable under subdivisions 3a and 3b is the maximum compensation payable to an employee who has a disability to the body as a whole and under no conditions shall an employee receive more than those amounts even if the employee sustains a disability to two or more body parts.

Sec. 31. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3d. [GENERAL.] An employee who has incurred a personal injury shall receive temporary total compensation until these benefits are no longer payable pursuant to this section. If the injury results in a permanent partial disability, the employee shall receive compensation as provided in this section.

Sec. 32. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3e. [END OF TEMPORARY TOTAL COMPENSATION.] (a) 90 days after an employee has reached maximum medical improvement or 90 days after the end of an approved retraining program, whichever is later, the employee's temporary total compensation shall cease. This cessation shall occur at an earlier date if otherwise provided by this section. If prior to the termination of this 90-day period the employee retires or the employer fur-

nishes work to the employee that the employee can do in his or her physical condition or the employer procures this employment with another employer or the employee accepts this job with another employer, temporary total compensation shall cease. If the injury resulted in permanent partial disability, the employee shall receive impairment compensation pursuant to subdivision 3b. This impairment compensation is in lieu of economic recovery compensation under subdivision 3a, and the employee shall not receive both economic recovery compensation and impairment compensation for the same disability. Temporary total compensation and impairment compensation shall not be paid concurrently. Once temporary total compensation ceases no further temporary total compensation is payable except as specifically provided in this section.

(b) If the job offered under clause (a) is not the job the employee had at the time of injury it shall state any information necessary to fully and completely inform the employee of the job duties and responsibilities and shall agree to pay temporary partial compensation if appropriate.

The employee has 14 calendar days to accept or reject the job offer. If the employee does not respond within this period it is deemed a refusal of the offer.

(c) Self employment may be an appropriate job under this subdivision.

The commissioner shall monitor application of this subdivision and may adopt rules to assure its proper application.

Sec. 33. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3f. [ACCEPTANCE OF JOB OFFER.] If the employee accepts a job offer described in subdivision 3e and begins work at that job, the impairment compensation shall be paid in a lump sum 30 calendar days after the return to work.

Sec. 34. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3g. [TEMPORARY PARTIAL COMPENSATION.] An employee who accepts a job under subdivision 3e and begins that job shall receive temporary partial compensation pursuant to subdivision 2, if appropriate.

Sec. 35. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3h. [LAYOFF BECAUSE OF LACK OF WORK OR RELEASED FOR OTHER THAN SEASONAL CONDITIONS.] (a) If an employee accepts a job under subdivision 3e and begins work at that job and is subsequently unemployed because of economic conditions, other than seasonal conditions, the employee shall receive monitoring period compensation pursuant to clause (b). In addition, the employer who was the employer at the time of the injury shall provide rehabilitation consultation if the employee remains unemployed for 45 calendar days. The commissioner may waive this rehabilitation consultation if the commissioner deems it appropriate. Further rehabilitation, if deemed appropriate, is governed by section 176.102.

(b) Upon the employee's initial return to work the monitoring period begins

to run. If the employee is unemployed for the reason in clause (a), prior to the end of the monitoring period the employee shall receive monitoring period compensation. This compensation shall be paid for the lesser of (1) the weeks remaining in the monitoring period, or (2) the weeks equal to the monitoring period minus the impairment compensation paid to the employee. For purposes of this clause the impairment compensation shall be converted to weeks by dividing the impairment compensation received by the employee by the employee's compensation rate for temporary total disability at the time of the injury. No monitoring period compensation is payable if the unemployment occurs after the expiration of the monitoring period. Monitoring period compensation is payable at the same intervals and amount as temporary total compensation was paid.

(c) If the employee returns to work and is still receiving monitoring period compensation, this compensation shall cease. Any period remaining in the monitoring period upon this return to work shall be used to determine further benefits if the employee is again unemployed under clause (a).

(d) Upon the employee's return to work pursuant to this section the employer shall notify the employee of the length of the employee's monitoring period and shall notify the employee of the amount of impairment to be paid and the date of payment.

Sec. 36. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3i. [MEDICALLY UNABLE TO CONTINUE WORK.] (a) If the employee has started the job offered under subdivision 3e and is medically unable to continue at that job, that employee shall receive compensation pursuant to clause (b). In addition, the employer who was the employer at the time of the injury shall provide rehabilitation consultation. Further rehabilitation, if deemed appropriate, is governed by section 176.102.

(b) Compensation shall be paid for up to 90 days after the employee has reached maximum medical improvement or 90 days after the end of an approved retraining plan or 90 days after the employee has ceased work because of medical inability to continue, whichever is later. The temporary total compensation shall cease at any time within the 90-day period that the employee begins work meeting the requirements of subdivision 3e. If no such job is offered to the employee by the end of this 90-day period, the employee shall receive economic recovery compensation pursuant to this section except that this economic recovery compensation shall be reduced by the impairment compensation previously received by the employee for the same disability.

Sec. 37. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3j. [UNEMPLOYMENT DUE TO SEASONAL CONDITION.] If an employee has started the job offered under subdivision 3e and is subsequently unemployed from that job because of the job's seasonal nature, the employee shall receive any unemployment compensation the employee is eligible for pursuant to chapter 268. The employee shall receive, in addition and concurrently, the amount that the employee was receiving for temporary partial disability at the time of the layoff. No further or additional compen-

sation is payable under this chapter because of the seasonal layoff.

Sec. 38. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3k. [FAILURE TO ACCEPT JOB OFFER.] If the employee has been offered a job under subdivision 3e and has refused the offer for reasons other than the employee is in an approved retraining program, the impairment compensation shall not be paid in a lump sum but shall be paid in the same interval and amount that temporary total compensation was paid. Temporary total compensation shall cease upon the employee's refusal to accept the job offered and no further or additional temporary total compensation is payable. The payment of the periodic impairment compensation shall cease when the amount the employee is eligible to receive under subdivision 3b is reached, after which time the employee shall not receive additional impairment compensation or any other compensation under this chapter unless the employee has a greater permanent partial disability than already compensated for.

Sec. 39. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3l. [RETURN TO WORK AFTER REFUSAL OF JOB OFFER.] If the employee has refused the job offer under subdivision 3e and is receiving periodic impairment compensation and returns to work at another job, the employee shall receive the remaining impairment compensation due, in a lump sum, 30 days after return to work.

Sec. 40. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3m. [NO TEMPORARY PARTIAL COMPENSATION OR REHABILITATION IF JOB OFFER REFUSED.] An employee who has been offered a job under subdivision 3 and who has refused the offer and who subsequently returns to work shall not receive temporary partial compensation pursuant to subdivision 2 if the job the employee returns to provides a wage less than the wage at the time of the injury. No rehabilitation shall be provided to this employee.

Sec. 41. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3n. [INABILITY TO RETURN TO WORK.] (a) An employee who is permanently totally disabled pursuant to subdivision 5 shall receive impairment compensation pursuant to subdivision 3b. This compensation is payable in addition to permanent total compensation pursuant to subdivision 4 and is payable concurrently. In this case the impairment compensation shall be paid in the same intervals and amount as the permanent total compensation is paid, and the impairment compensation shall cease when the amount due under subdivision 3b is reached. If this employee returns to work at any job during the period the impairment compensation is being paid, the remaining impairment compensation due shall be paid in a lump sum 30 days after the employee has returned to work and no further temporary total compensation shall be paid.

(b) If an employee is receiving or has received economic recovery com-

ensation and is determined to be permanently totally disabled no offset shall be taken against permanent total compensation for the compensation paid. No further economic recovery compensation is payable even if the amount due the employee pursuant to subdivision 3a has not yet been reached.

(c) If the employee has or is receiving impairment compensation and is determined to be permanently totally disabled no credit shall be taken for the compensation received. If any of this compensation remains to be paid, it shall cease and clause (d) of this subdivision applies.

(d) An employee who has received economic recovery compensation or impairment compensation and who meets the criteria under clause (b) or (c) of this subdivision shall receive impairment compensation pursuant to clause (a) of this subdivision even if the employee has previously received economic recovery compensation or impairment compensation for that disability.

(e) Rehabilitation consultation pursuant to section 176.102 shall be provided to an employee who is permanently totally disabled.

Sec. 42. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3o. [NO JOB OFFER.] Where the employee has a permanent partial disability and has reached maximum medical improvement or upon completion of an approved retraining program, whichever is later, that employee shall receive economic recovery compensation pursuant to subdivision 3a if no job offer meeting the criteria of the job in subdivision 3e is made within 90 days after reaching maximum medical improvement or 90 days after the end of an approved retraining plan, whichever is later.

Temporary total compensation shall cease upon commencement of the payment of economic recovery compensation. Temporary total compensation shall not be paid concurrently with economic recovery compensation.

Sec. 43. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3p. [METHOD OF PAYMENT OF ECONOMIC RECOVERY COMPENSATION.] (a) Economic recovery compensation is only payable at the same intervals and in the same amount as temporary total compensation was paid. Economic recovery compensation shall not be paid in a lump sum except as provided in this subdivision. If the employee returns to work and the economic recovery compensation is still being paid, the remaining economic recovery compensation due shall be paid in a lump sum 30 days after the employee has returned to work.

Sec. 44. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3q. [PAYMENT OF COMPENSATION AT DEATH.] If an employee receiving economic recovery compensation or impairment compensation in periodic amounts dies during the period from causes unrelated to the injury, the compensation shall be paid in the following manner:

(a) If the deceased employee leaves a dependent surviving spouse and no dependent children, as defined by section 176.111, subdivision 1, the spouse shall receive the weekly economic recovery or impairment compensation

that the deceased was receiving before the death. This compensation shall be paid for a period of up to ten years after the date of death at which time payments and future entitlement to it ceases.

(b) If the deceased employee leaves a dependent spouse and dependent children, as defined in section 176.111, subdivision 1, the periodic economic recovery or impairment compensation shall continue to be paid to the surviving spouse for up to ten years after the youngest child is no longer dependent after which time payments and future entitlement to the compensation ceases.

(c) Payment of compensation under this subdivision shall cease prior to the end of the ten-year periods in this subdivision if the amount to which the employee is entitled to receive under subdivision 3, 3a, or 3b, is reached prior to the end of the ten-year period. If the deceased employee is not survived by dependent children or a dependent spouse as defined by section 176.111, no further economic recovery compensation or impairment compensation is payable to any person under this subdivision.

(d) If the death results from the injury, the payment of economic recovery compensation or impairment compensation shall cease upon the death and death benefits are payable pursuant to section 176.111.

Sec. 45. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3r. [ADDITIONAL ECONOMIC RECOVERY COMPENSATION OR IMPAIRMENT COMPENSATION.] No additional economic recovery compensation or impairment compensation is payable to an employee who has received that compensation to which the employee is entitled pursuant to subdivision 3a or 3b unless the employee has a greater permanent partial disability than already compensated.

Sec. 46. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3s. [MINIMUM ECONOMIC RECOVERY COMPENSATION.] (a) Economic recovery compensation pursuant to this section shall be at least 110 percent of the impairment compensation the employee would receive if that compensation were payable to the employee. The monitoring period shall be at least 110 percent of the weeks during which impairment compensation would be payable if paid weekly.

(b) An employee who has suffered a personal injury for which temporary total compensation is payable but which produces no permanent partial disability shall receive 26 weeks of economic recovery compensation if no job is offered within the time specified in and meeting the criteria of subdivision 3e.

Sec. 47. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3t. [MEDICAL BENEFITS.] This section does not in any way limit the medical benefits to which an injured employee is otherwise entitled pursuant to this chapter.

Sec. 48. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3u. [ADMINISTRATIVE CONFERENCE.] The provisions of section 176.242 apply if there exists a dispute regarding maximum medical improvement or whether the job offered meets the criteria under subdivision 3e.

Sec. 49. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 4a. [PREEXISTING CONDITION OR DISABILITY; APPORTIONMENT.] (a) If a personal injury results in a disability which is attributable in part to a preexisting disability, the compensation payable for the permanent partial disability pursuant to this section shall be equal to the proportion of the disability which is not attributable to the preexisting disability.

Sec. 50. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 4b. [LEGISLATIVE INTENT.] The legislature reaffirms its intent that the reduction of compensation benefits pursuant to subdivision 4 is applicable after an employee has received a total of \$25,000 of weekly compensation including compensation under subdivisions 1, 2, and 4 of this section.

Sec. 51. Minnesota Statutes 1982, section 176.101, subdivision 6, is amended to read:

Subd. 6. [MINORS.] If any employee entitled to the benefits of this chapter is a minor or is an apprentice of any age and sustains a personal injury arising out of and in the course of employment resulting in permanent total or a compensable permanent partial disability, for the purpose of computing the compensation to which he the employee is entitled for said the injury the compensation rate for temporary total, temporary partial, ~~retaining~~, a permanent partial or permanent total disability or economic recovery compensation shall be the larger of either the statewide average weekly wage or the employees weekly wage, but in no case shall the compensation exceed the maximum weekly compensation rate payable under this chapter.

Sec. 52. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 8. [RETIREMENT PRESUMPTION.] For injuries occurring after the effective date of this subdivision an employee who is eligible to receive social security old age insurance retirement benefits is presumed retired from the labor market. This presumption is rebuttable by a preponderance of the evidence.

Sec. 53. Minnesota Statutes 1982, section 176.102, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] Vocational Rehabilitation shall train an is intended to restore the injured employee, through physical and vocational rehabilitation, so he the employee may be returned return to a job related to his the employee's former employment or to a job in another work area which produces an economic status as close as possible to that he the employee would have enjoyed without disability. Rehabilitation to a job with a higher economic status than would have occurred without disability is per-

mitted if it can be demonstrated that this rehabilitation is necessary to increase the likelihood of reemployment. Economic status is to be measured not only by opportunity for immediate income but also by opportunity for future income.

Sec. 54. Minnesota Statutes 1982, section 176.102, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATORS.] The commissioner of labor and industry shall hire a director of medical care and rehabilitation services in the classified service. The commissioner of labor and industry is responsible for supervising shall monitor medical care and supervise rehabilitation services, including, but not limited to, making determinations regarding the selection and delivery of medical care and rehabilitation services and the criteria used to approve qualified rehabilitation consultants and rehabilitation vendors. The commissioner may also make determinations regarding fees for rehabilitation services, the fitness of qualified rehabilitation consultants and vendors to continue to be approved under this section and has authority to discipline, by fine or otherwise, the consultants or vendors who act in violation of this chapter or rules adopted pursuant to this chapter. The commissioner of labor and industry may hire qualified personnel and shall hire a medical consultant to assist in his duties under this section and may delegate his duties and performance.

The medical consultant shall be a doctor of medicine licensed under the laws of Minnesota.

The medical consultant shall perform all duties assigned by the commissioner relating to the supervision of the total continuum of care of injured employees and shall also advise the department on matters on which the commissioner requests the consultant's advice or if the consultant deems it appropriate.

Sec. 55. Minnesota Statutes 1982, section 176.102, subdivision 3, is amended to read:

Subd. 3. [REVIEW PANEL.] There is created a rehabilitation review panel composed of the commissioner of labor and industry or his a designee, who shall serve as an ex officio member and two members each from labor, employers, insurers, vocational rehabilitation, and medicine and, one member representing chiropractors, four members representing employers and four members representing labor. The members shall be appointed by the governor commissioner and shall serve four year four-year terms which may be renewed. Compensation for members shall be governed by section 15.0575. The panel shall select a chairman. The panel shall (a) review and make a determination with respect to (a) appeals regarding eligibility for rehabilitation services, rehabilitation plans and rehabilitation benefits under subdivision 9; (b) hold appeals on any other rehabilitation issue the commissioner determines under this section; and (c) appeals regarding fee disputes, penalties, discipline, certification approval or revocation of certification approval hearings; (e) of registration of qualified rehabilitation consultants and approved vendors. The panel shall continuously study rehabilitation services and delivery and (d) develop and recommend rehabilitation rules as necessary to the commissioner of labor and industry. A majority vote of those attending a panel hearing under subdivision 6 shall constitute the decision of

the board.

Sec. 56. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 3a. [REVIEW PANEL APPEALS.] Appeals to the review panel shall be heard before a panel of three members designated by the review panel. Each three-member panel shall consist of one labor member, one employer or insurer member, and one member representing medicine, chiropractic, or rehabilitation. The determination of the three-member panel shall be by a majority vote and the determination shall represent the determination of the rehabilitation review panel. When conducting a review of the commissioner's determination regarding any rehabilitation issue or plan the panel shall give the parties notice that the appeal will be heard. This notice shall be given at least ten working days prior to the hearing. The notice shall state that parties may be represented by counsel at the hearing. In conducting its review the panel shall permit an interested party to present relevant, competent, oral or written evidence and to cross-examine opposing evidence. Evidence presented is not limited to the evidence previously submitted to the commissioner. A record of the proceeding shall be made by the panel. Upon determination of the issue presented, the panel shall issue to the interested parties a written decision and order. The decision need not contain a recitation of the evidence presented at the hearing, but shall be limited to the panel's basis for the decision.

Sec. 57. Minnesota Statutes 1982, section 176.102, subdivision 4, is amended to read:

Subd. 4. [REHABILITATION PLAN; DEVELOPMENT.] Within 30 days of the time an employer or his insurer has medical information that an employee is unable due to a personal injury or occupational disease to return to his preinjury occupation the employer shall provide rehabilitation consultation for the employee. The employee, however, has the final decision on which rehabilitation agency is to be utilized pursuant to the provisions of this section. The consultation shall be done by any person or public or private institution approved by the commissioner of labor and industry. If the consultant determines rehabilitation would significantly reduce or eliminate the decrease in employability, the employer or insurer in conjunction with the rehabilitation consultant shall submit a specific plan of rehabilitation to the commissioner. If the employer does not provide rehabilitation consultation, when required by this section, within the time specified by this subdivision, the commissioner of labor and industry shall notify the employer and insurer that should they fail to provide rehabilitation consultation within 45 days from the receipt of the commissioner's notice, the division of vocational rehabilitation shall be authorized to provide the rehabilitation consultation for the employee. If the employee refuses to submit to any reasonable examinations and evaluative procedures to determine the need for and the details of a plan of rehabilitation, the amount of compensation may be reduced or the right to compensation may be suspended by an order of the division or workers' compensation court of appeals in a matter before it. In developing a plan, consideration shall be given to the employee's age, education, previous work history, interests and skills. (a) An employer or insurer shall provide rehabilitation consultation to an injured employee within five days after the employee has 60 days of lost work time due to the personal injury, except as otherwise provided in this subdivi-

sion. Where an employee has incurred an injury to the back, the consultation shall be made within five days after the employee has 30 days of lost work time due to the injury. The lost work time in either case may be intermittent lost work time. If an employer or insurer has medical information at any time prior to the time specified in this subdivision that the employee will be unable to return to the job the employee held at the time of the injury rehabilitation consultation shall be made immediately after receipt of this information.

For purposes of this section "lost work time" means only those days during which the employee would actually be working but for the injury. In the case of the construction industry, mining industry, or other industry where the hours and days of work are affected by seasonal conditions, "lost work time" shall be computed by using the normal schedule worked when employees are working full time.

If the employee objects to the employer's selection of a qualified rehabilitation consultant, the employee shall notify the employer and the commissioner in writing of the objection.

Upon receipt of the notice of objection, the commissioner may schedule an administrative conference for the purpose of determining which qualified rehabilitation consultant may be mutually acceptable. The employee has the final decision on which qualified rehabilitation consultant is to be utilized.

The employee and employer shall enter into a program if one is prescribed in a rehabilitation plan. A copy of the plan, including a target date for return to work, shall be submitted to the commissioner.

(b) If the employer does not provide rehabilitation consultation as required by this section, the commissioner shall notify the employer that if the employer fails to appoint a qualified rehabilitation consultant within 15 days to conduct a rehabilitation consultation, the commissioner shall appoint a qualified rehabilitation consultant to provide the consultation at the expense of the employer unless the commissioner determines the consultation is not required.

(c) In developing a rehabilitation plan consideration shall be given to the employee's qualifications, including but not limited to age, education, previous work history, interest, transferable skills, and present and future labor market conditions.

(d) The commissioner may waive rehabilitation consultation under this section if the commissioner is satisfied that the employee will return to work in the near future or that rehabilitation consultation will not be useful in returning an employee to work.

Sec. 58. Minnesota Statutes 1982, section 176.102, subdivision 5, is amended to read:

Subd. 5. [ON THE JOB TRAINING.] On the job training is to be given consideration in developing a rehabilitation plan especially where it would produce an economic status similar to that enjoyed prior to disability. ~~When a rehabilitation plan includes on the job training, the employee shall receive compensation while employed in an amount equal to the after tax wage the employee received at the time of the personal injury. This compensation shall be paid in whole or in part by the insurer liable for compensation for the em-~~

ployee's personal injury. The amount of compensation to be paid by this insurer shall be determined in the rehabilitation plan prepared pursuant to this section. Any difference between the amount of compensation the insurer is paying and the after tax wage the employee received at the time of the personal injury shall be paid by the on the job employer, but in no case shall this employer's amount exceed the prevailing wage for the job. After tax wage shall be determined by subtracting federal and state income tax from the employee's gross wage.

A rehabilitation plan which includes on the job training shall attempt to create an incentive for an employer to hire the employee for on the job training. This incentive may be in the form of reducing the on the job training employer's wages paid to the employee to a level which is less than the prevailing wage for the job, provided that the total compensation from the insurer, required by this section, and the wages paid by the on the job training employer is not less than the after tax wage received by the employee at the time of the personal injury. The compensation from the insurer and the on the job training employer paid pursuant to this subdivision is in lieu of temporary total disability payments and the additional compensation provided in subdivision 11.

Sec. 59. Minnesota Statutes 1982, section 176.102, subdivision 6, is amended to read:

Subd. 6. [PLAN, ELIGIBILITY FOR REHABILITATION, APPROVAL AND APPEAL.] The commissioner of labor and industry shall determine eligibility for rehabilitation services and shall review, approve, modify or reject rehabilitation plans developed under subdivision 4. The commissioner shall also make determinations regarding rehabilitation issues not necessarily part of a plan including, but not limited to, determinations regarding whether an employee is eligible for further rehabilitation and the benefits under subdivision 9 to which an employee is entitled. Any persons aggrieved by A decision of the commissioner may appeal be appealed to the rehabilitation review panel within 30 days of the commissioner's decision. The decision of the panel may be appealed to the workers' compensation court of appeals in the same manner as other matters appealed to the court. The panel may approve or reject the decision of the commissioner. If it rejects the commissioner's decision it may formulate its own rehabilitation plan.

Sec. 60. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 6a. [ELIGIBILITY DETERMINATION.] The commissioner has the sole authority under this chapter to determine eligibility for rehabilitation services under this section and to review, approve, modify, or reject rehabilitation plans and make other rehabilitation determinations pursuant to this chapter. These determinations shall not be made by a compensation judge but may be appealed to the rehabilitation review panel and workers' compensation court of appeals as provided by subdivision 6.

Sec. 61. Minnesota Statutes 1982, section 176.102, subdivision 7, is amended to read:

Subd. 7. [PLAN IMPLEMENTATION; REPORTS.] Upon request by the commissioner, insurer or, employer or employee, medical and rehabilitation reports shall be made by the provider of the medical and rehabilitation ser-

vice to the commissioner of labor and industry, insurer and, employer or employee of an employee's progress under a plan.

Sec. 62. Minnesota Statutes 1982, section 176.102, subdivision 8, is amended to read:

Subd. 8. [PLAN MODIFICATION.] Upon request of ~~to the commissioner~~ by the employer, the insurer, or employee ~~to the commissioner~~, or upon the commissioner's own request, the plan may be suspended, terminated or altered upon a showing of good cause ~~therefor~~, including:

(a) a physical impairment that does not allow the employee to pursue the ~~vocation being trained for rehabilitation plan~~;

(b) the employee's performance level indicates ~~he cannot complete~~ the plan ~~will not be successfully completed~~; or

(c) an employee does not cooperate with a plan.

An employee may request a change in a rehabilitation plan once because ~~he~~ ~~the employee feels he is not suited~~ ill-suited for the type of work for which ~~training~~ rehabilitation is being provided if the request is made within 90 days of the start of the plan. Any decision of the commissioner regarding a change in a plan may be appealed to the *rehabilitation review* panel within ~~15~~ 30 days of the decision.

Sec. 63. Minnesota Statutes 1982, section 176.102, subdivision 9, is amended to read:

Subd. 9. [PLAN, COSTS.] An employer is liable for the following rehabilitation expenses under this section:

(a) Cost of ~~vocational~~ rehabilitation ~~diagnosis evaluation~~ and preparation of a plan;

(b) Cost of all rehabilitation services and supplies necessary for implementation of the plan;

(c) Reasonable cost of tuition, books and travel; and, in addition, reasonable costs of board ~~and~~, lodging ~~and custodial daycare~~ when rehabilitation requires residence away from the employee's customary residence; ~~and~~

(d) Reasonable costs of travel and custodial daycare during the job interview process;

(e) Reasonable cost for moving expenses of the employee and family if a job is found in a geographic area beyond reasonable commuting distance after a diligent search within the present community. Relocation shall not be paid more than once during any rehabilitation program, and relocation shall not be required if the new job is located within the same standard metropolitan statistical area as the employee's job at the time of injury; and

(~~d~~) (f) Any other expense agreed to be paid.

Sec. 64. Minnesota Statutes 1982, section 176.102, subdivision 10, is amended to read:

Subd. 10. [REHABILITATION; CONSULTANTS.] The commissioner shall approve rehabilitation consultants who may propose and implement plans if they satisfy rules ~~promulgated~~ adopted by the commissioner for

rehabilitation consultants. A consultant may be an individual or public or private entity, *but may not be a vendor or the agent of a vendor of rehabilitation services.*

Sec. 65. Minnesota Statutes 1982, section 176.102, subdivision 11, is amended to read:

Subd. 11. [**COMPENSATION DURING REHABILITATION RETRAINING.**] *The insurer or employer shall pay up Retraining is limited to 156 weeks of compensation during rehabilitation under a plan in an amount equal to 125 percent of the employee's rate for temporary total disability. This payment is in lieu of payment for temporary total, temporary partial, or permanent total disability to which the employee might otherwise be entitled for this period under this chapter, but shall be considered to be the equivalent of temporary total disability for the purposes of section 176.132. If on the job training is part of the rehabilitation program, the weeks during which the insurer or employer pays compensation pursuant to subdivision 5 shall be subtracted from the 156 weeks of retraining compensation which has been paid, if any, pursuant to this subdivision. This subdivision shall not apply to retraining benefits for which liability has been established prior to July 1, 1979.*

Sec. 66. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 11a. [**APPLICABILITY OF SECTION.**] *This section is applicable to all employees injured prior to or on and after October 1, 1979, except for those provisions which affect an employee's monetary benefits.*

Sec. 67. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 13. [**DISCONTINUANCE.**] *All benefits payable under chapter 176 may, after a determination and order by the commissioner, be discontinued or forfeited for any time during which the employee refuses to submit to any reasonable examinations and evaluative procedures ordered by the commissioner to determine the need for and details of a plan of rehabilitation, or refuses to participate in rehabilitation evaluation as required by this section or does not make a good faith effort to participate in a rehabilitation plan. A discontinuance under this section is governed by section 176.242.*

Sec. 68. [176.103] [**MEDICAL HEALTH CARE REVIEW.**]

Subdivision 1. [**PURPOSE.**] *It is the purpose of this section to provide for review of clinical health care providers who render services to injured employees. This review shall be achieved by establishing a quality control system within the department of labor and industry.*

Subd. 2. [**SCOPE.**] *The commissioner shall monitor the medical and surgical treatment provided to injured employees, the services of other health care providers, and shall also monitor hospital utilization as it relates to the treatment of injured employees. This monitoring shall include determinations concerning the appropriateness of the service, whether the treatment is necessary and effective, the proper cost of services, the quality of the treatment, the right of providers to receive payment under this chapter for services rendered or the right to receive payment under this chapter for future services. The commissioner may penalize, disqualify, or suspend a provider*

from receiving payment for services rendered under this chapter, if the commissioner determines that the provider has violated any part of this chapter or rule adopted under this chapter. The commissioner's authority under this section also includes the authority to make determinations regarding any other activity involving the questions of utilization of medical services, and any other determination the commissioner deems necessary for the proper administration of this section.

The commissioner has the sole authority to make determinations under this section with a right of appeal to the medical services review board as provided in subdivision 3 and the workers' compensation court of appeals. A compensation judge has no jurisdiction in making determinations under this section.

Subd. 3. [MEDICAL SERVICES REVIEW BOARD; SELECTION; POWERS.] (a) There is created a medical services review board composed of the commissioner or the commissioner's designee, one person representing chiropractic, one person representing hospital administration, and seven medical practitioners representing different specialties which the commissioner determines are the most frequently utilized by injured employees. The board shall also have one person representing employees, one person representing employers or insurers, and one person representing the general public. The members shall be appointed by the commissioner and shall be governed by section 15.0575. Terms of the board's members may be renewed.

The board shall review and make a determination with respect to appeals from the commissioner's decision regarding medical care, quality control and monitoring of medical care, and any other disputes or issues regarding care provided by hospitals and health care providers. The board shall also hear appeals from the commissioner regarding the eligibility of medical providers to receive payment for services to injured employees and any other determinations made by the commissioner pursuant to subdivision 2. The board shall also advise the commissioner on policies affecting medical care for injured employees, and shall advise the commissioner on the adoption of rules regarding all aspects of medical care and services provided to injured employees.

(b) The board shall appoint three of its members to hear appeals from decisions of the commissioner regarding quality control and monitoring of medical care; any other disputes regarding medical, surgical, and hospital care; decisions regarding the eligibility of medical providers to receive payments; or any other determinations of the commissioner pursuant to subdivision 2. The three-member panel shall be composed of one member who does not represent a health care specialty, one member who represents the same specialty as the specialty at issue or, if the same specialty is not available, one member whose specialty is as close as possible considering the board's composition, and one member representing a different specialty. The three-member panel shall conduct a hearing in the same manner, giving the same notice and following other procedures required of the rehabilitation review panel in section 176.102, subdivision 3a. A majority vote of the three-member panel constitutes the decision of the board. This decision may be appealed to the workers' compensation court of appeals.

(c) In any situation where a conflict of interest prevents the appointment of

a full three-member panel or in any other situation where the commissioner deems it necessary to resolve a conflict of interest, the commissioner may appoint a temporary substitute board member to serve until the situation creating the conflict of interest has been resolved.

Sec. 69. [176.104] [REHABILITATION PRIOR TO DETERMINATION OF LIABILITY.]

Subdivision 1. [DISPUTE.] If there exists a dispute regarding whether an injury arose out of and in the course and scope of employment and an employee has been disabled for the requisite time under section 176.102, subdivision 4 prior to determination of liability, the employee shall be referred by the commissioner to the division of vocational rehabilitation which shall provide rehabilitation consultation and other rehabilitation services. The services provided by the division of vocational rehabilitation and the scope and term of the rehabilitation are governed by section 176.102 and rules adopted pursuant to that section. Rehabilitation costs and services under this subdivision shall be approved, rejected, or modified by the commissioner.

Subd. 2. [LIABILITY FOR PAST REHABILITATION.] If liability is determined after the employee has commenced rehabilitation under this section the liable party is responsible for the cost of rehabilitation provided and approved by the commissioner. Future rehabilitation after liability is established is governed by section 176.102.

Sec. 70. Minnesota Statutes 1982, section 176.105, is amended by adding a subdivision to read:

Subd. 4. The commissioner shall by rule adopt procedures to determine the percentage of loss of function of a part of the body, including internal organs, described in section 176.101, subdivision 3 and any other body part not listed in section 176.101, subdivision 3 which the commissioner deems appropriate.

Temporary rules shall be adopted for this purpose not later than January 1, 1985. Prior to the adoption of these rules, at least two public hearings shall be held by the commissioner, in addition to the requirements of sections 14.29 to 14.36. Notwithstanding sections 14.29 to 14.36, the temporary rules adopted under this subdivision shall be effective until superseded by permanent rules. The rules shall promote objectivity and consistency in the evaluation of permanent functional impairment due to personal injury and in the assignment of a numerical rating to the functional impairment.

Disability ratings and schedules shall be based on objective medical evidence.

The rules shall:

(a) be workable and simple with respect to the evaluation of functional disability;

(b) require consistency of the procedures with accepted medical standards; utilize standards established in Wisconsin Administrative Code, sections Ind. 80.25 to 80.33, inclusive;

(c) prohibit the consideration of symptomatology which is not substantiated by objective medical evidence;

(d) attempt to reduce litigation;

(e) require that all disability amounts shall be rounded to the nearest five percent.

Sec. 71. Minnesota Statutes 1982, section 176.111, subdivision 6, is amended to read:

Subd. 6. [SPOUSE, NO DEPENDENT CHILD.] (a) If the deceased employee leaves a dependent surviving spouse and no dependent child, there shall be paid to the spouse, at the option of the spouse, either:

(1) A lump sum settlement equal to ten full years of compensation at 50 percent of the daily wage at the time of the injury of the deceased, computed without regard to section 176.645; or

(2) weekly workers' compensation benefits at 50 percent of the daily wage at the time of the injury for a period of ten years, including adjustments as provided in section 176.645.

(b) A dependent surviving spouse who has not accepted a lump sum settlement pursuant to clause (a)(1) and who remarries shall receive the lesser of either:

(1) A lump sum settlement equal to two full years of compensation at 50 percent of the daily wage at the time of the injury of the deceased, computed without regard to section 176.645; or

(2) The remaining weekly workers' compensation benefits pursuant to clause (a)(2) at 50 percent of the daily wage, including adjustments as provided in section 176.645.

Sec. 72. Minnesota Statutes 1982, section 176.111, subdivision 7, is amended to read:

Subd. 7. [SPOUSE, ONE DEPENDENT CHILD.] (a) If the deceased employee leaves a surviving spouse and one dependent child, there shall be paid to the surviving spouse for the benefit of the spouse and child 60 percent of the daily wage at the time of the injury of the deceased until the child is no longer a dependent as defined in subdivision 1. At that time there shall be paid to the dependent surviving spouse, at the option of the spouse, either:

(1) A lump sum settlement equal to ten full years of compensation at a rate which is 16 $\frac{2}{3}$ percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, computed without regard to section 176.645; or

(2) weekly benefits at a rate which is 16 $\frac{2}{3}$ percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, for a period of ten years, including adjustments as provided in section 176.645.

(b) A surviving spouse who remarries shall receive:

(1) Compensation, for the benefit of the dependent child, according to the allocation provided in subdivision 10, until the child is no longer a dependent as defined in subdivision 1; and

(2) A lump sum settlement, for the benefit of the surviving spouse, equal to

two full years of weekly benefits in an amount which equals the difference between the benefit otherwise payable under clause (a) and the amount payable to the dependent child pursuant to clause (b)(1):

Sec. 73. Minnesota Statutes 1982, section 176.111, subdivision 8, is amended to read:

Subd. 8. [SPOUSE, TWO DEPENDENT CHILDREN.] (a) If the deceased employee leaves a surviving spouse and two dependent children, there shall be paid to the surviving spouse for the benefit of the spouse and children 66 2/3 percent of the daily wage at the time of the injury of the deceased until the youngest dependent child is no longer dependent. At that time the dependent surviving spouse shall be paid, at the option of the spouse, either:

(1) A lump sum settlement equal to ten full years of compensation at a rate which is 25 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the last surviving child was a dependent, computed without regard to section 176.645; or

(2) weekly benefits at a rate which is 25 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, for a period of ten years, adjusted according to section 176.645.

(b) A surviving spouse who remarries shall receive compensation, for the benefit of the children, allocated according to subdivision 10, until the youngest dependent child is no longer dependent as defined in subdivision 1 and, for the benefit of the surviving spouse, a lump sum settlement equal to two full years of weekly benefits in an amount which equals the difference between the benefit otherwise payable pursuant to clause (a) and the amount payable to the dependent children allocated according to subdivision 10, computed without regard to section 176.645.

Sec. 74. Minnesota Statutes 1982, section 176.111, is amended by adding a subdivision to read:

Subd. 9a. [REMARriage OF SPOUSE.] Remarriage of a surviving spouse who is receiving benefits under subdivisions 6, 7, or 8 has no effect on the spouse's right to receive weekly benefits for the remaining period that the spouse is entitled to receive benefits pursuant to this section.

Sec. 75. Minnesota Statutes 1982, section 176.111, subdivision 18, is amended to read:

Subd. 18. [BURIAL EXPENSE.] In all cases where death results to an employee from a personal injury arising out of and in the course of employment, the employer shall pay the expense of burial, not exceeding in amount \$1,000 \$2,500. In case any dispute arises as to the reasonable value of the services rendered in connection with the burial, such its reasonable value shall be determined and approved by the commissioner of the department of labor and industry, a compensation judge, or workers' compensation court of appeals, in cases upon appeal, before payment, after such reasonable notice to interested parties as is required by the commissioner of the department of labor and industry. If the deceased leave no dependents, no compensation is payable, except as provided by this chapter.

Sec. 76. Minnesota Statutes 1982, section 176.121, is amended to read:

176.121 [COMMENCEMENT OF COMPENSATION.]

In cases of temporary total or temporary partial disability no compensation ~~shall be~~ is allowed for the three calendar days after the disability commenced, except as provided by section 176.135, nor in any case unless the employer has actual knowledge of the injury or is notified thereof within the period specified in section 176.141. If ~~such~~ the disability continues for 10 calendar days or longer, ~~such~~ the compensation ~~shall be~~ is computed from the commencement of the disability. Disability is deemed to commence on the first calendar day or fraction of a calendar day that the employee is unable to work.

Sec. 77. [176.129] [CREATION OF THE SPECIAL COMPENSATION FUND.]

Subdivision 1. [DEPOSIT OF FUNDS.] The special compensation fund is created for the purposes provided for in this chapter. The state treasurer is the custodian of the special compensation fund. Sums paid to the commissioner pursuant to this section shall be deposited with the state treasurer for the benefit of the fund and used to pay the benefits under this chapter. Any interest or profit accruing from investment of these sums shall be credited to the special compensation fund.

Subd. 2. [PAYMENTS TO FUND, DEATH.] In every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to monetary benefits of dependency compensation, the employer shall pay to the commissioner the sum of \$5,000 for the benefit of the special compensation fund. In every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to at least \$5,000 in monetary benefits of dependency compensation, the employer shall pay to the commissioner for the benefit of the special compensation fund the difference between the amounts actually paid for the dependency benefits and \$5,000; but in no event shall the employer pay the commissioner less than \$1,000.

Subd. 3. [PAYMENTS TO FUND, INJURY.] If an employee suffers a personal injury resulting in permanent partial disability, temporary total disability, temporary partial disability, permanent total disability, or death and the employee or the employee's dependents are entitled to compensation, medical or rehabilitative services under sections 176.101, 176.102, 176.111, or 176.135, the employer shall pay to the commissioner a lump sum amount determined by the commissioner pursuant to subdivision 4 without any interest deduction. This payment is to be credited to the special compensation fund and shall be in addition to any compensation payments made by the employer under this chapter. Payment shall be made as soon as the amount is determined and approved by the commissioner.

Subd. 4. [DETERMINATION OF AMOUNT OF PAYMENT.] The amount payable by the employer to the special compensation fund under subdivision 3 shall be determined by the commissioner pursuant to section 176.83.

Subd. 5. [TIME OF INJURY.] Subdivisions 2 and 3 apply to all workers' compensation payments paid under sections 176.101, 176.102, 176.111, or 176.135, for an injury or death occurring on or after the effective date of this

section.

Payments made for personal injuries that occurred prior to the effective date of this section shall be assessed at the rate in effect on the date of payment.

Subd. 6. [PAYMENTS OUT OF FUND.] The workers' compensation division, a compensation judge, the workers' compensation court of appeals, or district court in cases before them shall direct the distribution of benefits provided by this chapter. These benefits are payable in the same manner as other payments of compensation.

Subd. 7. [REFUNDS.] In case deposit is or has been made under subdivision 2 and dependency later is shown, or if deposit is or has been made pursuant to subdivision 2 or 3 by mistake or inadvertence, or under circumstances that justice requires a refund, the state treasurer is authorized to refund the deposit under order of the commissioner, a compensation judge, the workers' compensation court of appeals, or a district court. There is appropriated to the commissioner from the fund an amount sufficient to make the refund and payment.

Subd. 8. [COMMISSIONER AS ADMINISTRATOR.] The commissioner is the administrator of the special compensation fund. The special compensation fund shall be designated a party in an action regarding any right, obligation, and liability of the special fund. The state treasurer, as custodian, does not have standing in an action determining any right, obligation, or liability of the special fund. The attorney general shall represent the special fund in all legal matters in which the special fund has an interest.

Subd. 9. [POWERS OF FUND.] In addition to powers granted to the special compensation fund by this chapter the fund may do the following:

(a) sue and be sued in its own name;

(b) intervene in or commence an action under this chapter or any other law, including, but not limited to, intervention or action as a subrogee to the division's right in a third-party action, any proceeding under this chapter in which liability of the special compensation fund is an issue, or any proceeding which may result in other liability of the fund or to protect the legal right of the fund;

(c) enter into settlements including but not limited to structured, annuity purchase agreements with appropriate parties under this chapter; and

(d) take any other action which an insurer is permitted by law to take in operating within this chapter.

Subd. 10. [PENALTY.] Sums paid to the commissioner pursuant to this section shall be in the manner prescribed by the commissioner. The commissioner may impose a penalty of up to 15 percent of the amount due under this section but not less than \$500 in the event payment is not made in the manner prescribed.

Subd. 11. [ADMINISTRATIVE PROVISIONS.] The accounting, investigation, and legal costs necessary for the administration of the programs financed by the special compensation fund shall be paid from the fund during each biennium commencing July 1, 1981. Staffing and expenditures related

to the administration of the special compensation fund shall be approved through the regular budget and appropriations process.

Subd. 12. [REPORT OF COMMISSIONER.] The commissioner shall report biennially to the governor and to the legislature as to the financial status of the special compensation fund. The report shall include a statement of the receipts and the disbursements for the period covered.

Subd. 13. [EMPLOYER REPORTS.] All employers shall make reports to the commissioner as required for the proper administration of this section and section 176.131.

Sec. 78. Minnesota Statutes 1982, section 176.131, subdivision 1, is amended to read:

Subdivision 1. If an employee incurs personal injury and suffers disability that is substantially greater, because of a pre-existing physical impairment, than what would have resulted from the personal injury alone, the employer shall pay all compensation provided by this chapter, but ~~he~~ *the employer* shall be reimbursed from the special compensation fund for all compensation paid in excess of 52 weeks of monetary benefits and \$2,000 in medical expenses, subject to the following exceptions:

If the personal injury alone results in permanent partial disability to a scheduled member under ~~section 176.101~~ *the schedule adopted by the commissioner pursuant to section 176.105*, the monetary and medical expense limitations shall not apply and the employer ~~shall be~~ *is* liable for ~~such~~ *the* compensation, medical expense, and ~~retraining~~ *rehabilitation* attributable to the permanent partial disability, and ~~he~~ may be reimbursed from the special compensation fund only for compensation paid in excess of ~~such~~ *the* disability.

Sec. 79. Minnesota Statutes 1982, section 176.131, subdivision 1a, is amended to read:

Subd. 1a. If an employee is employed in an on the job retraining program pursuant to section 176.102 and the employee incurs a personal injury that aggravates the personal injury for which the employee has been certified to enter the on the job retraining program, the on the job training employer shall pay the medical expenses and compensation required by this chapter, ~~but~~ *and* shall be reimbursed from the special compensation fund for the compensation and medical expense that is attributable to the aggravated injury. The employer, at the time of the personal injury for which the employee has been certified for retraining, is liable for the portion of the disability that is attributable to that injury.

Sec. 80. Minnesota Statutes 1982, section 176.131, subdivision 2, is amended to read:

Subd. 2. If the employee's personal injury ~~shall result~~ *results* in disability or death, and if the injury, death, or disability would not have occurred except for the pre-existing physical impairment *registered with the special compensation fund*, the employer shall pay all compensation provided by this chapter, ~~but~~ *and* shall be reimbursed from the special compensation fund for ~~such~~ *the* compensation ~~only where the permanent physical impairment contributing to the second injury is diabetes, hemophilia or seizures ex-~~

cept that this reimbursement shall not be made for cardiac disease or a condition registered pursuant to clause (t) or (u) unless the commissioner by rule provides otherwise.

Sec. 81. Minnesota Statutes 1982, section 176.131, subdivision 3, is amended to read:

Subd. 3. To entitle the employer to secure reimbursement from the special compensation fund, the following provisions must be complied with:

(a) Provisions of section 176.181, subdivisions 1 and 2.

(b) The employee with a pre-existing physical impairment must have been registered with the commissioner of labor and industry prior to the employee's personal injury or within 180 days after notice of the employee's personal injury is received by the employer. Registration subsequent to the injury shall be based on a medical report or record made prior to the injury indicating the pre-existing physical impairment.

Sec. 82. Minnesota Statutes 1982, section 176.131, subdivision 4, is amended to read:

Subd. 4. Any employer who hires or retains in his its employment any person who has a physical impairment shall file a formal registration for each such the employee with the commissioner of the department of labor and industry in such on a form as prescribed by the commissioner may require.

Sec. 83. Minnesota Statutes 1982, section 176.131, subdivision 5, is amended to read:

Subd. 5. Registration under this section may be made by the employee or any employer provided:

(a) Registration shall be is accompanied by satisfactory evidence of such the physical impairment;

(b) Registration shall be is in effect as long as said the impairment exists;

(c) Upon request, a registered employee shall be furnished by the commissioner of the department of labor and industry with a registration card evidencing the fact of registration, and such other facts as the commissioner of the department of labor and industry deems advisable.

Sec. 84. Minnesota Statutes 1982, section 176.131, subdivision 6, is amended to read:

Subd. 6. When the employer claims reimbursement from the special compensation fund after paying compensation as prescribed by this section, he the employer shall file with the commissioner of the department of labor and industry written notice of intention to claim reimbursement in accordance with the rules and regulations of adopted by the commissioner of the department of labor and industry.

Sec. 85. Minnesota Statutes 1982, section 176.131, subdivision 7, is amended to read:

Subd. 7. Under subdivisions 1 and 2, an occupational disease may be deemed to be the personal (second) injury.

If the subsequent disability for which reimbursement is claimed is an oc-

cupational disease, and if, subsequent to registration as provided by subdivisions 4 and 5, the employee has been employed by the employer in employment similar to that which initially resulted in ~~such~~ the occupational disease, no reimbursement shall be paid to the employer.

Sec. 86. Minnesota Statutes 1982, section 176.131, subdivision 8, is amended to read:

Subd. 8. As used in this section the following terms have the meanings given them:

“Physical impairment” means any physical or mental condition that is permanent in nature, whether congenital or due to injury, disease or surgery and which is or is likely to be a hindrance or obstacle to obtaining employment ~~provided~~ *except that*, physical impairment as ~~used herein~~ is limited to the following:

- (a) Epilepsy,
- (b) Diabetes,
- (c) Hemophilia,
- (d) Cardiac disease,
- (e) Partial or entire absence of thumb, finger, hand, foot, arm or leg,
- (f) Lack of sight in one or both eyes or vision in either eye not correctable to 20/40,
- (g) Residual disability from poliomyelitis,
- (h) Cerebral Palsy,
- (i) Multiple Sclerosis,
- (j) Parkinson's disease,
- (k) Cerebral vascular accident,
- (l) Chronic Osteomyelitis,
- (m) Muscular Dystrophy,
- (n) Thrombophlebitis,
- (o) *Brain tumors,*
- (p) *Pott's disease,*
- (q) *Seizures,*
- (r) *Cancer of the bone,*
- (s) *Leukemia,*

~~(t)~~ (t) Any other physical impairment for which at least 50 weeks or more of weekly benefits would be payable as permanent partial disability if the physical impairment were evaluated according to standards used in workers' compensation proceedings, and

~~(u)~~ (u) Any other physical impairments of a permanent nature which the ~~workers' compensation court of appeals~~ *commissioner* may by rule prescribe;

“Compensation” has the meaning defined in section 176.011;

“Employer” includes insurer;

“Disability” means, unless otherwise indicated, any condition causing either temporary total, temporary partial, permanent total, permanent partial, death, medical expense, or ~~retraining~~ *rehabilitation*.

Sec. 87. Minnesota Statutes 1982, section 176.132, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE RECIPIENTS.] (a) An employee who has suffered personal injury *prior to the effective date of clause (b)* for which benefits are payable under section 176.101 and who has been totally disabled for more than 104 weeks shall be eligible for supplementary benefits as ~~hereinafter~~ *prescribed in this section* after 104 weeks have elapsed and for the remainder of ~~his~~ *the* total disablement. Regardless of the number of weeks of total disability, no totally disabled person ~~shall be~~ *is* ineligible for supplementary benefits after four years have elapsed since the first date of ~~his~~ *the* total disability, *except as provided by clause (b)*, provided that all periods of disability are caused by the same injury.

(b) *No employee injured after July 1, 1981, shall be eligible to receive supplementary benefits.*

Sec. 88. Minnesota Statutes 1982, section 176.132, is amended by adding a subdivision to read:

Subd. 5. [ROUNDING OF PAYMENTS.] A payment made under this section shall be rounded to the nearest whole dollar.

Sec. 89. Minnesota Statutes 1982, section 176.134, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATION.] ~~The commissioner of labor and industry shall administer the reopened case fund as part of the special compensation fund provided that the reopened case fund is under separate accounting and audit procedures from the special fund.~~

Sec. 90. Minnesota Statutes 1982, section 176.135, subdivision 1, is amended to read:

Subdivision 1. [MEDICAL, CHIROPRACTIC, PODIATRIC, SURGICAL, HOSPITAL.] The employer shall furnish ~~such~~ *any* medical, chiropractic, podiatric, surgical and hospital treatment, including nursing, medicines, medical, chiropractic, podiatric, and surgical supplies, crutches and apparatus, including artificial members, or, at the option of the employee, if the employer has not filed notice as hereinafter provided, Christian Science treatment in lieu of medical treatment, chiropractic medicine and medical supplies, as may reasonably be required at the time of the injury and any time thereafter to cure and relieve from the effects of the injury. ~~Such~~ *This* treatment shall include treatments necessary to physical rehabilitation. The employer shall furnish replacement or repair for artificial members, glasses, or spectacles, artificial eyes, podiatric orthotics, dental bridge work, dentures or artificial teeth, hearing aids, canes, crutches or wheel chairs damaged by reason of an injury arising out of and in the course of the employment. In case of his inability or refusal seasonably to do so the employer ~~shall be~~ *is* liable for the reasonable expense incurred by or on behalf of the employee in providing the same. The employer shall pay for the reasonable

value of nursing services by a member of the employee's family in cases of permanent total disability. Orders of a ~~compensation judge~~ *the commissioner or medical services review board* with respect to this subdivision may be reviewed by the workers' compensation court of appeals on petition of an aggrieved party or by writ of certiorari to the supreme court.

Sec. 91. Minnesota Statutes 1982, section 176.135, subdivision 3, is amended to read:

Subd. 3. [LIMITATION OF LIABILITY.] The pecuniary liability of the employer for the treatment, articles and supplies required by this section shall be limited to ~~such~~ *the* charges therefor as prevail in the same community for similar treatment, articles and supplies furnished to injured persons of a like standard of living when the same are paid for by the injured persons. On this basis the ~~compensation judge~~ *commissioner, medical services review board*, or workers' compensation court of appeals on appeal may determine the reasonable value of all such services and supplies and the liability of the employer is limited to the amount so determined.

Sec. 92. Minnesota Statutes 1982, section 176.136, is amended to read:

176.136 [MEDICAL FEE REVIEW.]

The commissioner of ~~insurance~~ shall by rule establish procedures for determining whether or not the charge for a health service is excessive. In order to accomplish this purpose, the commissioner of ~~insurance~~ shall consult with insurers, associations and organizations representing the medical and other providers of treatment services and other appropriate groups. The procedures established by the commissioner of ~~insurance~~ shall limit the charges allowable for medical, chiropractic, podiatric, surgical, hospital and other health care provider treatment or services, as defined and compensable under section 176.135, to the 75th percentile of usual and customary fees or charges based upon billings for each class of health care provider during all of the calendar year preceding the year in which the determination is made of the amount to be paid the health care provider for the billing. The procedures established by the commissioner for determining whether or not the charge for a health service is excessive shall be structured to encourage providers to develop and deliver services for rehabilitation of injured workers. The procedures shall incorporate the provisions of sections 144.701, 144.702, and 144.703 to the extent that the commissioner finds that these provisions effectively accomplish the intent of this section or are otherwise necessary to insure that quality hospital care is available to injured employees. If the commissioner of ~~insurance~~, a ~~compensation judge~~, *medical services review board*, the workers' compensation court of appeals or a district court determines that the charge for a health service or medical service is excessive, no payment in excess of the reasonable charge for that service shall be made under this chapter nor may the provider collect or attempt to collect from the injured employee or any other insurer or government amounts in excess of the amount payable under this chapter; however, the commissioner of ~~insurance~~ shall by rule establish procedures allowing for a provider to appeal such determination. The commissioner of ~~insurance~~ shall contract with a review organization as defined in section 145.61 for the purposes listed in section 145.61, subdivision 5, and report to the legislature by January 15, 1983 and thereafter on January 15 of

every odd-numbered year, regarding the delivery of medical and health care services, including rehabilitation services, under the workers' compensation laws of this state.

The commissioner of insurance shall also conduct a study of the qualifications and background of rehabilitation consultants and vendors providing services under section 176.102 for the purpose of determining whether there are adequate professional standards provided, including safeguards to protect against conflicts of interest. *If upon the effective date of this section this study has already been conducted by the commissioner of insurance, the commissioner is not required to conduct the study.*

The commissioner of insurance shall adopt temporary rules in order to implement the provisions of this subdivision. Notwithstanding the provisions of section 14.14, subdivision 1, and any amendments, the temporary rules adopted by the commissioner of insurance pursuant to this subdivision may be extended for an additional 180 days if the procedures for adoption of a rule pursuant to sections 14.13 to 14.20 or 14.21 to 14.28, and other provisions of the administrative procedure act related to final agency action and rule adoption have not been concluded.

Any rules adopted by the commissioner of insurance pursuant to this section shall be adopted by the commissioner of labor and industry and may be amended, modified, or repealed only by the commissioner of labor and industry.

Sec. 93. [176.138] [MEDICAL DATA; ACCESS.]

Notwithstanding any other laws related to the privacy of medical data, except federal law, or any private agreements to the contrary, the release of medical data related to a current claim for compensation under this chapter to the employee, employer, or insurer who are parties to the claim, or to the department of labor and industry, shall not require prior approval of any party to the claim. Requests for pertinent data shall be made in writing to the person or organization that collected or currently possesses the data. The data shall be provided by the collector or possessor within seven working days of receiving the request. In all cases of a request for the data, except when it is the employee who is making the request, the employee shall be sent written notification of the request by the party requesting the data at the same time the request is made. This data shall be treated as private data by the party who requests or receives the data and the employee or the employee's attorney shall be provided with a copy of all data requested.

The commissioner may impose a penalty of up to \$200 payable to the special compensation fund against a party who does not release the data in a timely manner. A party who does not treat this data as private pursuant to this section is guilty of a misdemeanor.

Sec. 94. Minnesota Statutes 1982, section 176.155, subdivision 3, is amended to read:

Subd. 3. [REFUSAL TO BE EXAMINED.] If the injured employee refuses to comply with any reasonable request for examination, ~~his~~ the right to compensation may be suspended by order of the division, a compensation judge or workers' compensation court of appeals in a matter before it, and no compensation shall be paid while ~~he~~ the employee continues in ~~such~~ the

refusal.

Sec. 95. Minnesota Statutes 1982, section 176.155, subdivision 5, is amended to read:

Subd. 5. [TESTIMONY OF EXAMINING PHYSICIANS HEALTH CARE PROVIDER.] Any physician or other health care provider designated by the commissioner of the department of labor and industry, compensation judge, or workers' compensation court of appeals or whose services are furnished or paid for by the employer, who treats or who makes, examines, or is present at any examination, of an injured employee, may be required to testify as to any knowledge acquired by ~~him~~ the physician or health care provider in the course of ~~such~~ the treatment or examination relative to the injury or disability resulting ~~therefrom~~ from the injury only if the commissioner or a compensation judge makes a written finding that the appearance of the physician or health care provider is crucial to the accurate determination of the employee's disability. In all other cases all medical evidence must be submitted by written report as prescribed by the chief hearing examiner. A party may cross examine by deposition a physician or health care provider who has examined or treated the employee. If a physician or health care provider is not available for cross examination prior to the hearing and the physician's or health care provider's written report is submitted at the hearing, the compensation judge shall, upon request of the adverse party, require the physician or health care provider to testify at the hearing for the purpose of being cross examined by the adverse party. All written medical evidence must be submitted prior to or at the time of the hearing and no evidence shall be considered which was submitted after the hearing unless the compensation judge orders otherwise.

Sec. 96. Minnesota Statutes 1982, section 176.179, is amended to read:

176.179 [PAYMENTS OF COMPENSATION RECEIVED IN GOOD FAITH.]

Notwithstanding section 176.521, subdivision 3, or any other provision of this chapter to the contrary, except as provided in this section, no lump sum or weekly payment, or settlement, which is voluntarily paid to an injured employee or the survivors of a deceased employee in apparent or seeming accordance with the provisions of this chapter by an employer or insurer, or is paid pursuant to an order of the workers' compensation division, a compensation judge, or court of appeals relative to a claim by an injured employee or ~~his~~ the employee's survivors, and received in good faith by the employee or ~~his~~ the employee's survivors shall be refunded to the paying employer or insurer in the event that it is subsequently determined that the payment was made under a mistake in fact or law by the employer or insurer. When the payments have been made to a person who is entitled to receive further payments of compensation for the same injury, the mistaken compensation may be taken as a credit against future benefit entitlement; provided, however, that the credit applied against further payments of temporary total disability, temporary partial disability, permanent total disability, retraining benefits or death benefits shall not exceed 20 percent of the amount that would otherwise be payable.

Sec. 97. Minnesota Statutes 1982, section 176.182, is amended to read:

176.182 [BUSINESS LICENSES OR PERMITS; COVERAGE RE-

QUIRED.]

Every state or local licensing agency shall withhold the issuance of a license or permit to operate a business in Minnesota until the applicant presents acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2.

Neither the state nor any governmental subdivision thereof shall enter into any contract for the doing of any public work before receiving from all other contracting parties acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2.

This section shall not be construed to create any liability on the part of the state or any governmental subdivision to pay workers' compensation benefits or to indemnify the special compensation fund, an employer, or insurer who pays workers' compensation benefits.

Sec. 98. Minnesota Statutes 1982, section 176.183, subdivision 1, is amended to read:

Subdivision 1. When any employee ~~shall sustain~~ *sustains an* injury arising out of and in the course of his employment while in the employ of an employer, other than the state or its political subdivisions, not insured or self-insured as provided for in this chapter, the employee or ~~his~~ *the employee's* dependents shall nevertheless receive benefits as provided for ~~therein in this chapter~~ from the special compensation fund, and the ~~state treasurer as custodian of such fund shall have~~ *commissioner has* a cause of action against ~~such~~ *the* employer for reimbursement for all moneys paid out or to be paid out, and, in the discretion of the court, as punitive damages an additional amount not exceeding 50 percent of all moneys paid out or to be paid out. An action to recover ~~such~~ *the* moneys shall be instituted unless the ~~eustodian~~ *commissioner* determines that no recovery is possible. All moneys recovered shall be deposited in the general fund. There shall be no payment from the special compensation fund if there is liability for the injury under the provisions of section 176.215, by an insurer or self-insurer.

Sec. 99. Minnesota Statutes 1982, section 176.183, subdivision 1a, is amended to read:

Subd. 1a. When an employee or ~~his~~ *the employee's* dependent is entitled to benefits under this chapter from a self-insurer, present or past, other than the state and its municipal subdivisions, but ~~the self-insurer fails to be paid~~ *them pay the benefits*, the employee or ~~his~~ *the employee's* dependents, regardless of the date when the accident, personal injury, occupational disease, or death occurred, shall nevertheless receive ~~such~~ *the* benefits from the special compensation fund; and. The ~~state treasurer as custodian of such fund shall have~~ *commissioner has* a cause of action against ~~such~~ *the* self-insuring employer for reimbursement; for all ~~moneys~~ *benefits and other expenditures* paid out or to be paid out and, in the discretion of the court, ~~as the self-insurer is liable for~~ *as the self-insurer is liable for* punitive damages in an ~~additional~~ amount not to exceed 50 percent of the total of all ~~moneys~~ *benefits and other expenditures* paid out or to be paid out. ~~The commissioner shall institute~~ *the commissioner shall institute* an action to recover ~~such~~ *moneys* shall be ~~instituted~~ *the total expenditures from the fund* unless the ~~eustodian~~ *commissioner* determines that no recovery is possible. All ~~moneys~~

proceeds recovered shall be deposited in the general fund.

Sec. 100. Minnesota Statutes 1982, section 176.183, is amended by adding a subdivision to read:

Subd. 3. (a) Notwithstanding subdivision 2, the commissioner may direct payment from the special compensation fund for compensation payable pursuant to subdivisions 1 and 1a, including benefits payable under sections 176.102 and 176.135, prior to issuance of an order of a compensation judge or the workers' compensation court of appeals directing payment or awarding compensation.

(b) The commissioner may suspend or terminate an order under clause (a) for good cause as determined by the commissioner.

Sec. 101. Minnesota Statutes 1982, section 176.183, is amended by adding a subdivision to read:

Subd. 4. If the commissioner authorizes the special fund to commence payment under this section, the commissioner shall serve by certified mail notice upon the employer and other interested parties of the intention to commence payment. This notice shall be served at least ten calendar days before commencing payment and shall be mailed to the last known address of the parties. The notice shall include a statement that failure of the employer to respond within ten calendar days of the date of service will be deemed acceptance by the employer of the proposed action by the commissioner and will be deemed a waiver of defenses the employer has to a subrogation or indemnity action by the commissioner. At any time prior to final determination of liability, the employer may appear as a party and present defenses the employer has, whether or not an appearance by the employer has previously been made in the matter. The commissioner has a cause of action against the employer to recover compensation paid by the special fund under this section.

Sec. 102. Minnesota Statutes 1982, section 176.185, is amended by adding a subdivision to read:

Subd. 10. [DATA COLLECTION CONTRACTS.] The commissioner may contract with other parties regarding the collection of appropriate data to assist in meeting the requirements of this section.

Sec. 103. [176.186] [RECORDS FROM OTHER STATE AGENCIES.]

Notwithstanding any other state law to the contrary, the commissioner may obtain from the department of revenue, department of economic security, and office of the secretary of state, or any other state agency, upon request, names or lists of employers doing business in the state. This information shall be treated by the commissioner in the manner provided by chapter 13 and shall be used only for insurance verification by the commissioner.

Sec. 104. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 5. Where a dispute exists between an employer, insurer, the special compensation fund, the reopened case fund, or the workers' compensation reinsurance association, regarding benefits payable under this chapter, the dispute may be submitted with consent of all interested parties to binding arbitration pursuant to the rules of the American arbitration association. The

decision of the arbitrator shall be conclusive with respect to all issues presented except as provided in subdivisions 6 and 7. Consent of the employee is not required for submission of a dispute to arbitration pursuant to this section and the employee is not bound by the results of the arbitration. An arbitration award shall not be admissible in any other proceeding under this chapter. Notice of the proceeding shall be given to the employee.

The employee, or any person with material information to the facts to be arbitrated, shall attend the arbitration proceeding if any party to the proceeding deems it necessary. Nothing said by an employee in connection with any arbitration proceeding may be used against the employee in any other proceeding under this chapter. Reasonable expenses of meals, lost wages, and travel of the employee or witnesses in attending shall be reimbursed on a pro rata basis.

Sec. 105. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 6. If the employee commences an action under this chapter for benefits arising out of the same injury which resulted in the dispute arbitrated under subdivision 5, and if the benefits awarded to the employee under the employee's claim are inconsistent with the arbitration decision, any increase in benefits over those paid pursuant to the arbitration proceeding is paid by the party or parties who ordinarily would have been required to pay the increased benefits but for the arbitration. Any reimbursement from the employee of any decrease in benefits from those paid pursuant to the arbitration is paid to the party or parties who previously had paid the increased benefits. The provisions of this subdivision apply regardless of whether more or fewer employers and insurers or the special fund have been added or omitted as parties to the employee's subsequent action after arbitration.

Sec. 106. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 7. If an employee brings an action under the circumstances described in subdivision 6, the parties to the previous arbitration may be represented at the new action by a common or joint attorney.

Sec. 107. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 8. No attorney's fees shall be awarded under either section 176.081, subdivision 8, or 176.191 against any employer or insurer in connection with any arbitration proceeding unless the employee chooses to retain an attorney to represent the employee's interests during arbitration.

Sec. 108. Minnesota Statutes 1982, section 176.195, is amended by adding a subdivision to read:

Subd. 1a. [ADDITIONAL GROUNDS.] Where an insurer or agent of an insurer has failed to comply with provisions of this chapter, other than the provisions in subdivision 1, the commissioner of insurance may revoke the license of the insurer to write workers' compensation insurance.

Sec. 109. Minnesota Statutes 1982, section 176.195, subdivision 2, is amended to read:

Subd. 2. [COMMENCEMENT OF PROCEEDINGS.] ~~Such~~ The commis-

sioner of insurance may act under subdivision 1 or subdivision 1a upon his own motion, the recommendation of the commissioner of the department of labor and industry, the chief hearing examiner, or the workers' compensation court of appeals, or the complaint of any interested person.

Sec. 110. Minnesota Statutes 1982, section 176.195, is amended by adding a subdivision to read:

Subd. 7. [REPORT TO COMMISSIONER OF INSURANCE.] The commissioner may send reports to the commissioner of insurance regarding compliance with this chapter by insurers writing workers' compensation insurance. A report may include a recommendation for revocation of an insurer's license under this section and may also recommend the imposition of other penalties which may be imposed upon insurers by the commissioner of insurance.

Sec. 111. Minnesota Statutes 1982, section 176.221, is amended to read:

176.221 [PAYMENT OF COMPENSATION AND TREATMENT CHARGES, COMMENCEMENT.]

Subdivision 1. [COMMENCEMENT OF PAYMENT.] Within 14 days of notice to or knowledge by the employer of an injury compensable under this chapter the payment of temporary total compensation due pursuant to section 176.101, subdivision 4, shall commence. Commencement of payment by an employer or insurer does not waive any rights to any defense the employer may have on any claim or incident either with respect to the compensability of the claim under chapter 176 or the amount of the compensation due. Where there are multiple employers, the first employer shall pay, unless it is shown that the injury has arisen out of employment with the second or subsequent employer. ~~When~~ If the employer or insurer has commenced payment of compensation under this subdivision but determines within 30 days of notice to or knowledge by the employer of the injury that the disability is not a result of a personal injury, payment of compensation may be discontinued terminated upon notice of discontinuance pursuant to section 176.241 the filing of a notice of denial of liability. Upon the determination termination, payments made may be recovered by the employer if the commissioner or compensation judge finds that the employee's claim of work related disability was not made in good faith. A notice of denial of liability must state in detail specific reasons explaining why the claimed injury or occupational disease was determined not to be within the scope and course of employment and shall include the name and telephone number of the person making this determination.

Subd. 2. [GRANT OF EXTENSION.] Upon application made within 30 days after the date on which the first payment was due of notice to or knowledge by the employer of the injury, the commissioner may grant an extension of time within which to determine liability. The extension shall not exceed 30 days from the date the request for extension is made. The application or grant of extension does not release the employer of the obligation to commence payment under subdivision 1 or to continue payments.

Subd. 3. [PAYMENTS TO SPECIAL COMPENSATION FUND.] Where an employer or insurer fails to begin payment of compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, sub-

~~division 9 pursuant to subdivision 1, or to file a denial of liability within the 14-day period referred to in subdivision 1, or to request an extension of time within 30 days after the date on which the first payment was due. he it shall pay to the special compensation fund an amount equal to the total amount of compensation to which the employee is entitled because of the injury. In addition, each day subsequent to the end of the period and until a to receive up to the date compensation payment is made to the injured employee, the person responsible for payment of compensation shall pay to the special compensation fund an amount equal to the total compensation to which the injured employee is entitled.~~

~~Subd. 4. [FAILURE TO MAKE PAYMENTS AFTER EXTENSION.] Where an employer or insurer has been granted an extension of time within which to determine liability and fails to begin payment of compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9 or to file a denial of liability within such extended period, he shall make the payments provided in subdivision 3.~~

~~Subd. 5. [DOUBLE PAYMENTS TO SPECIAL COMPENSATION FUND.] Where an employer or insurer has failed to make the payments required by subdivision 3 or subdivision 4 within 30 days from the end of the period or the extended period, the division may require him to pay to the special compensation fund, each day subsequent to the end of the period and until a compensation payment is made to the injured employee, a sum equal to double the total amount of compensation to which the employee is entitled because of the injury. In addition, the person responsible for compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9 shall pay to the special compensation fund an amount equal to the total amount of compensation to which the employee is entitled.~~

~~Subd. 6. [ASSESSMENT OF PENALTIES.] The division or compensation judge shall assess the penalty payments provided for by subdivisions subdivision 3 to 5, and any increase in benefit payments provided by section 176.225, subdivision 5, against either the employer or the insurer depending upon to whom the delay is attributable in making payment of compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9. The insurer is not liable for a penalty payment assessed against it even if the delay is attributable to the employer.~~

An insurer who has paid a penalty under this section may recover from the employer the portion of the penalty attributable to the acts of the employer which resulted in the delay. A penalty paid by an insurer under this section which is attributable to the fault of the employer shall be treated as a loss in an experience rated plan, retrospective rating plan, or dividend calculation where appropriate.

~~Subd. 6a. [MEDICAL, REHABILITATION, ECONOMIC RECOVERY, AND IMPAIRMENT COMPENSATION.] The penalties provided by this section apply in cases where payment for treatment under section 176.135, rehabilitation expenses under section 176.102, subdivision 9, economic recovery compensation or impairment compensation are not made in a timely manner as required by law or by rule adopted by the commissioner.~~

~~Subd. 7. [INTEREST.] Any payment of compensation, charges for treatment under section 176.135 or retraining rehabilitation expenses under~~

176.102, subdivision 9 not made when due shall bear interest at the rate of eight percent ~~per annum~~ *a year* from the due date to the date the payment is made *or the rate set by section 549.09, subdivision 1, whichever is greater.*

Subd. 8. [METHOD AND TIMELINESS OF PAYMENT.] Payment of compensation under this chapter shall be by immediately payable negotiable instrument, or if by any other method, arrangements shall be available to provide for the immediate negotiability of the payment instrument.

All payment of compensation shall be made within 14 days of *the filing of* an appropriate order by the division *or a compensation judge*, unless the order is ~~to be~~ appealed; ~~or where~~ *if a different time period is provided by this chapter.*

Sec. 112. Minnesota Statutes 1982, section 176.225, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] Upon reasonable notice and hearing or opportunity to be heard, the division, *a compensation judge*, or upon appeal, the workers' compensation court of appeals or the supreme court may award compensation, in addition to the total amount of compensation award, of up to 25 percent of that total amount where an employer or insurer has:

(a) instituted a proceeding or interposed a defense which does not present a real controversy but which is frivolous or for the purpose of delay; or,

(b) unreasonably or vexatiously delayed payment; or,

(c) neglected or refused to pay compensation; or,

(d) intentionally underpaid compensation.

Sec. 113. Minnesota Statutes 1982, section 176.225, subdivision 2, is amended to read:

Subd. 2. [EXAMINATION OF BOOKS AND RECORDS.] To determine whether an employer or insurer ~~has become subject to~~ *is liable for* the payment provided by subdivision 1, the division, *a compensation judge*, or the workers' compensation court of appeals upon appeal may examine the books and records of the ~~person~~ *employer or insurer* relating to the payment of compensation, and may require ~~him~~ *the employer or insurer* to furnish any other information relating to the payment of compensation.

Sec. 114. Minnesota Statutes 1982, section 176.225, subdivision 3, is amended to read:

Subd. 3. [DEFIANCE OF DIVISION, COMPENSATION JUDGE, OR WORKERS' COMPENSATION COURT OF APPEALS, COMPLAINT.] ~~Where~~ *If* an insurer persists in an action or omission listed in subdivision 1, or does not permit the examination of ~~his~~ books and records, or fails to furnish ~~such~~ information as required, the commissioner *or the chief hearing examiner* shall file a written complaint with the insurance commissioner. The complaint shall specify the facts and recommend the revocation of the license of the insurer to do business in this state. The workers' compensation court of appeals may also file ~~such~~ a written complaint.

Sec. 115. Minnesota Statutes 1982, section 176.231, subdivision 3, is amended to read:

Subd. 3. [PHYSICIANS, CHIROPRACTORS, OR SURGEONS OTHER HEALTH CARE PROVIDERS TO REPORT INJURIES.] ~~Where~~ A physician or surgeon, chiropractor, or other health care provider who has examined, treated, or has special knowledge of an injury to an employee which may be compensable under this chapter, he shall report to the commissioner of the department of labor and industry all facts relating to the nature and extent of the injury and disability, and the treatment provided for the injury or disability, within ten days after ~~he~~ the health care provider has received a written request for ~~such~~ the information from the commissioner of the department of labor and industry or any member or employee thereof an authorized representative of the commissioner.

Sec. 116. Minnesota Statutes 1982, section 176.231, subdivision 4, is amended to read:

Subd. 4. [SUPPLEMENTARY REPORTS.] The commissioner of the department of labor and industry, or any member or employee thereof, an authorized representative may require the filing of ~~such~~ supplementary reports of accidents as ~~it deems~~ is deemed necessary to provide information required by law.

Supplementary reports related to the current nature and extent of the employee's injury, disability, or treatment may be requested from a physician, surgeon, chiropractor, or other health care provider by the commissioner or a representative, an employer or insurer, or the employee.

Sec. 117. Minnesota Statutes 1982, section 176.231, subdivision 5, is amended to read:

Subd. 5. [FORMS FOR REPORTS.] The commissioner of the department of labor and industry shall by rule prescribe forms for use in making the reports required by this section. The first report of injury form which the employer submits with reference to an accident shall include a declaration by the employer that he will of a promise to pay the compensation the law requires. Forms for reports required by this section shall be as prescribed by the commissioner and shall be the only forms used by an employer, insurer, self-insurer, group self-insurer, and all health care providers.

Sec. 118. Minnesota Statutes 1982, section 176.231, subdivision 9, is amended to read:

Subd. 9. [USES WHICH MAY BE MADE OF REPORTS.] Reports filed with the commissioner of the department of labor and industry under this section may be used in hearings held under this chapter, and for the purpose of state investigations and for statistics.

The division or office of administrative hearings or workers' compensation court of appeals may permit an attorney at law who represents an employer, insurer, or an employee or his a dependent to examine its file in a compensation case if the attorney furnishes written authorization to do so from his the attorney's client. Reports filed under this section and other information the commissioner has regarding injuries or deaths shall be made available to the workers' compensation reinsurance association for use by the association in carrying out its responsibilities under chapter 79.

Sec. 119. Minnesota Statutes 1982, section 176.231, subdivision 10, is

amended to read:

Subd. 10. [FAILURE TO FILE REQUIRED REPORT, PENALTY.] ~~Where~~ *If an employer, physician, or surgeon has failed chiropractor, or other health provider fails to file with the commissioner of the department of labor and industry any report required by this section in the manner and within the time limitations prescribed, he shall forfeit to the state \$50 or otherwise fails to provide a report required by this section in the manner provided by this section, the commissioner may impose a penalty of up to \$200 for each such failure.*

The attorney general shall sue in a civil action to collect this penalty upon notification of the matter by the commissioner of the department of labor and industry. The commissioner of the department of labor and industry shall certify to the attorney general each failure to report immediately upon its occurrence.

Penalties collected by the state under this subdivision shall be paid into the state treasury.

Sec. 120. Minnesota Statutes 1982, section 176.241, subdivision 2, is amended to read:

Subd. 2. [CONTINUANCE OF EMPLOYER'S LIABILITY; SUSPENSION.] Except ~~where~~ *when* the commissioner orders otherwise, until the copy of the notice and reports have been filed with the division, the liability of the employer to make payments of compensation continues.

When the division has received a copy of the notice of discontinuance, the statement of facts and available medical reports, the duty of the employer to pay compensation is suspended pending an investigation, hearing, and determination of the matter by the division or compensation judge as provided in the following subdivisions.

Sec. 121. Minnesota Statutes 1982, section 176.241, is amended to read:

176.241 [NOTICE TO DIVISION OF INTENTION TO DISCONTINUE COMPENSATION PAYMENTS.]

Subdivision 1. [NECESSITY FOR NOTICE AND SHOWING; CONTENTS.] Where an employee claims that the right to compensation continues, the employer may not discontinue payment of compensation until he provides the employee with notice in writing of his intention to do so, together with a statement of facts clearly indicating the reasons for the discontinuance. A copy of the notice shall be provided to the division by the employer.

The notice to the employee and the copy to the division shall state the date of intended discontinuance and the reason for the action. The notice to the employee and the copy to the division shall be accompanied by a statement of facts in support of the discontinuance of compensation payments and whatever medical reports are in the possession of the employer bearing on the physical condition of the employee at the time of the proposed discontinuance.

Subd. 2. [CONTINUANCE OF EMPLOYER'S LIABILITY; SUSPENSION.] Except where the commissioner orders otherwise, until the copy of

the notice and reports have been filed with the division, the liability of the employer to make payments of compensation continues.

When the division has received a copy of the notice of discontinuance, the statement of facts and available medical reports, the duty of the employer to pay compensation is suspended pending an investigation, hearing, and determination of the matter by the division as provided in the following subdivisions.

Subd. 3. [COPY OF NOTICE TO EMPLOYEE, INVESTIGATION, HEARING.] When the employer has reason to believe compensation may be terminated within the requirements of this chapter, notice shall be given to the employee informing the employee of his right to object to the discontinuance and providing instructions as to how to contact the employer or insurer regarding the discontinuance and the procedures related to initiation of a claim. The commissioner shall make an investigation to determine whether the right to compensation has terminated. If it appears from the investigation that the right to compensation may not have terminated, the commissioner shall refer the matter to the chief hearing examiner in order that a hearing before a compensation judge may be scheduled, to determine the right of the employee, or his dependent, to further compensation.

The hearing shall be held within a ~~reasonable time~~ 30 days after the division has received the notice of discontinuance. The compensation judge shall give eight days notice of the hearing to interested parties.

Subd. 4. [ORDER.] When the hearing has been held, and ~~he has duly considered~~ the evidence *duly considered*, the person who held the hearing shall promptly enter an order directing the payment of further compensation or confirming the termination of compensation. ~~Where~~ *If* the order confirms a termination of compensation, ~~the commissioner of labor and industry shall notify the employer of the action.~~ *This notification the service and filing of the order* relieves the employer from further liability for compensation subject to the right of review afforded by this chapter, and to the right of the ~~division compensation judge~~ to set aside the order at any time prior to the review and to grant a new hearing pursuant to this chapter. *Once an appeal to the workers' compensation court of appeals is filed, a compensation judge may not set aside the order but the court of appeals may remand the matter to a compensation judge for a new hearing.*

Sec. 122. [176.243] [ADMINISTRATIVE CONFERENCE FOLLOWING RETURN TO WORK, SUBSEQUENT INABILITY TO WORK.]

Subdivision 1. [CONFIRMATION OF EMPLOYMENT AND WAGES.] If an insurer has discontinued compensation to an employee because the employee has returned to work, the insurer shall contact the employer by whom the employee is employed 14 calendar days after return to work. The insurer shall determine whether the employee is still employed after 14 days and shall also ascertain the wages being paid to the employee.

Subd. 2. [NOTICE TO COMMISSIONER.] If upon contact the insurer determines that the employee is not working or that the employee is earning a lower wage than at the time of the injury, the insurer shall notify the commissioner in writing of this fact and shall also state the actions that the insurer has taken or intends to take regarding payment of compensation. A

copy of this notice shall be served by the insurer by certified mail to the employee.

Subd. 3. [EMPLOYEE REQUEST FOR ADMINISTRATIVE CONFERENCE.] If the employee objects to the action of the insurer regarding payment of compensation upon the cessation of work by the employee, the employee may request an administrative conference with the commissioner to resolve disputed issues. A request for an administrative conference shall be made within ten calendar days after service of the notice on the employee. If the employee requests an administrative conference the commissioner shall schedule a conference to be held within 14 calendar days after the commissioner receives the request.

Subd. 4. [ADMINISTRATIVE DECISION.] After considering the information provided by the parties at the administrative conference the commissioner shall issue to all interested parties a written administrative decision regarding payment of compensation. The commissioner's decision is binding upon the parties and the rights and obligations of the parties are governed by the decision. The commissioner shall advise all parties of the right to petition to the chief hearing examiner under section 176.241 and of the right to be represented by an attorney at a hearing before a compensation judge. A party aggrieved by the commissioner's decision may proceed under section 176.241.

Subd. 5. [DECISION BINDING PENDING COMPENSATION JUDGE DECISION.] If an aggrieved party files a petition under section 176.241, the commissioner's administrative decision remains in effect pending a determination by a compensation judge.

Subd. 6. [DECISION AS NOTICE.] If a party proceeds under section 176.241, the commissioner's administrative decision is deemed to fulfill the division's obligations under section 176.241.

Subd. 7. [OBLIGATIONS PRIOR TO ADMINISTRATIVE DECISION.] If an insurer has not voluntarily recommenced compensation following the employee's cessation of work the insurer is not obligated to do so until an administrative conference is held and unless the commissioner determines that compensation shall be recommenced.

Subd. 8. [NECESSITY OF ADMINISTRATIVE CONFERENCE.] If the commissioner deems it appropriate, based upon information the commissioner has, the commissioner may determine that an administrative conference is not necessary, in which case a party may proceed under section 176.241.

Subd. 9. [APPLICATION OF SECTION.] This section applies only when the employee has received at least 60 days of temporary total or temporary partial compensation prior to return to work and if no rehabilitation plan has been approved.

Subd. 10. [NOTICE FORMS.] A notice under this section shall be on a form prescribed by the commissioner.

Subd. 11. [FINES, VIOLATIONS.] An employer or insurer who violates this section is subject to a fine of up to \$500 for each violation which shall be paid to the special compensation fund.

Subd. 12. [APPLICATION.] This section is applicable to all cases in which a return to work has occurred after the effective date of this section even if the injury occurred prior to the effective date.

Sec. 123. Minnesota Statutes 1982, section 176.271, is amended by adding a subdivision to read:

Subd. 3. Notwithstanding any other provision to the contrary, no attorney employed by the state of Minnesota may represent any person in any action or matter under this chapter other than the state, as defined in section 79.34, subdivision 1.

Sec. 124. Minnesota Statutes 1982, section 176.281, is amended to read:

176.281 [ORDERS, DECISIONS, AND AWARDS; FILING; SERVICE.]

When the commissioner or compensation judge or office of administrative hearings or the workers' compensation court of appeals has rendered ~~an~~ a final order, decision, or award, or amendment to an order, decision, or award, it shall be filed immediately with the commissioner. ~~Where~~ If the commissioner, compensation judge, office of administrative hearings, or workers' compensation court of appeals has rendered ~~an~~ a final order, decision, or award, or amendment thereto, the commissioner or the office of administrative hearings or the workers' compensation court of appeals shall immediately serve a copy upon every party in interest, together with a notification of the ~~time~~ date the ~~same~~ order was filed.

Sec. 125. Minnesota Statutes 1982, section 176.285, is amended to read:

176.285 [SERVICE OF PAPERS AND NOTICES.]

Service of papers and notices shall be by mail or ~~by such other means otherwise as the commissioner of the department of labor and industry directs or the chief hearing examiner may by rule direct.~~ Where service is by mail, service is effected at the time mailed if properly addressed and stamped. If it is so mailed, it is presumed the paper or notice reached the party to be served. However, a party may show by competent evidence that ~~he~~ that party did not receive it or that it had been delayed in transit for an unusual or unreasonable period of time. In case of ~~such~~ non-receipt or delay, an allowance shall be made for the party's failure to assert a right within the prescribed time.

The commissioner of ~~the department of labor and industry and the chief hearing examiner shall keep a careful record of each service including the time when made ensure that proof of service of all papers and notices served by their respective agencies is placed in the official file of the case.~~

Sec. 126. [176.312] [AFFIDAVIT OF PREJUDICE.]

An affidavit of prejudice for cause may be filed by a party to the claim against a compensation judge, in the same manner as an affidavit of prejudice is filed pursuant to law or rule of district court. The filing of an affidavit of prejudice against a compensation judge has the same effect and shall be treated in the same manner as in district court.

Sec. 127. Minnesota Statutes 1982, section 176.321, subdivision 1, is amended to read:

Subdivision 1. [FILING, SERVICE.] Within ~~twenty~~ 20 days after ~~he~~ has

been served with a copy ~~service~~ of the petition, an adverse party ~~may shall~~ serve and file a ~~verified~~ answer to the petition. ~~When he files the answer,~~ The party shall also serve a copy of the answer on the petitioner or his the petitioner's attorney.

Within five days after he has been served with a copy of the answer, the petitioner may file a ~~verified~~ reply admitting or denying new matter set forth in the answer.

Sec. 128. Minnesota Statutes 1982, section 176.331, is amended to read:

176.331 [AWARD BY DEFAULT.]

Where ~~If~~ an adverse party has ~~failed~~ fails to file and serve an answer; if and the petitioner presents proof of ~~such~~ this fact, the ~~commissioner~~ or compensation judge ~~shall may~~ enter whatever award or order to which the petitioner is entitled on the basis of the facts alleged in the petition, but the compensation judge may require proof of an alleged fact. If the commissioner requires ~~such~~ proof, ~~he~~ the commissioner shall request the chief hearing examiner to assign the matter to a compensation judge to ~~summarily hear and determine the same for an immediate hearing and to promptly make an prompt~~ award or other order.

Where in ~~such~~ a default case the petition does not state facts sufficient to support an award, the compensation judge shall give the petitioner or his the petitioner's attorney written notice of this deficiency. The petitioner may thereupon ~~serve and~~ file another petition as in the case of an original petition.

Sec. 129. Minnesota Statutes 1982, section 176.341, is amended to read:

176.341 [HEARING ON PETITION.]

Subdivision 1. [TIME.] ~~When the reply has been filed or the time has expired in which to file a reply~~ Upon receipt of a matter from the commissioner, the chief hearing examiner shall fix a time and place for hearing the petition. The hearing shall be held as soon as practicable and at a time and place determined by the chief hearing examiner to be the most convenient for the parties, keeping in mind the intent of chapter 176 as ~~expressed in section 176.001~~ and the requirements of section 176.306.

Subd. 2. [PLACE.] Unless otherwise ordered by the ~~commissioner~~ of the department of labor and industry or compensation judge ~~chief hearing examiner~~, the hearing shall be held in the county where the injury or death occurred.

Subd. 3. [NOTICE MAILED TO EACH PARTY.] At least ~~five~~ 30 days prior to the date of hearing, the ~~workers' compensation division~~ chief hearing examiner shall mail a notice of the time and place of hearing to each interested party. *This subdivision does not apply to hearings which have been continued from an earlier date. In those cases, the notice shall be given in a manner deemed appropriate by the chief hearing examiner after considering the particular circumstances in each case.*

Sec. 130. Minnesota Statutes 1982, section 176.361, is amended to read:

176.361 [INTERVENTION.]

Where A person *who* has an interest in any matter before the workers'

compensation court of appeals, or commissioner, or compensation judge of such a character that ~~he~~ *the person* may either gain or lose by an order or decision, ~~he~~ may intervene in the proceeding by filing an application in writing stating the facts which show ~~such~~ *the* interest.

The commissioner of the department of labor and industry and workers' compensation court of appeals shall adopt rules to govern the procedure for intervention.

Sec. 131. Minnesota Statutes 1982, section 176.371, is amended to read:

176.371 [AWARD OR DISALLOWANCE OF COMPENSATION.]

The compensation judge to whom a petition has been assigned for hearing, shall hear all competent, *relevant* evidence produced at the hearing, ~~and, as soon after the hearing as possible, make findings of fact, conclusions of law.~~ *All questions of fact and law submitted to a compensation judge at the hearing shall be disposed of and the judge's decision shall be filed with the commissioner within 60 days after the submission, unless sickness or casualty prevents a timely filing, or the time is extended by written consent of the parties, or the chief hearing examiner extends the time for good cause. The compensation judge's decision shall include a determination of all contested issues of fact and law and an award or disallowance of compensation or other order as the pleadings, evidence, this chapter and rule require. A compensation judge's decision shall include a memorandum only if necessary to delineate the reasons for the decision or to discuss the credibility of witnesses. A memorandum shall not contain a recitation of the evidence presented at the hearing but shall be limited to the compensation judge's basis for the decision.*

No part of the salary of a compensation judge shall be paid unless the chief hearing examiner determines that all decisions of that judge have been issued within the time limit prescribed by this section.

Sec. 132. Minnesota Statutes 1982, section 176.421, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF APPEAL.] The appellant or ~~his~~ *the appellant's* attorney shall prepare and sign a written notice of appeal specifying:

- (1) the order appealed from;
- (2) that appellant appeals from the order to the workers' compensation court of appeals;
- (3) the particular finding of fact or conclusion of law which ~~he~~ *the appellant* claims was unwarranted by the evidence or procured by fraud, coercion, or other improper conduct; *and*
- (4) ~~the testimony or other part of the record of the hearing necessary to be transcribed in order for the court of appeals to consider the appeal; and,~~

~~(5)~~ any other ground upon which the appeal is taken.

Sec. 133. Minnesota Statutes 1982, section 176.421, subdivision 4, is amended to read:

Subd. 4. [SERVICE AND FILING OF NOTICE; COST OF TRANSCRIPT.] Within the 30 day period for taking an appeal, the appellant shall:

- (1) Serve a copy of the notice of appeal on each adverse party;
- (2) File the original notice, with proof of service by admission or affidavit, with the chief hearing examiner and file a copy with the commissioner;
- (3) In order to defray the cost of the preparation of the record of the proceedings appealed from, pay to the state treasurer, office of administrative hearings account the sum of \$25; and
- (4) Submit a request that the chief hearing examiner order the preparation of a transcript of ~~that part~~ of the hearing delineated in the notice of appeal.

~~A party who desires a transcript of more of the hearing than has been requested by the appellant shall, within five working days of service of the notice of appeal, make a request of the chief hearing examiner that the additional testimony be transcribed.~~

The first party requesting the preparation of the transcript or any part to file an appeal is liable for the original cost of preparation of the transcript. Cross-appellants or any other persons requesting a copy of the transcript are liable for the cost of the copy. The cost of a transcript prepared by a non-governmental source shall be paid directly to that source and shall not exceed the cost that the source would be able to charge the state for the same service.

Upon a showing of cause, the chief hearing examiner may direct that a transcript be prepared without expense to the party requesting its preparation, in which case the cost of the transcript shall be paid by the office of administrative hearings.

All fees received by the office of administrative hearings for the preparation of the record for submission to the workers' compensation court of appeals or for the cost of transcripts prepared by the office shall be deposited in the office of administrative hearings account in the state treasury and shall be used solely for the purpose of keeping the record of hearings conducted under this chapter and the preparation of transcripts of those hearings.

Sec. 134. Minnesota Statutes 1982, section 176.421, subdivision 6, is amended to read:

Subd. 6. [POWERS OF WORKERS' COMPENSATION COURT OF APPEALS ON APPEAL.] On an appeal taken under this section, the workers' compensation court of ~~appeals~~ *appeals'* review is limited to the issues raised by the parties in the notice of appeal or by a cross-appeal. In these cases, on those issues raised by the appeal, the workers' compensation court of *appeals* may:

- (1) disregard the findings of fact which the compensation judge has made;
- (2) examine the record;
- (3) substitute for the findings of fact made by the compensation judge such findings as the total evidence requires; and,
- (4) make an award or disallowance of compensation or other order as the facts and findings require.

Sec. 135. Minnesota Statutes 1982, section 176.421, subdivision 7, is amended to read:

Subd. 7. [RECORD OF PROCEEDINGS.] At the division's own expense, the commissioner shall make a complete record of all proceedings before ~~himself~~ the commissioner *and shall provide a stenographer or an audio magnetic recording device to make a the record of the proceedings before him.*

The commissioner shall furnish a transcript of these proceedings to any person who requests it and who pays a reasonable charge ~~and shall fix the amount of this charge which shall be set by the commissioner.~~ *Upon a showing of cause, the commissioner may direct that a transcript be prepared without expense to the person requesting the transcript, in which case the cost of the transcript shall be paid by the division. Transcript fees received under this subdivision shall be paid to the workers' compensation division account in the state treasury and shall be annually appropriated to the division for the sole purpose of providing a record and transcripts as provided in this subdivision.*

Sec. 136. Minnesota Statutes 1982, section 176.442, is amended to read:

176.442 [APPEALS FROM DECISIONS OF COMMISSIONER OF DEPARTMENT OF LABOR AND INDUSTRY.]

Any decision or determination of the commissioner of the ~~department of labor and industry~~ affecting a right, privilege, benefit, or duty which is imposed or conferred under this chapter is subject to review by the workers' compensation court of appeals. A person aggrieved by ~~such~~ *the* determination may appeal to the workers' compensation court of appeals *by filing a notice of appeal with the commissioner* in the same manner and within the same time as if the appeal were from an order or decision of a compensation judge to the workers' compensation court of appeals.

Sec. 137. Minnesota Statutes 1982, section 176.461, is amended to read:

176.461 [SETTING ASIDE AWARD.]

Except ~~where~~ *when* a writ of certiorari has been issued by the supreme court and the matter is still pending in that court or ~~where~~ *if* as a matter of law the determination of the supreme court cannot be subsequently modified, the workers' compensation court of appeals, for cause, at any time after an award, upon application of either party and not less than five *working* days after written notice to all interested parties, may set the award aside and grant a new hearing and refer the matter for a determination on its merits to the chief hearing examiner for assignment to a compensation judge, who shall make ~~such~~ findings of fact, conclusions of law, and *an order of award or disallowance of compensation or other order as based on* the pleadings and the evidence produced and *as required by* the provisions of this chapter ~~shall require or rules adopted under it.~~

Sec. 138. Minnesota Statutes 1982, section 176.521, subdivision 2, is amended to read:

Subd. 2. [APPROVAL.] Settlements shall be approved only where the terms conform with this chapter.

The division, a compensation judge, the workers' compensation court of appeals, and the district court shall exercise discretion in approving or disapproving a proposed settlement.

The parties to the agreement of settlement have the burden of proving that the settlement is reasonable, fair, and in conformity with this chapter. A settlement agreement where both the employee or his dependent and the employer or insurer and intervenors in the matter are represented by an attorney shall be conclusively presumed to be reasonable, fair, and in conformity with this chapter *except when the settlement purports to be a full, final, and complete settlement of an employee's right to medical compensation under this chapter or rehabilitation under section 176.102. A settlement which purports to do so must be approved by the division, a compensation judge, or workers' compensation court of appeals.*

The conclusive presumption in this subdivision applies to a settlement agreement entered into on or after January 15, 1982, whether the injury to which the settlement applies occurred prior to or on or after January 15, 1982.

Sec. 139. Minnesota Statutes 1982, section 176.521, subdivision 2a, is amended to read:

Subd. 2a. [SETTLEMENTS NOT SUBJECT TO APPROVAL.] When a settled case is not subject to approval, upon receipt of the stipulation for settlement, a compensation judge ~~or~~, a settlement judge, *or the workers' compensation court of appeals* shall immediately sign the award and file it with the commissioner. Payment pursuant to the award shall be made within 14 days after it is filed with the commissioner. The commissioner may correct mathematical or clerical errors at any time.

Sec. 140. Minnesota Statutes 1982, section 176.521, subdivision 3, is amended to read:

Subd. 3. [SETTING ASIDE AWARD UPON SETTLEMENT.] Notwithstanding *the provisions of section 176.521, subdivision 1, 2, or 2a, or any provision in the agreement of settlement to the contrary, upon the filing of a petition by any party to the settlement and after a hearing on the petition, the workers' compensation court of appeals may set aside an award made upon a settlement, pursuant to this chapter. In those cases, the workers' compensation court of appeals shall refer the matter to the chief hearing examiner for assignment to a compensation judge for hearing.*

Sec. 141. Minnesota Statutes 1982, section 176.561, is amended to read:

176.561 [WORKERS' COMPENSATION COURT OF APPEALS POWERS AND DUTIES AS TO STATE EMPLOYEES; PROCEDURE FOR DETERMINING LIABILITY.]

The division, *a compensation judge* and the workers' compensation court of appeals have the same powers and duties in matters relating to state employees as they have in relation to other employees.

Except as specifically provided otherwise ~~herein~~ *in this chapter*, the procedure for determining the liability of the state for compensation is the same as that applicable in other cases.

Sec. 142. Minnesota Statutes 1982, section 176.571, subdivision 6, is amended to read:

Subd. 6. [FORMAL HEARING ON OBJECTIONS.] *If* the commissioner

~~of the department of labor and industry shall hold determines that a formal hearing on the objections which have been filed to the proposed order where the circumstances warrant such is warranted, the commissioner shall refer the matter to the chief hearing examiner for the assignment of a compensation judge who shall hold a hearing. The hearing shall be before a compensation judge.~~

Sec. 143. Minnesota Statutes 1982, section 176.645, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] For injuries occurring after October 1, 1975 for which benefits are payable under section 176.101, subdivisions 1, 2, 3a, and 4, and section 176.111, subdivision 5, the total benefits due the employee or any dependents shall be adjusted in accordance with this section. On October 1, 1981, and thereafter on the anniversary of the date of the employee's injury the total benefits due shall be adjusted by multiplying the total benefits due prior to each adjustment by a fraction, the denominator of which is the statewide average weekly wage for December 31, of the year two years previous to the adjustment and the numerator of which is the statewide average weekly wage for December 31, of the year previous to the adjustment. For injuries occurring after October 1, 1975, all adjustments provided for in this section shall be included in computing any benefit due under this section. Any limitations of amounts due for daily or weekly compensation under this chapter shall not apply to adjustments made under this section. No adjustment increase made on October 1, 1977 or thereafter under this section shall exceed six percent a year. In those instances where the adjustment under the formula of this section would exceed this maximum the increase shall be deemed to be six percent.

Sec. 144. Minnesota Statutes 1982, section 176.66, is amended by adding a subdivision to read:

Subd. 10. [MULTIPLE EMPLOYERS OR INSURERS; LIABILITY.] The employer liable for the compensation for a personal injury under this chapter is the employer in whose employment the employee was last exposed to the hazard of the occupational disease claimed, if the employment was for six months or more, whether intermittent or consecutive. In the event that the employer who is liable for the compensation had multiple insurers during the employee's term of employment, the insurer or self-insurer who was on the risk during the employee's last exposure as defined in this subdivision to the hazard of the occupational disease claimed is the liable party.

Sec. 145. Minnesota Statutes 1982, section 176.66, is amended by adding a subdivision to read:

Subd. 11. [AMOUNT OF COMPENSATION.] The compensation for an occupational disease shall be 66-2/3 percent of the employee's weekly wage on the date of last exposure to the hazard in the employment of the liable employer as defined in subdivision 10 of the occupational disease claimed, subject to a maximum compensation equal to the maximum compensation in effect on the date of the last exposure provided that the employee shall be immediately eligible for supplementary benefits if that employee's compensation is less than 65 percent of the statewide average weekly wage.

Sec. 146. [176.83] [RULES.]

In addition to any other section under this chapter giving the commissioner the authority to adopt rules, the commissioner may adopt, amend, or repeal rules to implement the provisions of this chapter. The rules shall have the force and effect of law and are binding on a compensation judge, workers' compensation court of appeals, the rehabilitation review panel, and the medical services advisory board and shall include but not be limited to:

(a) rules necessary to implement and administer section 176.102, including the establishment of qualifications necessary to be a qualified rehabilitation consultant and the requirements to be an approved registered vendor of rehabilitation services including registration fees to be paid by rehabilitation consultants and approved vendors under section 176.102. Registration fees set by the commissioner shall be set so that the total fees received approximate the amount appropriated for the function, plus the portion of general support costs and statewide indirect costs of the agency that is attributable to the function for which the fee is charged. Subsequent fee adjustments may be made without a public hearing when the total fees estimated to be received during the fiscal biennium will not exceed the sum of all direct appropriations, indirect costs, transfers in, and salary supplements for that purpose for the biennium. The rules may also provide for penalties to be imposed by the commissioner against insurers or self-insured employers who fail to provide rehabilitation consultation to employees pursuant to section 176.102. These rules may also establish criteria regarding "reasonable moving expenses" under the section. The rules may also establish criteria, guidelines, methods, or procedures to be met by an employer or insurer in providing the initial rehabilitation consultation pursuant to this chapter which would permit the initial consultation to be provided by an individual other than a qualified rehabilitation consultant, provided that in absence of such rules this consultation shall be conducted pursuant to the provisions of this chapter governing rehabilitation consultation;

(b) rules establishing standards for reviewing and evaluating the clinical consequences of services provided by qualified rehabilitation consultants, approved registered vendors of rehabilitation services, and services provided to an employee by health care providers;

(c) rules establishing standards and procedures for determining whether or not charges for health services or rehabilitation services rendered under this chapter are excessive. In this regard, the standards and procedures shall be structured to determine what is necessary to encourage providers of health services and rehabilitation services to develop and deliver services for the rehabilitation of injured employees.

The procedures shall include standards for evaluating hospital care, other health care and rehabilitation services to insure that quality hospital, other health care, and rehabilitation is available and is provided to injured employees;

(d) rules establishing standards and procedures for determining whether a provider of health care services and rehabilitation services, including a provider of medical, chiropractic, podiatric, surgical, hospital or other services, is performing procedures or providing services at a level or with a frequency that is excessive, based upon accepted medical standards for quality health care and accepted rehabilitation standards.

If it is determined by the commissioner that the level, frequency or cost of a procedure or service of a provider is excessive according to the standards established by the rules, the provider shall not be paid for the excessive procedure, service, or cost by an insurer, self-insurer, or group self-insurer. In addition, the provider shall not be reimbursed or attempt to collect reimbursement for the excessive procedure, service, or cost from any other source, including the employee, another insurer, the special compensation fund, or any government program.

A health or rehabilitation provider who is determined by the commissioner to be consistently performing procedures or providing services at an excessive level or cost may be prohibited from receiving any further reimbursement for procedures or services provided under chapter 176. A prohibition imposed on a provider under this clause may be grounds for revocation or suspension of the provider's license or certificate of registration to provide health care or rehabilitation service in Minnesota by the appropriate licensing or certifying body.

The rules adopted under this clause shall require insurers, self-insurers, and group self-insurers to report medical and other data necessary to implement the procedures required by this clause;

(e) rules establishing procedures and standards for the certification of physicians, chiropractors, podiatrists, and other health care providers, including rules related to additional training and continuing education, in order to assure the coordination of treatment, rehabilitation, and other services and requirements of chapter 176 for carrying out the purposes and intent of this chapter;

(f) rules necessary for implementing and administering the provisions of sections 176.001, 176.131, 176.132, 176.134, 176.242, 176.243, 176.251, 176.66 to 176.669, and rules regarding proper allocation of compensation under section 176.111;

(g) procedures required for the implementation and administration of section 176.129 including, but not limited to, determining the method by which an employer will be assessed for payments due under section 176.129, subdivision 3, and the amount of the assessment. In adopting the rule regarding the assessment, the commissioner shall consider among other things, the expenditures to be made from the fund in the next calendar year, the current fund balance, and future expenditure trends;

(h) rules establishing standards or criteria under which a physician, podiatrist, or chiropractor is selected or under which a change of physician, podiatrist, or chiropractor is allowed under section 176.135, subdivision 2;

(i) rules to govern the procedure for intervention pursuant to section 176.361;

(j) joint rules with either or both the workers' compensation court of appeals and the chief hearing examiner which may be necessary in order to provide for the orderly processing of claims or petitions made or filed pursuant to chapter 176;

(k) rules establishing criteria to be used by the division, compensation judge, and workers' compensation court of appeals to determine "independ-

dent contractor'';

(l) rules necessary for implementation of the provisions of section 176.101, subdivision 3, shall include the provisions contained in the Manual for Orthopaedic Surgeons in Evaluating Permanent Physical Impairment, published by the American Academy of Orthopaedic Surgeons, which are in effect as of the effective date of this act. The provisions adopted by reference herein shall be effective the same day as the provisions of section 176.101, subdivision 3;

(m) forms and other reporting procedures to be used by an employer, insurer, medical provider, qualified rehabilitation consultant, approved vendor of rehabilitation services, attorney, employee, or other person subject to the provisions of this chapter; or

(n) any other rules necessary to implement, administer, or clarify the intent of a provision of chapter 176 which are not inconsistent with the law.

The chief hearing examiner shall adopt rules relating to procedures in matters pending before a compensation judge in the office of administrative hearings.

The commissioner may adopt rules regarding requirements which must be met by individuals who are employed by insurers or self-insurers or claims servicing or adjusting agencies and who work as claims adjusters in the field of workers' compensation insurance.

The commissioner may adopt temporary rules establishing qualifications necessary to be a qualified rehabilitation consultant and penalties to be imposed against qualified rehabilitation consultants or approved vendors who violate this chapter or rules, including temporary rules, adopted under this chapter. In addition to the provisions of sections 14.29 to 14.36, at least one public hearing shall be held prior to the adoption of these temporary rules.

Sec. 147. [176.84] [SPECIFICITY OF NOTICE OR STATEMENT.]

All notices or statements required by this chapter including, but not limited to, notices or statements pursuant to sections 176.102, 176.103, 176.221, 176.241, 176.242, and 176.243, shall be sufficiently specific to convey clearly, without further inquiry, the basis upon which the party issuing the notice or statement is acting. If the commissioner or compensation judge determines that a notice or statement is not sufficiently specific to meet the standard under this section, the notice or statement may be rejected as unacceptable and the party issuing it shall be informed of this. The rejected notice or statement may be amended to meet the requirement of this section or a new one may be filed.

Sec. 148. [176.85] [PENALTIES; APPEALS.]

Subdivision 1. [APPEAL PROCEDURE.] If the commissioner has assessed a penalty against a party subject to this chapter and the party believes the penalty is not warranted, the party may request that a formal hearing be held on the matter. Upon a request for a hearing the commissioner shall refer the matter to the chief hearing examiner for assignment to a compensation judge or hearing examiner.

The chief hearing examiner shall keep a record of the proceeding and

provide a record pursuant to section 176.421.

The decision of the compensation judge or hearing examiner shall be final and shall be binding and enforceable. The decision may be appealed to the workers' compensation court of appeals.

Subd. 2. [EXCEPTION.] This section does not apply to penalties for which another appeal procedure is provided, including but not limited to penalties imposed pursuant to sections 176.102 or 176.103.

Subd. 3. [HEARING COSTS.] For purposes of this section, a hearing before a hearing examiner shall be treated in the same manner as a hearing before a compensation judge and no costs may be charged to the commissioner for the hearing, regardless of who hears it.

Sec. 149. Minnesota Statutes 1982, section 268.08, subdivision 3, is amended to read:

Subd. 3. [NOT ELIGIBLE.] An individual shall not be eligible to receive benefits for any week with respect to which he is receiving, has received, or has filed a claim for remuneration in an amount equal to or in excess of his weekly benefit amount in the form of

(1) termination, severance, or dismissal payment or wages in lieu of notice whether legally required or not; provided that if a termination, severance, or dismissal payment is made in a lump sum, the employer may allocate such lump sum payment over a period equal to the lump sum divided by the employee's regular pay while employed by such employer; provided any such payment shall be applied for a period immediately following the last day of work but not to exceed 28 calendar days; or

(2) vacation allowance paid directly by the employer for a period of requested vacation, including vacation periods assigned by the employer under the provisions of a collective bargaining agreement, or uniform vacation shutdown; or

(3) compensation for loss of wages under the workers' compensation law of this state or any other state or under a similar law of the United States, or under other insurance or fund established and paid for by the employer *except that this does not apply to an individual who is receiving temporary partial compensation pursuant to section 176.101, subdivision 3j*; or

(4) 50 percent of the pension payments from any fund, annuity or insurance maintained or contributed to by a base period employer including the armed forces of the United States if the employee contributed to the fund, annuity or insurance and all of the pension payments if the employee did not contribute to the fund, annuity or insurance; or

(5) 50 percent of a primary insurance benefit under Title II of the social security act as amended, or similar old age benefits under any act of congress or this state or any other state.

Provided, that if such remuneration is less than the benefits which would otherwise be due under sections 268.03 to 268.24, he shall be entitled to receive for such week, if otherwise eligible, benefits reduced by the amount of such remuneration; provided, further, that if the appropriate agency of such other state or the federal government finally determines that he is not

entitled to such benefits, this provision shall not apply.

Sec. 150. Minnesota Statutes 1982, section 471.982, subdivision 2, is amended to read:

Subd. 2. The commissioner of insurance is authorized to ~~promulgate~~ *adopt* administrative rules, including emergency rules pursuant to sections 14.01 to 14.70. These rules may provide standards or guidelines governing the formation, operation, administration, dissolution of self insurance pools, and other reasonable requirements to further the purpose of this section ~~and. In developing the rules under this section, the commissioner shall at a minimum require~~ *consider* the following:

(a) *The requirements for self-insuring pools of political subdivisions shall be no more nor less restrictive than the requirements for self-insuring pools of private employers;*

(b) All participants in the pool are jointly and severally liable for all claims and expenses of the pool;

~~(b)~~ (c) Each pool shall contract with a service company licensed by the commissioner to provide or contract for all administrative services required by the pool. No vendor of risk management services or entity administering a self insurance plan under this section may transact such business in this state unless it is licensed to do so by the commissioner. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner may issue a license subject to restrictions or limitations upon the authorization, including the type of services which may be supplied or the activities which may be engaged in. The license fee shall be \$100. All licenses shall be for a period of two years;

~~(c)~~ (d) The service company has sole responsibility for the settlement of all claims against the pool or its members for which the pool may provide indemnification;

~~(d)~~ (e) A minimum premium volume for each pool shall be established. The minimum premium volume may differ because of the kinds of coverage provided, and the limits of liability for the coverage;

~~(e)~~ (f) All premiums or other assessments due to the pool from members shall be payable prior to the period for which coverage is being provided, or at equal intervals throughout the period;

~~(f)~~ (g) Premiums shall ~~either be established by an actuary approved by the commissioner or shall be premiums filed by a licensed rate service organization with reductions permitted solely for administrative or premium tax savings neither excessive, inadequate, nor unfairly discriminatory;~~

~~(g)~~ (h) The commissioner may require each pool to purchase excess insurance above certain limits and in a particular form. The limits or form of the excess insurance may differ based on the kinds of coverage offered by a pool, the limits of liability of the coverage, and the revenues available to pool members for the payment of premiums or assessments;

- ~~(h)~~ (i) Each pool shall be audited annually by a certified public accountant;
- ~~(i)~~ (j) *Whether* limitations on the payment of dividends to pool members ~~may be established as~~ *are* necessary to assure the solvency of the pool;
- ~~(j)~~ (k) No participant may withdraw from a pool for a period of at least three years after its initial entry into the pool;
- ~~(k)~~ (l) The amount of any liabilities in excess of assets shall be assessed to members of the pool within 30 days after a deficiency is identified and shall be payable by the member within 90 days;
- ~~(l)~~ (m) The investment policies of the pool shall be governed by the laws governing investments by cities pursuant to section 475.66;
- ~~(m)~~ (n) Pools shall be subject to the standards of unfair methods of competition and unfair or deceptive acts or practices established in chapter 72A;
- ~~(n)~~ (o) Other requirements that are necessary to protect the solvency of the pool, the rights and privileges of claimants against the pool, and citizens of the members of the pool shall be included in the rules.

Sec. 151. [CITY OF DULUTH; GROUP WORKERS' COMPENSATION SELF INSURANCE POOLS.]

Subdivision 1. [PILOT STATE FUND.] Notwithstanding any contrary provision of other law, ordinance, or charter, the city of Duluth may enter into a self insurance pool with private employers located in the city of Duluth to self insure workers' compensation liability of pool members. Any pool formed pursuant to this section shall be operated under bylaws established by members of the pool. The initial bylaws and amendments to them shall not be effective unless approved by the city of Duluth and the commissioner of insurance. The bylaws shall address the following subjects:

- (a) Qualifications for group self insurer membership, including underwriting standards.*
- (b) The method of selecting the board of directors, including the directors' terms of office.*
- (c) The procedure for amending the bylaws or plan of operation.*
- (d) Investment of assets of the fund.*
- (e) Frequency and extent of loss control or safety engineering services provided to members.*
- (f) A schedule for payment and collection of premiums.*
- (g) Expulsion procedures, including expulsion for nonpayment of premiums and expulsion for excessive losses.*
- (h) Delineation of authority granted to the administrator.*
- (i) Delineation of authority granted to the service company.*
- (j) Basis for determining premium contributions by members including any experience rating program.*
- (k) Procedures for resolving disputes between members of the group, which shall not include submitting them to the commissioner.*

(l) *Basis for determining distribution of any surplus to the members, or assessing the membership to make up any deficit.*

(m) *Provisions for security to be furnished by private employers to insure assessments are paid in case of private employer insolvency.*

The members participating in the pool may establish a joint board with appropriate powers to manage the pool. Each member of the pool shall pay to the pool the amounts assessed against it pursuant to the bylaws. A member may withdraw only after it has reimbursed the pool for the amounts for which it is obligated under the terms of the agreement.

Subd. 2. [APPROVAL OF COMMISSIONER.] A pool formed pursuant to this section shall not be effective or begin operation until it has been approved by the commissioner of insurance in the manner provided in Minnesota Statutes, section 471.982. Section 471.982 and any applicable rules adopted pursuant to it shall apply to any pool formed pursuant to this section. A pool formed pursuant to this section shall be a member of the workers' compensation reinsurance association and shall be bound by its plan of operation.

Sec. 152. [APPROPRIATIONS; COMPLEMENT INCREASE.]

Subdivision 1. [DEPARTMENT OF LABOR AND INDUSTRY.] (a) There is appropriated to the department of labor and industry for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$2,159,901	\$2,516,169

The approved complement of the department of labor and industry is increased by 103 of which 3.8 shall be federally funded. The increased complement shall be allocated as follows:

- (1) workers' compensation administration, 1;*
- (2) records and compliance, 15;*
- (3) rehabilitation service, 20;*
- (4) legal services, 1;*
- (5) settlement and docket, 3;*
- (6) mediation and arbitration, 6;*
- (7) research and education, 15;*
- (8) information management service, 6;*
- (9) state employee fund, 6;*
- (10) occupational safety and health consultation, 2;*
- (11) general support, 9; and*
- (12) special compensation fund, 19.*

The appropriation provided by this clause (a) is for the purpose of paying for the increased complement and expenses related to their duties.

(b) There is appropriated to the department of labor and industry for the

fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$437,500	\$875,000

The appropriation provided by this clause (b) is for the purpose of paying the state's premium to the workers' compensation reinsurance association.

(c) There is appropriated to the department of labor and industry for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$476,985	\$449,855

The funds appropriated by this clause (c) are to be deposited in the special compensation fund to pay the expenses of the increased complement provided for the fund by clause (a) and expenses related to their duties.

Subd. 2. [OFFICE OF ADMINISTRATIVE HEARINGS.] There is appropriated to the office of administrative hearings for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$127,400	\$130,050

The approved complement of the office of administrative hearings is increased by four. The appropriation provided by this subdivision is for the purpose of paying for the increased complement and expenses related to their duties.

Subd. 3. [INSURANCE DIVISION.] There is appropriated to the department of commerce for its insurance division for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$230,818	\$239,620

The approved complement of the insurance division of the department of commerce is increased by seven. The appropriation provided by this subdivision is for the purpose of paying for the increased complement and expense related to their duties.

Subd. 4. [ATTORNEY GENERAL.] There is appropriated to the office of the attorney general for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$204,500	\$206,062

The approved complement of the office of attorney general is increased by six. The appropriation provided by this subdivision is for the purpose of providing for the increased complement and expenses related to their duties.

Sec. 153. [REPEALER.]

Minnesota Statutes 1982, sections 175.07; 175.101, subdivision 3; 175.36; 176.102, subdivision 12; 176.131, subdivisions 9, 10, 11, and 12; 176.152; and 176.262 are repealed.

Sec. 154. [SEVERABILITY.]

If any provision of this act is found to be unconstitutional and void, the remaining provisions of the act shall remain valid, unless the court finds the valid provisions of the act are so essentially and inseparably connected with, and so dependent upon, the void provisions that the court cannot presume the legislature would have enacted the remaining valid provisions without the void one; or unless the court finds the remaining valid provisions, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent.

Sec. 155. [176.1011] [PERMANENT PARTIAL DISABILITY, WHOLE BODY SCHEDULE.]

Subdivision 1. [GENERAL.] For permanent partial disability the percentage loss of a part of the body as it relates to the whole body is as indicated in this section.

Subd. 2. [MEMBERS.] (a) For the loss of a hand, not including wrist movement, 42 percent of the whole body;

(b) For the loss of a hand, including wrist movement, 48 percent of the whole body;

(c) For the loss of an arm, 60 percent of the whole body;

(d) For the loss of a foot, including ankle movement, 32 percent of the whole body;

(e) For loss of a leg, if enough remains to permit the use of an effective artificial member, 40 percent of the whole body;

(f) For the loss of a leg so close to the hip that no effective artificial member can be used, 50 percent of the whole body;

(g) For loss of the great toe, eight percent of the whole body;

(h) For loss of a toe other than the great toe, three percent of the whole body.

Subd. 3. [VISION.] For the complete loss of vision, 85 percent of the whole body. In determining the degree of vision impairment as it relates to complete loss of vision, clauses (1) to (6) must be used.

(1) [MAXIMUM AND MINIMUM LIMITS OF THE PRIMARY COORDINATE FACTORS OF VISION.] In order to determine the various degrees of visual efficiency, normal or maximum, and minimum, limits for each coordinate function must be established those being, the 100 percent point and the zero percent point.

(a) [MAXIMUM LIMITS.] The maximum efficiency for each of these is established by existing and accepted standards.

1. [CENTRAL VISUAL ACUITY.] The ability to recognize letters or characters which subtend an angle of five minutes, each unit part of which subtends a one-minute angle at the distance viewed is accepted as standard. Therefore a 20/20 Snellen or A.M.A. and a 14/14 A.M.A. are employed as the maximum acuity of central vision, or 100 percent acuity for distance vision and near vision respectively.

2. [FIELD VISION.] A visual field having an area which extends from the point of fixation outward 65 degrees, down and out 65 degrees, down 55 degrees, down and in 5 degrees, inward 45 degrees, in and up 45 degrees, upward 45 degrees, and up and out 55 degrees is accepted as 100 percent industrial visual field efficiency.

3. [BINOCULAR VISION.] Maximum binocular vision is present if there is absence of diplopia in all parts of the field of binocular fixation, and if the two eyes give useful binocular vision.

(b) [MINIMUM LIMITS.] The minimum limit, or the zero percent of the coordinate functions of vision, is established at that degree of efficiency which reduces vision to a state of industrial uselessness.

1. [CENTRAL VISUAL ACUITY.] The minimum limit of this function is established as the loss of light perception, light perception being qualitative vision. The practical minimum limit of quantitative visual acuity is established as the ability to distinguish form. Experience, experiment, and authoritative opinion show that for distance vision 20/200 Snellen or A.M.A. Chart is 80 percent loss of visual efficiency, 20/380 is 96 percent loss, and 20/800 is 99.9 percent loss, and that for near vision 14/141 A.M.A. Reading Card is 80 percent loss of visual efficiency, 14/266 is 96 percent loss, and 14/560 is 99.9 percent loss. Table 1 shows the percentage loss of visual efficiency corresponding to the Snellen and other notations for distance and for near vision, for the measurable range of quantitative visual acuity.

2. [FIELD VISION.] The minimum limit for this function is established as a concentric central contraction of the visual field to five degrees. This degree of contraction of the visual field of an eye reduces the visual efficiency to zero.

3. [BINOCULAR VISION.] The minimum limit is established by the presence of diplopia in all parts of the motor field, or by lack of useful binocular vision. This condition constitutes 50 percent motor field efficiency.

TABLE 1

Percentage of Central Visual Efficiency Corresponding to Specified Readings for Distance and for Near Vision for Measurable Range of Quantitative Visual Acuity

A.M.A. Test Chart or Snellen Reading for Distance	A.M.A. Card Reading for Near	Percentage of Visual Efficiency	Percentage Loss of Vision
20/20	14/14	100.00	0.0
20/15	14/17.5	95.7	4.3
20/25.7	—	95.0	5.0
20/30	14/21	91.5	8.5
20/32.1	—	90.0	10.0
20/35	14/24.5	7.5	12.5
20/38.4	—	85.0	15.0
20/40	14/28	83.6	16.4
20/44.9	14/31.5	80.0	20.0
20/50	14/35	76.5	23.5
20/52.1	—	75.0	25.0

20/60	14/42	69.9	30.1
20/60.2	—	70.0	30.0
20/68.2	—	65.0	35.0
20/70	14/49	64.0	36.0
20/77.5	—	60.0	40.0
20/80	14/56	58.5	41.5
20/86.8	—	55.0	45.0
20/90	14/63	53.4	46.6
20/97.5	—	50.0	50.0
20/100	14/70	48.9	51.1
20/109.4	—	45.0	55.0
20/120	14/84	40.9	59.1
—	14/89	38.4	61.6
20/122.5	—	40.0	60.0
20/137.3	—	35.0	65.0
20/140	14/98	34.2	65.8
20/155	—	30.0	70.0
20/160	14/112	28.6	71.4
20/175	—	25.0	75.0
20/180	14/126	23.9	76.1
20/200	14/141	20.0	80.0
20/220	14/154	16.7	83.3
20/240	14/168	14.0	86.0
14/178	—	12.3	87.7
20/260	14/182	11.7	88.3
20/280	14/196	9.7	90.3
20/300	14/210	8.2	91.8
20/320	14/224	6.8	93.2
20/340	14/238	5.7	94.3
20/360	14/252	4.8	95.2
20/380	14/266	4.0	96.0
20/400	14/280	3.3	96.7
20/450	14/315	2.1	97.9
20/500	14/350	1.4	98.6
20/600	14/420	0.6	99.4
20/700	14/490	0.3	99.7
20/800	14/560	0.1	99.9

Where distance vision is less than 20/200 and the A.M.A. Chart is used, readings will be at ten feet. The percentage of efficiency and loss may be obtained from this table by comparison with corresponding readings on the basis of 20 feet, interpolating between readings if necessary. In view of the lack of uniform standards among the various near vision charts, readings for near vision, within the range of vision covered thereby, are to be according to the American Medical Association Rating Reading Card of 1932.

(2) [MEASUREMENT OF COORDINATE FACTORS OF VISION AND THE COMPUTATION OF THEIR PARTIAL LOSS.] (a) [CENTRAL VISUAL ACUITY.] 1. Central visual acuity shall be measured both for distance and for near, each eye being measured separately, both with and without correction. Where the purpose of the computation is to determine loss of vision resulting from injury, if correction is needed for a presbyopia due to age or for some other condition clearly not due to the injury, the central visual acuity "without correction," as the term is used in this section, shall be measured with a correction applied for the presbyopia or other preexisting condition but without correction for any condition which may

have resulted from the injury. The central visual acuity with correction shall be measured with correction applied for all conditions present.

2. The percentage of central visual acuity efficiency of the eye for distance vision shall be based on the best percentage of central visual acuity between the percentage of central visual acuity with and without correction. No subtraction for glasses may be taken at more than 25 percent, or less than five percent, of total central visual acuity efficiency. If a subtraction of five percent reduces the percentage of central visual acuity efficiency below that obtainable without correction, the percentage obtainable without correction shall be adopted unless correction is necessary to prevent eye strain or for other reasons.

3. The percentage of central visual acuity efficiency of the eye for near vision shall be based on a similar computation from the near vision readings, with and without correction.

4. The percentage of central visual acuity efficiency of the eye in question shall be the result of the weighted values assigned to these two percentages for distance and for near. A onefold value is assigned to distance vision and a twofold value to near vision. If the central visual efficiency for distance is 70 percent and that for near is 40 percent, the percentage of central visual efficiency for the eye in question would be:

Distance (taken once)	70 percent
Near (taken twice)	40
	40
	150 divided by 3 = 50 percent
	central visual acuity efficiency

5. The Snellen test letters or characters as published by the Committee on Compensation for Eye Injuries of the American Medical Association and designated "Industrial Vision Test Charts" subtend a five-minute angle, and their component parts a one-minute angle. These test letters or the equivalent are to be used at an examining distance of 20 feet for distant vision (except as otherwise noted on the chart where vision is very poor), and 14 inches for near vision, from the patient. The illumination is to be not less than three-foot candles, nor more than ten-foot candles on the surface of the chart.

6. Table 1 shows the percentage of central visual acuity efficiency and the percentage loss of efficiency, both for distance and for near, for partial loss between 100 percent and zero vision for either eye.

(b) [FIELD VISION.] 1. The extent of the field of vision shall be determined by the use of the usual perimetric test methods, a white target being employed which subtends a one-degree angle under illumination of not less than three-foot candles, and the result plotted on the industrial visual field chart. The readings should be taken, if possible, without restriction to the field covered by the correction worn.

2. The amount of radial contraction in the eight principal meridians shall be determined. The sum of the degrees of field vision remaining on these meridians, divided by 420 (the sum of the eight principal radii of the industrial visual field) will give the visual field efficiency of one eye in percent, except that a concentric central contraction of the field to a diameter of five degrees reduces the visual efficiency to zero.

3. Where the impairment of field is irregular and not fairly disclosed by the eight radii, the impaired area should be sketched upon the diagram on the report blank, and the computation be based on a greater number of radii, or

otherwise, as may be necessary to a fair determination.

(c) [BINOCULAR VISION.] 1. Binocular vision shall be measured in all parts of the motor field, recognized methods being used for testing. It shall be measured with any useful correction applied.

2. Diplopia may involve the field of binocular fixation entirely or partially. When diplopia is present, this shall be plotted on the industrial motor field chart. This chart is divided into 20 rectangles, four by five degrees in size. The partial loss due to diplopia is that proportional area which shows diplopia as indicated on the plotted chart compared with the entire motor field area.

3. If diplopia involves the entire motor field, causing an irremediable diplopia, or when there is absence of useful binocular vision due to lack of accommodation or other reason, the loss of coordinate visual efficiency is equal to 50 percent loss of the vision existing in one eye (ordinarily the injured, or the more seriously injured, eye). If the diplopia is partial, the loss in visual efficiency shall be proportional and based on the efficiency factor value of one eye as stated in table 2. If useful correction is applied to relieve diplopia, five percent of total motor field efficiency of one eye shall be deducted from the percent of the efficiency obtainable with the correction. A correction which does not improve motor field efficiency by at least five percent of total will not ordinarily be considered useful.

TABLE 2

Loss in Binocular Vision

No loss	equals	100.0%	Motor Field Efficiency
1/20	equals	99.0	Motor Field Efficiency
2/20	equals	97.7	Motor Field Efficiency
3/20	equals	96.3	Motor Field Efficiency
4/20	equals	95.0	Motor Field Efficiency
5/20	equals	93.7	Motor Field Efficiency
6/20	equals	92.3	Motor Field Efficiency
7/20	equals	90.7	Motor Field Efficiency
8/20	equals	89.0	Motor Field Efficiency
9/20	equals	87.3	Motor Field Efficiency
10/20	equals	85.7	Motor Field Efficiency
11/20	equals	83.7	Motor Field Efficiency
12/20	equals	81.7	Motor Field Efficiency
13/20	equals	79.7	Motor Field Efficiency
14/20	equals	77.3	Motor Field Efficiency
15/20	equals	75.0	Motor Field Efficiency
16/20	equals	72.7	Motor Field Efficiency
17/20	equals	69.7	Motor Field Efficiency
18/20	equals	66.0	Motor Field Efficiency
19/20	equals	61.0	Motor Field Efficiency
20/20	equals	50.0	Motor Field Efficiency

(3) [INDUSTRIAL VISUAL EFFICIENCY OF ONE EYE.] The industrial visual efficiency of one eye is determined by obtaining the product of the computed coordinate efficiency values of central visual acuity, of field of vision, and of binocular vision. Thus, if central visual acuity efficiency is 50 percent, visual field efficiency is 80 percent and the binocular vision efficiency is 100 percent, the resultant visual efficiency of the eye will be 50 times 80 times 100 equals 40 percent. Should useful binocular vision be absent in all of the motor field so that binocular efficiency is reduced to 50

percent, the visual efficiency would be 50 times 80 times 50 equals 20 percent.

(4) [COMPUTATION OF COMPENSATION FOR IMPAIRMENT OF VISION.] *When the percentage of industrial visual efficiency of each eye has been determined, it is subtracted from 100 percent. The difference represents the percentage impairment of each eye for industrial use. These percentages are applied directly to the specific schedules of chapter 176.*

(5) [TYPES OF OCULAR INJURY NOT INCLUDED IN THE DISTURBANCE OF COORDINATE FACTORS.] *Certain types of ocular disturbance are not included in the foregoing computations and these may result in disabilities, the value of which cannot be computed by any scale as yet scientifically possible of deduction. These are disturbances of accommodation not previously provided for in these rules, of color vision, of adaptation to light and dark, metamorphopsia, entropion, ectropion, lagophthalmos, epiphora, and muscle disturbances not included under diplopia. For these disabilities additional compensation shall be awarded, but in no case shall the additional award make the total compensation for loss in industrial visual efficiency greater than that provided by law for total permanent disability.*

(6) [MISCELLANEOUS RULES.] (a) *Compensation shall not be computed until all adequate and reasonable operations and treatment known to medical science have been attempted to correct the defect. Prior to the final examination on which compensation is to be computed, at least three months shall have elapsed after the last trace of visible inflammation has disappeared. If in cases of disturbance of extrinsic ocular muscles, optic nerve atrophy, injury of the retina, sympathetic ophthalmia, and traumatic cataract, at least 12 months and preferably not more than 16 months shall intervene before the examination is made on which final compensation is to be computed. In case the injury is one which may cause cataract, optic atrophy, disturbance of the retina, or other conditions, which may further impair vision after the time of the final examination, a note of that fact should be made by the examining physician on his report.*

(b) *In cases of additional loss in visual efficiency, when it is known that there was present a preexisting subnormal vision, compensation shall be based on the loss incurred as a result of eye injury or occupational condition specifically responsible for the additional loss. If there exists no record or no adequate and positive evidence of preexisting subnormal vision, it shall be assumed that the visual efficiency prior to any injury was 100 percent. An examining physician must carefully distinguish, in regard to each of the coordinate factors, between impairments resulting from the injury and impairments not so resulting. Other impairments should be reported separately.*

Subd. 4. [AUDITORY.] For complete loss of hearing, 35 percent of the whole body. In determining the degree of hearing loss as it relates to complete hearing loss, clauses (1) to (9) must be used:

(1) [HARMFUL NOISE.] *Hearing loss resulting from hazardous noise exposure depends upon several factors, namely, the overall intensity (sound pressure level), the daily exposure, the frequency characteristic of the noise spectrum and the total lifetime exposure. Noise exposure level of 90 decibels or more as measured on the A scale of a sound level meter for eight hours a day is considered to be harmful.*

(2) [MEASUREMENT OF NOISE.] *Noise shall be measured with a sound level meter which meets ANSI standard S1.4-1971 and shall be measured on the "A" weighted network for "slow response". Noise levels reaching maxima at intervals of one second or less shall be classified as being continuous. The measurement of noise is primarily the function of acoustical engineers and properly trained personnel. Noise should be scientifically measured by properly trained individuals using approved calibrated instruments which at the present time include sound level meters, octave band analyzers and oscilloscopes, the latter particularly for impact-type noises.*

(3) [MEASURE OF HEARING ACUITY.] *The use of pure tone air conduction audiometry performed under proper testing conditions is recommended for establishing the hearing acuity of workers. The audiometer should be one which meets the specifications of ANSI standard 53.6-1969 (4). The audiometer should be periodically calibrated. Preemployment records should include a satisfactory personal and occupational history on hearing status. Otological examination should be made where indicated.*

(4) [FORMULA FOR MEASURING HEARING IMPAIRMENT.] *For the purpose of determining the hearing impairment, pure tone air conduction audiometry is used, measuring all frequencies between 500 and 6,000 Hz. This formula uses the average of the three speech frequencies of 1,000, 2,000, and 3,000 Hz. Audiometric measurement for these three frequencies averaging 35 decibels or less on the ANSI calibration does not constitute any practical hearing impairment. A table for evaluating hearing impairment based upon the average readings of these three frequencies follows below. No deduction is made for presbycusis.*

(5) [DIAGNOSIS AND EVALUATION.] *The diagnosis of occupational hearing loss is based upon the occupational and medical history, the results of the otological and audiometric examinations and their evaluation.*

(6) [TREATMENT.] *There is no known medical or surgical treatment for improving or restoring hearing loss due to hazardous noise exposure.*

(7) [ALLOWANCE FOR TINNITUS.] *In addition to the above impairment, if tinnitus has permanently resulted due to work exposure, an allowance of five percent loss of hearing impairment for the affected ear or ears shall be computed.*

(8) [HEARING IMPAIRMENT TABLE.]

Average Decibel Loss ANSI	Percent of Compensable Hearing Impairment	Average Decibel Loss ANSI	Percent of Compensable Hearing Impairment
35	0	66	54.25
36	1.75	67	56.00
37	3.50	68	57.75
38	5.25	69	59.50
39	7.00	70	61.25
40	8.75	71	63.00
41	10.50	72	64.75
42	12.25	73	66.50
43	14.00	74	68.25
44	15.75	75	70.00
45	17.50	76	71.75

46	19.25	77	73.50
47	21.00	78	75.25
48	22.75	79	77.00
49	24.50	80	78.75
50	26.25	81	80.50
51	28.00	82	82.25
52	29.75	83	84.00
53	31.50	84	85.75
54	33.25	85	87.50
55	35.00	86	89.25
56	36.75	87	91.00
57	38.50	88	92.75
58	40.25	89	94.50
59	42.00	90	96.25
60	43.75	91	98.00
61	45.50	92	99.75
62	47.25	92	99.75
63	49.00	92	99.75
64	50.75	92	99.75
65	52.50	92	99.75

(9) [METHOD FOR DETERMINING PERCENT OF HEARING IMPAIRMENT.] Obtain for each ear the average hearing level in decibels at the three frequencies, 1,000, 2,000, and 3,000 Hz.

See table for converting to percentage of hearing impairment in each ear.

To determine the percentage of impairment for both ears, multiply the lesser loss by four, add the greater loss and divide by five.

Subd. 5. [HEAD INJURIES.] (a) For head injuries, the percentage of permanent partial disability to the whole body multiplied by 95 percent. The percentage shall be determined from competent testimony at a hearing before a compensation judge or by the workers' compensation court of appeals in cases upon appeal except in cases where clause (b) is applicable.

(b) Skull defect:

Percent	Percent	Unfilled defect	Filled defect
1 square inch		10 whole body	3 whole body
2 square inches		15 whole body	4 whole body
3 square inches		20 whole body	5 whole body
5 square inches		25 whole body	7 whole body
8 or more square inches		30 whole body	10 whole body

Subd. 6. [INTERNAL ORGANS.] For permanent partial disability to an internal organ, until the commissioner adopts a schedule of degree of disability for internal organs, that percent, not to exceed 100 percent, which is percent of permanent partial disability caused to the whole body by the injury as is determined from competent testimony at a hearing before a compensation judge or the workers' compensation court of appeals.

Subd. 7. [DISFIGUREMENT; SCARRING.] For disfigurement or scarring not resulting from the loss of a member or other injury specifically compensated, affecting the employability or advancement opportunity of the injured person in the employment in which he was injured or other employment for which the employee is then qualified or for which the employee has become qualified, the percentage the parties agree to or the compensation judge or the workers' compensation court of appeals in cases on appeal

determines, not exceeding 15 percent of the whole body.

Subd. 8. [BURNS.] For permanent partial disability resulting from injury to the body as a whole due to thermal injury from extreme heat, radiation, cold, or chemical resulting in permanent injury to the skin including heat intolerance, cold intolerance, and loss of durability; skin sensitivity and altered sweating with aprocrine gland dysfunction; decreased sensation of the hand not directly related to nerve injury; and pain, loss of pigment, contracture and edema, that proportion of 70 percent which is represented by the percentage of the permanent partial disability as is determined from competent testimony at a hearing before a compensation judge or as determined by the workers' compensation court of appeals in cases on appeal, the percentage to be in addition to the rating the employee would otherwise be entitled to for loss of use of a member in accordance with this section.

Subd. 9. [ORTHOPAEDIC INJURIES.] For the purpose of chapter 176, unless the context requires otherwise "manual" means the "manual for orthopaedic surgeons in evaluating permanent physical impairment" published by the American Academy of Orthopaedic Surgeons. The manual is incorporated by reference into this chapter. Unless a contrary provision specifically exists in this chapter or in rules, the manual shall be used to determine all permanent partial disabilities which are specifically listed in the manual. The most recent manual as of May 1, 1983, shall be used for purposes of this subdivision and future amended versions shall not be used. All references to percent of permanent physical impairment and loss of physical function in the manual are the proportion that the specified impairment bears to the entire member unless otherwise specified in the manual. The proportion that the member bears to the whole body is to be determined pursuant to this subdivision.

Subd. 10. [CENTRAL NERVOUS SYSTEM.] For permanent partial disability to the central nervous system the percentage of disability of the whole body is as listed in the following:

DISABILITY — PERCENT OF WHOLE BODY

A. Trigeminal

- (1) Unilateral sensory loss — 5 percent
- (2) Bilateral sensory loss — 20 percent
- (3) Trigeminal neuralgia — 20 percent
- (4) Atypical facial pain — 10 percent
- (5) Unilateral motor loss — 5 percent
- (6) Bilateral motor loss — 30 percent

B. Facial

- (1) Total loss of taste — 3 percent
- (2) Unilateral motor loss — 10 percent
- (3) Bilateral motor loss — 25 percent

C. Vestibular loss (bilateral) — 20 percent

D. Vertigo

- (1) Interference with operating motor vehicle or riding a bicycle — 8 percent

(2) *Cannot perform activities of daily living without assistance except self-care, household duties, walking on the street, riding in a car — 25 percent*

(3) *Cannot perform activities of daily living without assistance except self-care — 35 percent*

(4) *Same as (3) and confined to premises — 60 percent*

E. Glossopharyngeal, Vagus, Crainial Accessory

(1) *Swallowing impairment due to any one or two combinations of these nerves:*

(a) *diet restricted to semi-solids — 10 percent*

(b) *diet restricted to liquids — 25 percent*

(c) *diet by tube feeding or gastrostomy — 50 percent*

(2) *Speech impairment due to any one or two combinations of these nerves:*

(a) *can produce speech for all to most needs — 0-2 percent*

(b) *can produce speech for many needs — 5 percent*

(c) *can produce speech for some needs — 15 percent*

(d) *can produce speech for few needs — 25 percent*

(e) *cannot produce speech for any needs — 33 percent*

F. Hypoglossal

(1) *Bilateral paralysis*

Swallowing impairment

(a) *diet restricted to semi-solids — 10 percent*

(b) *diet restricted to liquids — 25 percent*

(c) *diet by tube feeding or gastrostomy — 50 percent*

(2) *Speech impairment*

(a) *can produce speech for all to most needs — 0-2 percent*

(b) *can produce speech for many needs — 5 percent*

(c) *can produce speech for some needs — 15 percent*

(d) *can produce speech for few needs — 25 percent*

(e) *cannot produce speech for any needs — 33 percent*

G. Spinal Cord and Brain

Supporting objective neurological findings are presupposed.

(1) *Spinal cord*

Use of lower extremities

(a) *can stand but walks with difficulty — 15 percent*

(b) *can stand but walks only on the level — 30 percent*

(c) *can stand but cannot walk — 45 percent*

(d) *can neither stand nor walk — 65 percent*

(2) Use of upper extremities

	Percentage (Preferred extremity)	(Nonpreferred extremity)	(Both)
(a) some difficulty with digital dexterity	10	5	15
(b) has no digital dexterity	20	10	30
(c) has difficulty with self care	30	20	50
(d) cannot carry out self care	50	35	85

*(3) Respiration**(a) Difficulty only where extra exertion required — 5 percent**(b) restricted to limited ambulation — 25-50 percent**(c) restricted to bed — 75 percent**(d) has no spontaneous respiration — 95 percent**(4) Urinary Bladder function**(a) impairment in form of urgency — 5 percent**(b) good reflex activity without voluntary control — 20 percent**(c) poor reflex activity and no voluntary control — 35 percent**(d) no reflex or voluntary control — 50 percent**(5) Anorectal function**(a) limited voluntary control — 5 percent**(b) has reflex regulation but no voluntary control — 15 percent**(c) no reflex regulation or voluntary control — 20 percent*

Percentage

*Sexual function**Mild difficulties* 5*Reflex function possible**Mild difficulties* 5*Reflex function possible**but no awareness* 20*No sexual function* 30*H. Brain - Supporting objective evidence of structural injury, neurological deficit or psychomotor findings is required**(1) community disturbances, mild difficulties — 5 percent**(2) Comprehends but requires adaptive communication — 20 percent**(3) comprehends but cannot produce sufficient or appropriate language — 30 percent*

(4) cannot comprehend or produce intelligible or appropriate language — 60 percent

(5) cannot comprehend or produce language — 95 percent

(6) complex integrated cerebral function disturbances

- must be substantiated by medical observation in a controlled setting and supported by psychometric testing for organic dysfunction.

- functional overlay or primary psychiatric disturbances shall not be rated under this category.

(a) can carry out daily living tasks — 10 percent

(b) needs some supervision — 30 percent

(c) needs confinement — 65 percent

(d) cannot care for self — 95 percent

(7) Emotional disturbances (personality changes)

- must be substantiated by medical observation in a controlled setting and supported by psychometric testing for organic dysfunction.

(a) only present under unusual stress — 10 percent

(b) present in mild to moderate degree under ordinary stress — 30 percent

(c) present in moderate to severe degree under ordinary stress — 55 percent

(d) severe degree; continually endangers self or others — 95 percent

(8) Consciousness mental content

- must be substantiated by medical observation in a controlled setting and supported by psychometric testing for organic dysfunction.

(a) mild confusion — 40 percent

(b) moderate confusion — 60 percent

(c) lethargy — 80 percent

(d) stupor — 95 percent

(e) coma — 95 percent

(9) Memory function

(a) able to carry out limited vocational tasks with supporting devices — 15 percent

(b) needs direction but can carry through tasks — 30 percent

(c) needs supervised living and vocational supervision — 65 percent

(d) cannot remember from moment to moment — 95 percent

(10) Paralysis

(a) one side of body

(1) slight — 20 percent

(2) moderate — 55 percent

(3) severe — 95 percent

(11) Epilepsy

(a) well controlled on medication for one year or more. Able to enter work force but with restrictions — 10 percent

(b) not well controlled. Spells interfering with activities at least once a year — 15 percent

(c) poorly controlled, having several spells per year, with moderate interference with daily living — 35 percent

(d) requires supervised, protective care or confinement — 75 percent

(e) totally incapacitated — 95 percent

I. Headaches

vascular with nausea - vomiting — 5 percent

Subd. 11. [LOSS OF USE OF MEMBER.] In all cases of permanent partial disability, it is considered that the permanent loss of the use of a member is equivalent to and draws the same compensation as the loss of that member.

Subd. 12. [MEMBER NOT IN SCHEDULE.] In cases of permanent partial disability to a body part not listed in this schedule or the manual, the percentage loss of function which the disability bears to the whole body shall be determined pursuant to rules adopted by the commissioner.

Subd. 13. [INJURY TO MORE THAN ONE BODY PART.] If an employee suffers a permanent functional disability of more than one body part due to a personal injury incurred in a single occurrence, the percent of the whole body which is permanently partially disabled shall be determined by the following formula so as to ensure that the percentage for all functional disability combined does not exceed the total for the whole body:

$$A + B(1 - A)$$

where: A is the greater percentage whole body loss of the first body part; and B is the lesser percentage whole body loss otherwise payable for the second body part.

For permanent partial disabilities to three body parts due to a single occurrence or as the result of an occupational disease, the above formula shall be applied, providing that A equals the result obtained from application of the formula to the first two body parts and B equals the percentage for the third body part. For permanent partial disability to four or more body parts incurred as described above, A equals the result obtained from the prior application of the formula, and B equals the percentage for the fourth body part or more in arithmetic progressions."

Delete the title and insert:

"A bill for an act relating to workers' compensation; providing for comprehensive reform of all aspects of workers' compensation; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 79.071, subdivision 1; 79.34, subdivisions 1, 2, and by adding a subdivision; 79.35; 79.37; 79.51, subdivisions 2 and 3; 175.006, subdivision 1; 175.007, subdivision 1; 175.08; 175.10; 175.101, subdivisions 1 and 2; 176.001; 176.011, by adding subdivisions; 176.012; 176.021, subdivisions 1a and 3; 176.041, subdivision 1; 176.061; 176.101, subdivisions 2, 3, 6, and by adding subdivisions; 176.102, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and by adding subdivisions; 176.105, by adding a subdivision; 176.111, subdivisions 6, 7, 8, 18, and by adding a subdivision; 176.121;

176.131, subdivisions 1, 1a, 2, 3, 4, 5, 6, 7, and 8; 176.132, subdivision 1, and by adding a subdivision; 176.134, subdivision 4; 176.135, subdivisions 1 and 3; 176.136; 176.155, subdivisions 3 and 5; 176.179; 176.182; 176.183, subdivisions 1, 1a, and by adding subdivisions; 176.185, by adding a subdivision; 176.191, by adding subdivisions; 176.195, subdivision 2, and by adding subdivisions; 176.221; 176.225, subdivisions 1, 2, and 3; 176.231, subdivisions 3, 4, 5, 9, and 10; 176.241; 176.271, by adding a subdivision; 176.281; 176.285; 176.321, subdivision 1; 176.331; 176.341; 176.361; 176.371; 176.421, subdivisions 3, 4, 6, and 7; 176.442; 176.461; 176.521, subdivisions 2, 2a, and 3; 176.561; 176.571, subdivision 6; 176.645, subdivision 1; 176.66, by adding subdivisions; 268.08, subdivision 3; and 471.982, subdivision 2; Laws 1981, chapter 346, section 145; proposing new law coded in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1982, sections 175.07; 175.101, subdivision 3; 175.36; 176.102, subdivision 12; 176.131, subdivisions 9, 10, 11, and 12; 176.152; and 176.262."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 29, as follows:

Those who voted in the affirmative were:

Anderson	Bertram	Kamrath	Mehrkens	Sieloff
Belanger	Brataas	Knaak	Olson	Storm
Benson	Frederick	Kronebusch	Peterson, D.L.	Ulland
Berg	Frederickson	Laidig	Ramstad	
Bernhagen	Isackson	McQuaid	Renneke	

Those who voted in the negative were:

Adkins	Frank	Lessard	Pehler	Solon
Chmielewski	Freeman	Luther	Peterson, D.C.	Stumpf
Dahl	Jude	Merriam	Peterson, R.W.	Vega
Davis	Kroening	Moe, D. M.	Petty	Wegscheid
DeCramer	Langseth	Moe, R. D.	Purfeerst	Willet
Diessner	Lantry	Nelson	Schmitz	

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

Mrs. Brataas moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 43, delete section 39 and insert:

"Sec. 39. Minnesota Statutes 1982, section 176.101, subdivision 1, is amended to read:

Subdivision 1. [TEMPORARY TOTAL DISABILITY.] For injury producing temporary total disability, *an employee shall receive 66 2/3 percent of the daily employee's gross weekly wage at the time of injury up to a maximum of 100 percent of the statewide average weekly wage.*

(1) provided that during the year commencing on October 1, 1979, and each

year thereafter, commencing on October 1, the maximum weekly benefits payable shall be the statewide average weekly wage for the period ending December 31, of the preceding year.

(2) The minimum weekly compensation benefits for temporary total disability shall be not less than 50 percent of the statewide average weekly wage or the injured employee's actual weekly wage, whichever is less. In no case shall a weekly benefit be less than 20 percent of the statewide average weekly wage.

This compensation shall be paid during the period of disability, payment to be made at the intervals when the wage was payable, as nearly as may be.

Sec. 40. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 1a. [MINIMUM BENEFIT.] If an employee earns less than 50 percent of the statewide average weekly wage at the time of injury and if the employee's weekly income provides for at least 80 percent of the employee's own support or 80 percent of the support of the employee and his or her family, then the minimum weekly compensation benefits for temporary total disability shall be the employee's gross weekly wage at the time of injury.

Compensation payable under subdivisions 1 and 1a shall be paid during the period of disability, at the same intervals when the wage was payable."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 25, as follows:

Those who voted in the affirmative were:

Anderson	Bertram	Kamrath	Mehrkens	Sieloff
Belanger	Brataas	Knaak	Olson	Storm
Benson	Frederick	Kronebusch	Peterson, D.L.	Stumpf
Berg	Frederickson	Laidig	Ramstad	Ulland
Bernhagen	Isackson	McQuaid	Renneke	

Those who voted in the negative were:

Adkins	Diessner	Lantry	Moe, R. D.	Purfeerst
Chmielewski	Frank	Lessard	Pehler	Schmitz
Dahl	Freeman	Luther	Peterson, D.C.	Solon
Davis	Jude	Merriam	Peterson, R.W.	Vega
DeCramer	Kroening	Moe, D. M.	Petty	Wegscheid

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

Mr. Ramstad moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 125, after line 31, insert:

"Sec. 140. Minnesota Statutes 1982, section 176.271, is amended by adding a subdivision to read:

Subd. 3. Notwithstanding any other provision to the contrary, no attorney employed by the state of Minnesota may represent any person in any action or matter under this chapter, other than the state, as defined in section 79.34, subdivision 2."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

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

Mr. Frederick moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 75, after line 31, insert:

“Sec. 67. [176.1012] [TOTAL DISABILITY OFFSET.]

Any total disability benefits shall be reduced by the following:

(a) Benefits from any government disability program or any old age benefits program for which the employee is eligible;

(b) Any benefit payment from a public or private sector pension or retirement fund or program, whether or not the fund or program is a qualified plan within the meaning of section 401 of the Internal Revenue Code of 1954, as amended, which is payable at an age prior to the attainment of the normal retirement age specified in the benefit plan of the fund or program, or the age for the receipt of a retirement annuity or pension which is not reduced for early retirement, and which is payable on account of the injury, illness, or accident of the person which renders the person incapable of continued employment;

(c) Any benefit payment pursuant to a disability benefit plan or program, whether provided pursuant to a contract with an insurance carrier, self insured by the employer with reserves or self insured by the employer without reserves, which is provided to the person by virtue of employment by that employer and which is financed in whole or in part by the employer.

The total disability benefit shall be reduced by one dollar for each dollar received from these benefit sources. If an employee may be eligible for these benefits but has not made application, then the employer shall notify the employee of the possible eligibility and if no application has been made within 30 days of the notice, the payment of benefits under this chapter shall be interrupted until application is made. These benefits shall be paid in full after the application has been made. If the employee was required to make contributions to finance the benefit coverage for which an offset pursuant to this section is required, the amount of the benefit payment which will reduce the total disability benefit shall be that fraction of the benefit payment which bears the same proportional relationship that the employer contribution bears to the total contribution for the plan, fund, or program. If there are benefit payments from more than one of these benefit sources, each shall reduce the benefit payable and the remainder after all reductions shall be the reduced benefit payable.”

Renumber the sections in sequence and correct internal references.

Amend the title accordingly.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 26, as follows:

Those who voted in the affirmative were:

Anderson	Bertram	Isackson	McQuaid	Renneke
Belanger	Brataas	Kamrath	Mehrkens	Sieloff
Benson	DeCramer	Knaak	Olson	Storm
Berg	Frederick	Kronebusch	Peterson, D.L.	Ulland
Bernhagen	Frederickson	Laidig	Ramstad	

Those who voted in the negative were:

Adkins	Freeman	Luther	Purfeerst	Wegscheid
Chmielewski	Jude	Merriam	Reichgott	Willet
Dahl	Kroening	Moe, D. M.	Schmitz	
Davis	Langseth	Moe, R. D.	Solon	
Diessner	Lantry	Peterson, D.C.	Stumpf	
Frank	Lessard	Petty	Vega	

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Samuelson moved that the following members be excused for a Conference Committee on S.F. No. 1234:

Messrs. Samuelson; Johnson, D.E.; Spear; Dicklich and Knutson. The motion prevailed.

Mrs. Brataas moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 43, after line 7, insert:

“Sec. 39. [176.099] [SAFETY VIOLATIONS, CHANGE IN BENEFITS.]

Subdivision 1. [EMPLOYER VIOLATION.] If a personal injury is caused by the failure of the employer to comply with any statute, rule, or standard of the department, compensation and death benefits as provided in this chapter shall be increased ten percent but not more than a total increase of \$10,000. Failure of an employer reasonably to enforce compliance by employees with a statute, rule, or standard of the department shall constitute failure by the employer to comply.

Subd. 2. [EMPLOYEE VIOLATION.] If a personal injury is caused by the failure of the employee to use safety devices where provided in accordance with any statute, rule, or standard of the department and adequately maintained, and their use is reasonably enforced by the employer, or if a personal injury results from the employee's failure to obey any reasonable rule adopted and reasonably enforced by the employer for the safety of the employee and of which the employee has notice, the compensation and death benefit provided in this chapter shall be reduced ten percent but the total reduction shall not exceed \$10,000.”

Renumber the sections in sequence and correct internal references

Amend the title accordingly

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

Mr. Peterson, C.C. moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 7, after line 19, insert:

“Sec. 5. Minnesota Statutes 1982, section 79.211, subdivision 2, is amended to read:

Subd. 2. [DIVISION OF PAYROLL.] An insurer shall permit an employer

to divide his payroll among the rating classifications most closely fitting the work actually performed by each employee in a four-hour block or more for purposes of premium calculation when the employer's records provide adequate support for a division."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Peterson, C.C. then moved to amend H.F. No. 575, the unofficial engrossment, as follows:

Page 20, after line 6, insert:

"Sec. 14. Minnesota Statutes 1982, section 79.53, is amended to read:

79.53 [PREMIUM CALCULATION.]

Subdivision 1. [METHOD OF CALCULATION.] Each insurer shall establish premiums to be paid by an employer according to its filed rates and rating plan as follows:

Rates shall be applied to an exposure base to yield a base premium which may be further modified by merit rating, premium discounts, and other appropriate factors contained in the rating plan of an insurer to produce premium. Nothing in this chapter shall be deemed to prohibit the use of any premium, provided the premium is not excessive, inadequate or unfairly discriminatory.

Subd. 2. [STUDY; REPORT.] The commissioner of insurance shall conduct a comparative actuarial study of the exposure bases of employers located within and outside of the seven county metropolitan area. In addition to the factors required to be considered by a data service organization under section 79.61, subdivision 1, the study shall include the activity permitted under section 79.61, subdivision 2, and specifically, shall include a comparative study of the incidence of litigation in relationship to first reports of injuries as between employers within and outside the metropolitan area.

For the purposes of this section, "metropolitan area" has the meaning as defined in section 473.121, subdivision 2.

A report on the study shall be made by the commissioner to the legislature by January 15, 1984."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 575 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 28 and nays 39, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Merriam	Peterson, R. W.	Stumpf
Bertram	Hughes	Moe, D. M.	Petty	Waldorf
Dahl	Jude	Moe, R. D.	Purfeerst	Wegscheid
Davis	Langseth	Nelson	Schmitz	Willet
DeCramer	Lessard	Novak	Solon	
Diessner	Luther	Pehler	Spear	

Those who voted in the negative were:

Anderson	Dicklich	Kamrath	Mehrkens	Renneke
Belanger	Frank	Knaak	Olson	Samuelson
Benson	Frederick	Knutson	Peterson, C.C.	Sieloff
Berg	Frederickson	Kroening	Peterson, D.C.	Storm
Berglin	Freeman	Kronebusch	Peterson, D.L.	Taylor
Bernhagen	Isackson	Laidig	Pogemiller	Ulland
Brataas	Johnson, D.E.	Lantry	Ramstad	Vega
Chmielewski	Johnson, D.J.	McQuaid	Reichgott	

So the bill, as amended, failed to pass.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 1012: A bill for an act relating to waste management; amending the Waste Management Act of 1980; providing for the evaluation of bedrock disposal of hazardous waste; providing for participation by private developers and operators of waste facilities in the evaluation of hazardous waste disposal sites; creating phases of environmental impact statements; expanding the definition of hazardous waste; extending the deadlines for the adoption of certain hazardous waste rules; extending certain deadlines of the metropolitan council; clarifying the contents of environmental impact statements; providing reports to counties on permit conditions and permit application requirements for county sites; authorizing issuance of bonds by Washington and Ramsey counties for a solid waste facility; amending Minnesota Statutes 1982, sections 115.071, subdivision 3; 115A.03, subdivision 10; 115A.05, subdivisions 2 and 3; 115A.06, subdivision 4; 115A.08, subdivisions 4, 5, and 6; 115A.10; 115A.11, subdivisions 1 and 2; 115A.21; 115A.22, subdivisions 1, 3, 4, 6, and 7; 115A.24, subdivision 1; 115A.25, subdivisions 1, 2, 3, and by adding subdivisions; 115A.26; 115A.27, subdivision 2; 115A.28, subdivisions 1, 2, and 3; 115A.30; 115A.54, subdivision 2; 115A.67; 115A.70, subdivision 3; 116.06, subdivision 13, and by adding a subdivision; 116.07, subdivision 4; 116.41, subdivision 1a; 473.149, subdivisions 2b, 2c, 2d, 2e, and 4; 473.153, subdivisions 2, 5, 6, 6b, and by adding a subdivision; 473.803, subdivisions 1a and 1b; 473.823, subdivision 6; 473.831, subdivision 2; 473.833, subdivisions 2a, 3, 7, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 1982, sections 115A.23; 115A.27, subdivision 1; 116.07, subdivision 4c; and 116.41, subdivision 1.

Senate File No. 1012 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1983

Mr. Merriam moved that the Senate do not concur in the amendments by the House to S.F. No. 1012, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 77.

H.F. No. 77: A bill for an act relating to horse racing; creating a Minnesota racing commission and providing for its membership, powers, and duties; authorizing the licensing of persons to operate racetracks, conduct horse racing, engage in certain occupations, and conduct pari-mutuel betting on horse racing; prescribing taxes and license fees; establishing a Minnesota breeders fund; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 38.04; 273.76, by adding a subdivision; 609.75, subdivision 3; and 609.761; proposing new law coded as Minnesota Statutes, chapter 240.

And the House respectfully requests that a Conference Committee of five members be appointed thereon:

Kostohryz, Metzen, Osthoff, Jensen and Redalen have been appointed as such committee on the part of the House.

House File No. 77 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1983

Mr. Purfeerst moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 77, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 300.

H.F. No. 300: A bill for an act relating to energy; creating the Minnesota energy authority; establishing a program of loans and financial assistance for households and municipalities; authorizing the issuance of bonds; appropriating money; transferring powers; amending Minnesota Statutes 1982, sections 116C.03, subdivision 2; 116J.03, subdivision 1; 116J.09; 116J.10; 216B.16, by adding a subdivision; 462A.02, subdivision 10; 462A.05, by adding subdivisions; 462A.21, by adding a subdivision; and 474.01, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 116H; 216B; and 462A.

And the House respectfully requests that a Conference Committee of five members be appointed thereon:

Otis, Norton, Sarna, Wenzel and Rice have been appointed as such com-

mittee on the part of the House.

House File No. 300 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1983

Mr. Vega moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 300, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1290:

H.F. No. 1290: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain money in the state treasury; authorizing land acquisition in certain cases; fixing and limiting the amount of fees to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; imposing a penalty; amending Minnesota Statutes 1982, sections 3.732, by adding a subdivision; 15.16, subdivision 5; 15A.083, subdivision 1; 16.32, subdivision 2; 16.75, by adding a subdivision; 16.82, subdivision 1; 16.866, subdivision 1; 16A.125, subdivision 5; 16A.127, subdivisions 1 and 7; 16A.36; 16A.50; 16A.64, subdivisions 2 and 4; 16A.66, subdivisions 1, 2, and 3; 40.072, subdivision 3; 43A.05, subdivision 5; 85A.01, subdivision 2; 85A.04, subdivision 3; 98.47, by adding a subdivision; 98.48, subdivision 9; 105.405, subdivision 2; 105.41, subdivision 5; 116.07, subdivision 2a; 124.46, subdivision 2; 136.40, subdivision 8; 169.123, subdivision 6; 175A.05; 176.183, subdivision 2; 179.7411; 181A.12, subdivision 1; 183.375, subdivision 5; 183.411, subdivision 3; 183.545; 183.57, subdivision 2; 256.481; 256.482; 270.18; 271.01, subdivision 1; 290.06, subdivision 13; 296.18, subdivision 1; 296.421, subdivision 5; 309.53, subdivision 2, and by adding a subdivision; 357.08; 363.02, subdivision 1; 363.06, subdivision 4, and by adding a subdivision; 363.071, subdivision 2; 462A.05, by adding a subdivision; 462A.21, by adding a subdivision; 480.09, subdivision 5; 480.241, subdivision 2; 480A.01, subdivision 2; 481.01; and 546.27, subdivision 2; Laws 1976, chapter 314, section 3; Laws 1980, chapter 614, section 192; proposing new law coded in Minnesota Statutes, chapters 3; 16A; 116C; 198; 270; repealing Minnesota Statutes 1982, sections 3.472; 3.86; 4.073; 105.71; 105.72; 105.73; 105.74; 105.75; 105.751; 105.76; 105.77; 105.78; 105.79; 114A.01; 114A.02; 114A.03; 114A.04; 114A.05; 114A.06; 114A.07; 114A.08; 114A.09; 193.35; 297A.05; and Laws 1965, chapter 66.

And the House respectfully requests that a Conference Committee of five members be appointed thereon:

Kahn; Battaglia; Rice; Carlson, D. and Bishop have been appointed as

such committee on the part of the House.

House File No. 1290 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1983

Mr. Kroening moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1290, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Pehler moved that H.F. No. 720 be withdrawn from the Committee on Finance and re-referred to the Committee on Rules and Administration for comparison with S.F. No. 794. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Bertram, Berg, Lessard, Anderson and Chmielewski introduced—

S.F. No. 1251: A bill for an act relating to dramshop liability; creating an interim study commission on dramshop liability.

Referred to the Committee on Judiciary.

Mr. Petty, Ms. Peterson, D.C.; Mr. Spear, Ms. Berglin and Mr. Pogemiller introduced—

S.F. No. 1252: A bill for an act relating to food; regulating the bulk sale of food; proposing new law coded in Minnesota Statutes, chapter 31.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Renneke introduced—

S.F. No. 1253: A bill for an act relating to criminal procedure; repealing the law which requires a defendant to sign and receipt for a statement or confession as a condition of the statement's or confession's admissibility at trial; repealing Minnesota Statutes 1982, section 611.033.

Referred to the Committee on Judiciary.

Mr. Willet, for the Committee on Finance, introduced—

S.F. No. 1254: A bill for an act relating to capital improvements; authorizing the acquisition and betterment of public land and buildings and other public improvements of a capital nature with certain conditions; authorizing

issuance of state bonds; appropriating money; amending Minnesota Statutes 1982, section 473.436, subdivision 5.

Under the rules of the Senate, laid over one day.

MOTIONS AND RESOLUTIONS - CONTINUED

SPECIAL ORDER

S.F. No. 265: A bill for an act relating to public welfare; establishing limitations on the number of beds in the state program for mentally retarded persons; establishing reimbursement rates for residential, training and habilitation services; transferring certain appropriations to medical assistance; establishing case management services and screening teams; appropriating money; amending Minnesota Statutes 1982, sections 252.24, subdivision 1; 252.28; 256B.02, subdivision 8; 256B.19, by adding a subdivision; and 256E.06, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 252 and 256B.

Mr. Johnson, D.E. moved to amend S.F. No. 265 as follows:

Delete everything after the enacting clause and insert:

“Section 1. [252.291] [LIMITATION ON DETERMINATION OF NEED.]

Subdivision 1. [MORATORIUM.] Notwithstanding section 252.28, subdivision 1, or any other law or rule to the contrary, the commissioner of public welfare shall deny any request for a determination of need and refuse to grant a license pursuant to section 245.782 for any new intermediate care facility for mentally retarded persons or for an increase in the licensed capacity of an existing facility if the total of certified intermediate care beds for mentally retarded persons in community facilities and state hospitals would exceed 7,500 beds. “Certified bed” means an intermediate care bed for the mentally retarded certified by the commissioner of health for the purposes of the medical assistance program under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982.

Subd. 2. [MONITORING.] The commissioner of public welfare, in coordination with the commissioner of health, shall implement mechanisms to monitor and analyze the effects of the bed moratorium in the different geographic areas of the state. The commissioner of public welfare shall submit to the legislature annually beginning January 15, 1984, an assessment of the impact of the moratorium by geographic areas.

Sec. 2. [256B.092] [HOME AND COMMUNITY SERVICES FOR MENTALLY RETARDED PERSONS.]

Subdivision 1. [FEDERAL WAIVERS.] The commissioner shall apply for any federal waivers necessary to secure, to the extent allowed by law, federal financial participation under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982, for the provision of services to persons who, in the absence of the services, would need the level of care provided in a state hospital or a community intermediate care facility for mentally retarded persons.

A “service under waiver” means home or community based service authorized under the United States Code, title 42, section 1396n(c), as

amended through December 31, 1982, and defined in the Minnesota state plan for the provision of medical assistance services. "Services under waiver" include at least: case management, family training and support, developmental training homes, supervised living arrangements, semi-independent living services, respite care, and training and habilitation services.

The commissioner may seek amendments to the waivers or apply for additional waivers under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982, to contain costs. The commissioner shall ensure that payment for the cost of providing home and community based alternative services under the federal waiver plan does not exceed the cost of intermediate care services that would have been provided in the absence of the services authorized by the waivers. The commissioner shall report to the legislature by the beginning of the 1984 regular session regarding legislation required to implement the waiver or waivers.

Subd. 2. [FEDERAL REQUIREMENTS.] If any provision of the approved waiver is determined by the United States government to be in conflict with existing or future requirements of the United States government with respect to federal participation in medical assistance, the federal requirements shall prevail.

Subd. 3. [RULES.] After the waiver is approved the commissioner shall adopt an implementation plan and temporary and permanent rules to establish required controls, procedures, documentation, and reporting of services provided in order to assure proper administration of the approved waiver plan. Immediately after application for the waiver is submitted, the proposed implementation plan and the proposed rules shall be written in cooperation with representatives of the counties, providers, and advocates of mentally retarded persons.

Sec. 3. [APPROPRIATION.]

\$400,000 is appropriated from the general fund to the commissioner of public welfare for the biennium ending June 30, 1985 to match federal money available for costs in establishing a client information system and positions needed to administer the mental retardation program.

(a) The approved complement of the department of public welfare is increased by 15 full-time positions for the home and community based services waiver program, assisting county agencies in screening clients for medical assistance services, technical assistance in developing community based alternatives, and management of the mental retardation medical assistance program.

(b) This appropriation for development and implementation shall be expended only with the approval of the governor after consulting with the legislative advisory commission as provided in section 3.30. Release of this money is also contingent upon submission of a plan prepared by the commissioner. The plan must describe the following:

(1) the organization, deployment, and responsibilities of requested staff;

(2) specification of all other administrative costs associated with the program;

(3) how the information system will be integrated into the community services information system, the medicaid management information system, and any other data processing operations of the department;

(4) the methods for implementing the system; and

(5) the projected costs for the maintenance and operation of the system.

The plan must be submitted to the chairs of the house appropriations and senate finance committees."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 40, as follows:

Those who voted in the affirmative were:

Adkins	Bernhagen	Isackson	Kronebusch	Purfeerst
Anderson	Bertram	Johnson, D.E.	Mehrkens	Renneke
Benson	Frederick	Kamrath	Novak	Samuelson
Berg	Frederickson	Knutson	Peterson, D.L.	Stumpf

Those who voted in the negative were:

Belanger	Dieterich	Langseth	Olson	Reichgott
Berglin	Frank	Lantry	Pehler	Sieloff
Chmielewski	Freeman	Lessard	Peterson, C.C.	Solon
Dahl	Johnson, D.J.	Luther	Peterson, D.C.	Spear
Davis	Jude	McQuaid	Peterson, R.W.	Storm
DeCramer	Knaak	Merriam	Petty	Vega
Dicklich	Kroening	Moe, D. M.	Pogemiller	Wegscheid
Diessner	Laidig	Moe, R. D.	Ramstad	Willet

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

S.F. No. 265 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 51 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Langseth	Peterson, C.C.	Solon
Anderson	Frederick	Lantry	Peterson, D.C.	Spear
Belanger	Frederickson	Lessard	Peterson, D.L.	Storm
Berglin	Freeman	Luther	Peterson, R.W.	Taylor
Bernhagen	Hughes	McQuaid	Petty	Vega
Chmielewski	Johnson, D.J.	Merriam	Pogemiller	Wegscheid
Davis	Jude	Moe, D. M.	Purfeerst	Willet
DeCramer	Knaak	Moe, R. D.	Ramstad	
Dicklich	Knutson	Novak	Reichgott	
Diessner	Kroening	Olson	Schmitz	
Dieterich	Laidig	Pehler	Sieloff	

Those who voted in the negative were:

Benson	Brataas	Kamrath	Mehrkens	Samuelson
Berg	Isackson	Kronebusch	Renneke	Stumpf
Bertram	Johnson, D.E.			

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 511: A bill for an act relating to low-level radioactive waste;

entering the Midwest Interstate Low-Level Radioactive Waste Compact; assessing certain low-level radioactive waste generators; providing for enforcement of the compact; providing for civil and criminal penalties; appropriating money; proposing new law coded in Minnesota Statutes, chapter 116C.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 4, as follows:

Those who voted in the affirmative were:

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

Messrs. Bertram, Frederickson, Isackson and Renneke voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 102: A bill for an act relating to agricultural and residential real estate; requiring 60 days notice of default on a real estate mortgage, notice of termination of a real estate contract for deed, and eight weeks notice of commencement of a sale and foreclosure proceeding; providing that a court may order a delay in a foreclosure sale or contract termination under certain circumstances; limiting the right to maintain actions for deficiency judgments; amending Minnesota Statutes 1982, sections 47.20, by adding a subdivision; 559.21, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 550; proposing new law coded as Minnesota Statutes, chapter 583.

Mr. Dicklich moved to amend H. F. No. 102 as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 47.20, subdivision 8, is amended to read:

Subd. 8. [REQUIREMENTS.] A lender making a conventional loan shall comply with the following:

(1) The promissory note and mortgage evidencing a conventional loan shall be printed in not less than the equivalent of 8 point type, .075 inch computer type, or elite-size typewritten numerals, or shall be legibly

handwritten.

(2) The mortgage evidencing a conventional loan shall contain a provision whereby the lender agrees to furnish the borrower with a conformed copy of the promissory note and mortgage at the time they are executed or within a reasonable time after recordation of the mortgage.

(3) The mortgage evidencing a conventional loan shall contain a provision whereby the lender, if it intends to foreclose, agrees to give the borrower written notice of any default under the terms or conditions of the promissory note or mortgage, by sending the notice by certified mail to the address of the mortgaged property or ~~such other another~~ address as the borrower ~~may have designated~~ designates in writing to the lender. The lender need not give the borrower the notice required by this paragraph if the default consists of the borrower selling the mortgaged property without the required consent of the lender. The mortgage shall further provide that the notice shall contain the following provisions:

- (a) the nature of the default by the borrower,
- (b) the action required to cure the default,
- (c) a date, not less than ~~30~~ 60 days from the date the notice is mailed by which the default must be cured,
- (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by the mortgage and sale of the mortgaged premises, ~~and~~
- (e) that the borrower has the right to reinstate the mortgage after acceleration, and
- (f) that the borrower has the right to bring a court action to assert the nonexistence of a default or any other defense of the borrower to acceleration and sale.

Sec. 2. Minnesota Statutes 1982, section 550.18, is amended to read:

550.18 [NOTICE OF SALE.]

Before the sale of property on execution notice shall be given as follows:

- (1) If the sale be of personal property, by giving ten days posted notice of the time and place thereof;
- (2) If the sale be ~~is~~ of real property, on execution or on judgment, by ~~six~~ ~~weeks~~ 60 days posted and published notice of the time and place thereof, describing the property with sufficient certainty to enable a person of common understanding to identify it.

An officer who sells without ~~such~~ the notice shall forfeit \$100 to the party aggrieved, in addition to his actual damages; ~~and~~ . A person who before the sale or the satisfaction of the execution, and without the consent of the parties, takes down or defaces the notice posted, shall forfeit \$50; ~~but~~ . The validity of the sale shall not be affected by either act, either as to third persons or parties to the action.

Sec. 3. Minnesota Statutes 1982, section 559.21, subdivision 1, is amended to read:

Subdivision 1. [DEFAULT; TERMINATION.] When default is made in the conditions of any contract for the conveyance of real estate or any interest in it executed after August 1, 1976, and prior to May 1, 1980, whereby the vendor has a right to terminate it, he may do so by serving upon the purchaser, his personal representatives or assigns, either within or without the state, a notice specifying the conditions in which default has been made, and stating that the contract will terminate (1) 30 days after the service of the notice if the purchaser has paid less than 30 percent of the purchase price, exclusive of interest on it, and any mortgages or prior contracts for deed which are assumed by the purchaser, (2) 45 days after service of the notice if the purchaser has paid 30 percent, or more, but less than 50 percent of the purchase price, exclusive of interest on it, and any mortgages or prior contracts for deed which are assumed by the purchaser, (3) 60 days after service of the notice if (a) *the property is a homestead as defined in section 9 provided that this clause does not apply to earnest money contracts, purchase agreements, or exercised options, or* (b) the purchaser has paid 50 percent, or more, of the purchase price, exclusive of interest on it, and any mortgages or prior contracts for deed which are assumed by the purchaser, unless prior thereto the purchaser complies with the conditions and pays the costs of service, the mortgage registration tax, if actually paid by the vendor, together with an amount to apply on attorneys' fees actually expended or incurred, of \$75 when the amount in default is less than \$750, and of \$200 when the amount in default is \$750 or more; ~~provided, however, that~~ . No amount is required to be paid for attorneys' fees as ~~provided hereunder,~~ unless some part of the conditions of default has existed at least 45 days prior to the date of service of the notice.

Sec. 4. Minnesota Statutes 1982, section 559.21, subdivision 1a, is amended to read:

Subd. 1a. [DEFAULT; TERMINATION.] When default is made in the conditions of any contract for the conveyance of real estate or any interest in it, executed on or prior to August 1, 1976, whereby the vendor has a right to terminate it, he may do so by serving upon the purchaser, his personal representatives or assigns, either within or without the state, a notice specifying the conditions in which default has been made, and stating that the contract will terminate (a) 30 days after the service of the notice, *or (b) in the case of homestead property as defined in section 9 that the contract will terminate 60 days after service of the notice provided that this clause does not apply to earnest money contracts, purchase agreements, or exercised options,* unless prior thereto the purchaser complies with the conditions and pays the costs of service, together with an amount to apply on attorneys' fees actually expended or incurred, of \$50 when the amount in default is less than \$500, and of \$100 when the amount in default is \$500 or more; ~~provided, however, that~~ . No amount shall be required to be paid for attorneys' fees as ~~provided hereunder,~~ unless some part of the conditions of default ~~shall have~~ *has* existed at least 45 days prior to the date of service of the notice. The notice must be given notwithstanding any provisions in the contract to the contrary, and shall be served within the state in the same manner as a summons in the district court, without the state, in the same manner, and without securing any sheriff's return of not found, making any preliminary affidavit, mailing a copy of the notice or doing any other preliminary act or thing whatsoever. Service of the notice without the state may be proved by the affidavit of the person making it, made before an authorized officer having a seal, and within the state by an affidavit or by the return of the sheriff of any county.

Sec. 5. Minnesota Statutes 1982, section 559.21, subdivision 2, is amended to read:

Subd. 2. [NOTICE; TIME OF TERMINATION.] When default is made in the conditions of any contract for the conveyance of real estate or any interest ~~therein~~ *in it* executed on or after May 1, 1980, whereby the vendor has a right to terminate ~~the same~~ *it*, he may do so by serving upon the purchaser, his personal representatives or assigns, either within or without the state, a notice specifying the conditions in which default has been made, and stating that the contract will terminate (1) 30 days after the service of the notice if the purchaser has paid less than ten percent of the purchase price, exclusive of interest ~~thereon~~ *on it*, and any mortgages or prior contracts for deed which are assumed by the purchaser, (2) 60 days after service of the notice if (a) *the property is a homestead as defined in section 9 provided that this clause does not apply to earnest money contracts, purchase agreements, or exercised options, or to property which is subject to clause (3), or (b) the purchaser has paid ten percent, or more, but less than 25 percent of the purchase price, exclusive of interest thereon on it, and any mortgages or prior contracts for deed which are assumed by the purchaser, (3) 90 days after service of the notice if the purchaser has paid 25 percent, or more, of the purchase price, exclusive of interest thereon on it, and any mortgages or prior contracts for deed which are assumed by the purchaser, unless prior thereto the purchaser complies with the conditions and makes all payments due and owing to the vendor under the contract through the date payment is made and pays the costs of service, the mortgage registration tax, if actually paid by the vendor, together with an amount to apply on attorneys' fees actually expended or incurred, of \$125 when the amount in default is less than \$750, and of \$250 when the amount in default is \$750 or more; provided, however, that . No amount is required to be paid for attorneys' fees as provided hereunder,* unless some part of the conditions of default has existed at least 45 days prior to the date of service of the notice.

Sec. 6. Minnesota Statutes 1982, section 580.03, is amended to read:

580.03 [NOTICE OF SALE; SERVICE ON OCCUPANT.]

~~Six weeks~~ *Sixty days* published notice shall be given that ~~such the~~ mortgage will be foreclosed by sale of the mortgaged premises or some part thereof, and at least ~~four weeks~~ *40 days* before the appointed time of sale a copy of ~~such the~~ notice shall be served in like manner as a summons in a civil action in the district court upon the person in possession of the mortgaged premises, if ~~the same~~ *they* are actually occupied. If there ~~be~~ *is* a building on ~~such the~~ premises used by a church or religious corporation, for its usual meetings, service upon any officer or trustee of ~~such the~~ corporation shall be a sufficient service upon it.

Sec. 7. Minnesota Statutes 1982, section 580.23, subdivision 2, is amended to read:

Subd. 2. [SPECIAL REDEMPTION PERIOD.] Notwithstanding the provisions of subdivision 1 ~~hereof~~, when lands have been sold in conformity with the ~~preceding sections~~ *provisions* of this chapter the mortgagor, his personal representatives or assigns, within 12 months after ~~such the~~ sale, may redeem ~~such the~~ lands in accordance with the provisions of payment of subdivision 1 ~~thereof~~, if:

(a) The mortgage was executed prior to July 1, 1967; or;

(b) The amount claimed to be due and owing as of the date of the notice of foreclosure sale is less than $66 \frac{2}{3}$ percent of the original principal amount secured by the mortgage; or;

(c) The mortgaged premises, as of the date of the execution of the mortgage, exceeded ten acres in size; or

(d) *The mortgaged premises are a homestead as defined in section 9.*

Sec. 8. [583.01] [LEGISLATIVE FINDINGS.]

The legislature finds that the number of unemployed persons in this state has reached the highest level since the Depression of the 1930's; that farm commodity prices are below the break even point for the cost of production; that the number of mortgage loans currently in default due to the unemployment of the principal wage earner has reached critical levels; and that by reason of these conditions and the high rates of interest on mortgage loans, many of the citizens of this state will be unable for extended periods of time, to meet payments of taxes, interest, and principal of mortgages on their properties and are, therefore, threatened with loss of their real property through mortgage foreclosure, contract termination, and judicial sales. The legislature further finds that these conditions have resulted in an emergency of a nature that justifies and validates legislation for the extension of the time prior to foreclosure and execution sales and for other relief.

Sec. 9. [583.02] [DEFINITION.]

The term "homestead" means residential or agricultural real estate, a portion or all of which is entitled to receive homestead credit under section 273.13, subdivision 15a.

Sec. 10. [583.03] [APPLICATION.]

Subdivision 1. [PROPERTY COVERED.] The provisions of sections 8 to 17 apply to first mortgages secured by and contracts for deed conveying, homesteads within the meaning of section 9, including: (a) mortgages held by the United States or by any agency, department, bureau, or instrumentality of the United States, as security or pledge of the mortgagor, its successors or assigns; and (b) mortgages held as security or pledge to secure payment of a public debt or to secure payment of the deposit of public funds.

Subd. 2. [GENERAL EXCLUSION.] The provisions of sections 8 to 17 do not apply to mortgages or contracts for deed made after the effective date of sections 8 to 17, nor to mortgages or contracts for deed made before the effective date of sections 8 to 17, which are renewed or extended after the effective date of sections 8 to 17 for a period longer than one year, nor to mortgages, judgments, or contracts for deed, regardless of when made, if a second or subsequent mortgage is made against the property after the effective date of sections 8 to 17.

Sec. 11. [583.04] [MORTGAGOR MAY APPLY TO DISTRICT COURT FOR RELIEF.]

Subdivision 1. [PRIOR TO SALE.] Any mortgagor, or owner in possession of the mortgaged premises, or anyone claiming under the mortgage, or anyone liable for the mortgage debt, may at any time after the issuance of the

notice of the foreclosure proceedings and prior to the sale, petition the district court of the county where the foreclosure proceedings are pending, serving a summons and verified complaint requesting that the sale in foreclosure of a homestead be postponed for up to one year. A contract for deed vendee or anyone claiming under the contract or liable for the contract payment, in any case where the contract has not yet been terminated as of the effective date of sections 8 to 17, may petition the district court in the same manner, requesting that the contract termination be delayed for up to 180 days. Upon receiving the petition, the court shall order a stay in the foreclosure proceedings until after the hearing on the petition. As a condition precedent to the postponement of the foreclosure sale, the party serving the verified complaint shall file it and pay to the clerk for the person foreclosing the mortgage the actual costs incurred, including attorney's fees, in the foreclosure proceeding before postponement. As a condition precedent to delay of the contract termination, the party seeking relief shall file the verified complaint and pay to the clerk for the person canceling the contract, the actual costs, including attorney's fees incurred in the cancellation. If payment is made by other than cash or certified check, the order postponing the sale or termination is not final until after the check or other negotiable instrument has been paid.

Subd. 2. [SUBSEQUENT TO SALE.] If prior to the effective date of sections 8 to 17 a mortgage on a homestead is foreclosed and the period of redemption has not expired, the period of redemption may be extended for up to 180 days. The mortgagor or owner in possession of the property shall petition the district court on not less than ten days' written notice to the mortgagee or his attorney before the expiration of the period of redemption for an order extending the period of redemption. Upon service of the petition, the running of the period of redemption is tolled and is stayed until the court makes its order upon the petition.

Subd. 3. [LIMITATION.] No court shall allow a delay, postponement, or extension of time that would cause any right to be lost or adversely affected by any statute of limitation.

Subd. 4. [HEARING TO BE HELD WITHIN 30 DAYS.] The hearing on the petition must be held within 30 days after the filing of the petition. The order must be made and filed within five days after the hearing. Review by the supreme court may be had by certiorari, if application for the writ is made within 15 days after notice of the order. The writ is returnable within 30 days after the filing of the order.

Sec. 12. [583.05] [REQUIRED FINDINGS.]

The court may grant the relief provided in sections 8 to 11 only if it finds:

(1) that the petitioner is unemployed, underemployed or facing economic problems due to low farm commodity prices;

(2) that the petitioner has an inability to make payments on the mortgage or contract for deed; and

(3) that the relief requested is necessitated by general economic conditions.

If the court grants or denies a delay in the sale, the mortgagee shall publish

notice of the new sale date as provided in section 580.03.

Sec. 13. [583.06] [PARTIAL PAYMENT REQUIRED.]

Subdivision 1. [DETERMINATION OF AMOUNT.] A petition pursuant to section 11 must also request the court to determine the reasonable value of the income on the property, or, if the property has no income, then the reasonable rental value of the property subject to the contract for deed or mortgage and must direct the contract vendee or mortgagor to pay all taxes and interest and all or a reasonable part of the income or rental value for the payment of interest or principal at the times and in the manner determined by the court. In determining the amount of income or rental value to be paid, the court may consider the relative financial conditions and resources of the parties and the ability of the mortgagor or contract vendee to pay. The court shall hear the petition and after the hearing shall make and file its order directing the payment by the contract vendee or mortgagor of an amount at the times and in the manner that the court determines just and equitable. In the case of contracts for deed, the court shall insure that the level of payment required by the contract vendee does not cause undue hardship to the vendor.

Subd. 2. [DEFAULT; WASTE.] If the mortgagor or contract vendee commits waste or defaults in the payments ordered, the mortgagee may immediately commence foreclosure proceedings as provided in section 580.03, and the contract vendor may terminate the contract 30 days after the default. If default is claimed because of waste, the mortgagee or contract vendor may commence foreclosure proceedings or terminate the contract immediately after the filing of an order of the court finding the waste. No action shall be maintained for a deficiency judgment until the period of redemption as allowed by section 580.23, or by sections 8 to 17, has expired.

Subd. 3. [MODIFICATION.] Upon the application of either party before the expiration of the extended period prior to the sale, contract termination, or termination of redemption period and upon the presentation of evidence that the terms for partial payment fixed by the court are no longer just and reasonable, the court may modify the terms, in the manner the changed circumstances and conditions require.

Subd. 4. [HEARING TO BE HELD WITHIN 30 DAYS.] The hearing on the request for modification must be held within 30 days after the filing of the petition. The order must be made and filed within five days after the hearing. Review by the supreme court may be had by certiorari, if application for the writ is made within 15 days after notice of the order. The writ is returnable within 30 days after the filing of the order.

Sec. 14. [583.07] [COMPROMISES.]

If the parties to a foreclosure action agree in writing to a compromise settlement of it, or of composition of the mortgage indebtedness, or both, the court shall have jurisdiction and may by its order confirm and approve the settlement or composition, or both, as the case may be.

Sec. 15. [583.08] [REDUCTION OF REDEMPTION PERIOD.]

If the court grants a postponement in the foreclosure sale pursuant to section 11, the redemption period pursuant to section 580.23 shall be reduced

by an equivalent period of time provided, that in no event shall the redemption period be less than 30 days.

Sec. 16. [583.09] [LIMITATIONS.]

No delay, postponement, or extension shall be ordered under conditions which would substantially diminish or impair the value of the contract or obligation of the person against whom the relief is sought without reasonable allowance to justify the exercise of the police power authorized in sections 8 to 17, or which would cause irreparable harm or undue hardship to any mortgagor, contract vendor, judgment creditor, or their successors or assigns. The remedies authorized by sections 8 to 17 are available to a mortgagor or contract vendee only one time on any piece of property.

Sec. 17. [583.10] [INCONSISTENT LAWS SUSPENDED.]

With respect to property for which relief is granted under sections 8 to 17, every law, to the extent that it is inconsistent with sections 8 to 17, is suspended during the effective period of sections 8 to 17.

Sec. 18. [REPEALER.]

Sections 8 and 10 to 17 are repealed effective July 1, 1984. Any relief ordered by a court pursuant to sections 8 to 17 continues in effect for the period ordered by the court, but not more than one year after the date of the initial order.

Sec. 19. [EFFECTIVE DATE.]

This act is effective the day following final enactment. The provisions of sections 1 to 7 apply to all proceedings initiated on or after the effective date of this act. Section 7 also applies to any redemption period for a homestead which has not expired prior to the effective date of this act."

Amend the title as follows:

Delete the title and insert:

"A bill for an act relating to agricultural and residential real estate; requiring 60 days notice of default on a real estate mortgage, notice of termination of a real estate contract for deed, and notice of commencement of a sale and foreclosure proceeding; providing that a court may order a delay in a foreclosure sale or contract termination under certain circumstances; extending the redemption period for homesteads; limiting the right to maintain actions for deficiency judgments; amending Minnesota Statutes 1982, sections 47.20, subdivision 8; 550.18; 559.21, subdivisions 1, 1a, and 2; 580.03; and 580.23, subdivision 2; proposing new law coded as Minnesota Statutes, chapter 583."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 60 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Knaak and Storm voted in the negative.

The motion prevailed. So the amendment was adopted.

Mr. Stumpf moved to amend H.F. No. 102 as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 47.20, is amended by adding a subdivision to read:

Subd. 15. Notwithstanding the provisions of any other law to the contrary, any notice of default on homestead property as defined in section 5, mailed after the effective date of this section and prior to May 1, 1984, shall indicate that the borrower has 60 days from the date the notice is mailed in which to cure the default.

Sec. 2. Minnesota Statutes 1982, section 559.21, is amended by adding a subdivision to read:

Subd. 6. [TEMPORARY MINIMUM NOTICE.] Notwithstanding the provisions of any other law to the contrary, no contract for conveyance of homestead property, as defined in section 5, shall terminate until 60 days after service of notice if the notice is served after the effective date of this section and prior to May 1, 1984 or 90 days after service of notice if the contract was entered into after May 1, 1980 and the contract vendee has paid 25 percent or more of the purchase price. The notice shall specify this 60 or 90 day period. This subdivision shall not apply to earnest money contracts, purchase agreements, or exercised options.

Sec. 3. [580.181] [TEMPORARY MINIMUM NOTICE.]

Notwithstanding the provisions of any other law to the contrary, the sale on execution or on judgment of homestead property as defined in section 5, after the effective date of this section and prior to May 1, 1984, may be held only after posted and published notice for eight weeks of the time and place of the sale, describing the property with sufficient certainty to enable a person of common understanding to identify it.

Sec. 4. [583.01] [LEGISLATIVE FINDINGS.]

The legislature finds that the number of unemployed persons in this state has reached the highest level since the Depression of the 1930's; that farm commodity prices are below the break even point for the cost of production; that the number of mortgage loans currently in default due to the unemployment of the principal wage earner has reached critical levels; and that by reason of these conditions and the high rates of interest on mortgage loans,

many of the citizens of this state will be unable for extended periods of time, to meet payments of taxes, interest, and principal of mortgages on their properties and are, therefore, threatened with loss of their real property through mortgage foreclosure, contract termination, and judicial sales. The legislature further finds that these conditions have resulted in an emergency of a nature that justifies and validates legislation for the extension of the time prior to foreclosure and execution sales and for other relief.

Sec. 5. [583.02] [DEFINITIONS.]

As used in sections 4 to 15, the term "homestead" means residential or agricultural real estate, a portion or all of which is entitled to receive homestead credit under section 273.13, subdivision 15a.

Sec. 6. [583.03] [APPLICATION.]

Subdivision 1. [PROPERTY COVERED.] The provisions of sections 1 to 15 apply to first mortgages secured by and contracts for deed conveying, homesteads within the meaning of section 5, including: (a) mortgages held by the United States or by any agency, department, bureau, or instrumentality of the United States, as security or pledge of the mortgagor, its successors or assigns; and (b) mortgages held as security or pledge to secure payment of a public debt or to secure payment of the deposit of public funds.

Subd. 2. [GENERAL EXCLUSION.] The provisions of sections 1 to 15 do not apply to mortgages or contracts for deed made after the effective date of sections 1 to 15, nor to mortgages or contracts for deed made before the effective date of sections 1 to 15, which are renewed or extended after the effective date of sections 1 to 15 for a period longer than one year, nor to mortgages, judgments, or contracts for deed, regardless of when made, if a second or subsequent mortgage is made against the property after the effective date of sections 1 to 15. No court shall allow a stay, postponement, or extension of time that would cause any right to be lost or adversely affected by any statute of limitation.

Sec. 7. [583.04] [MORTGAGOR MAY APPLY TO DISTRICT COURT FOR RELIEF.]

Any mortgagor, or owner in possession of the mortgaged premises, or anyone claiming under the mortgage, or anyone liable for the mortgage debt, may at any time after the issuance of the notice of the foreclosure proceedings and prior to the sale, petition the district court of the county where the foreclosure proceedings are pending, serving a summons and verified complaint requesting that the sale in foreclosure be postponed for up to six months or, in the case of a farm homestead located on more than ten acres, for up to 12 months. A contract for deed vendee or anyone claiming under the contract or liable for the contract payment, in any case where the contract has not yet been terminated as of the effective date of sections 4 to 15, may petition the district court in the same manner, requesting that the contract termination be delayed for up to 90 days. Upon receiving the petition, the court shall order a stay in the foreclosure proceedings until after the hearing on the petition. As a condition precedent to the postponement of the foreclosure sale, the party serving the verified complaint shall file it and pay to the clerk for the person foreclosing the mortgage the actual costs incurred, including attorney's fees, in the foreclosure proceeding before postponement.

As a condition precedent to delay of the contract termination, the party seeking relief shall file the verified complaint and pay to the clerk for the person canceling the contract, the actual costs, including attorney's fees incurred in the cancellation. If payment is made by other than cash or certified check, the order postponing the sale or termination is not final until after the check or other negotiable instrument has been paid.

Sec. 8. [583.05] [COURT MAY ORDER DELAY IN SALE; FINDINGS.]

The court may order a delay in the sale or contract termination as provided in sections 4 to 15 only if it finds:

(1) that the petitioner is unemployed, underemployed or facing economic problems due to low farm commodity prices;

(2) that the petitioner has an inability to make payments on the mortgage or contract for deed; and

(3) that there is a reasonable probability the petitioner will be able to reinstate the mortgage or contract for deed.

If the court grants or denies a delay in the sale, the mortgagee shall publish notice of the new sale date as provided in section 580.03.

Sec. 9. [583.06] [COMPROMISES.]

If the parties to a foreclosure action agree in writing to a compromise settlement thereof, or of composition of the mortgage indebtedness, or both, the court shall have jurisdiction and may by its order confirm and approve the settlement or composition, or both, as the case may be.

Sec. 10. [583.07] [REDUCTION OF REDEMPTION PERIOD.]

If the court grants a delay in the foreclosure sale pursuant to sections 4 to 15, the redemption period pursuant to section 580.23 shall be reduced by an equivalent period of time provided, that in no event shall the redemption period be less than 30 days. If the court does not grant a delay in the foreclosure sale, the redemption period shall be as provided in section 580.23.

Sec. 11. [583.08] [PARTIAL PAYMENT.]

The petition must also request the court to determine the reasonable value of the income on the property, or, if the property has no income, then the reasonable rental value of the property subject to the contract for deed or mortgage and must direct the contract vendee or mortgagor to pay all or a reasonable part of the income or rental value for the payment of taxes, insurance, interest or principal at the times and in the manner determined by the court. The court shall hear the petition and after the hearing shall make and file its order directing the payment by the contract vendee or mortgagor of an amount at the times and in the manner that the court determines just and equitable. In the case of contracts for deed, the court shall insure that the payment required by the contract vendee is sufficient to adequately maintain the vendor's standard of living. If the mortgagor or contract vendee defaults in the payments ordered, the mortgagee may immediately commence foreclosure proceedings as provided in section 580.03, and the contract vendor may terminate the contract 30 days after the default. If default is claimed because of waste, the mortgagee or contract vendor may commence foreclosure proceedings or terminate the contract immediately after the filing of an

order of the court finding the waste. No action shall be maintained for a deficiency judgment until the period of redemption as allowed by section 580.23, or by sections 4 to 15, has expired.

Sec. 12. [583.09] [COURT MAY REVISE AND ALTER TERMS.]

Upon the application of either party before the expiration of the extended period prior to the sale or contract termination and upon the presentation of evidence that the terms for partial payment fixed by the court are no longer just and reasonable, the court may revise and alter the terms, in the manner the changed circumstances and conditions require.

Sec. 13. [583.10] [HEARING TO BE HELD WITHIN 30 DAYS.]

The hearing on the petition must be held within 30 days after the filing of the petition. The order therein must be made and filed within five days after the hearing. Review by the supreme court may be had by certiorari, if application for the writ is made within 15 days after notice of the order. The writ is returnable within 30 days after the filing of the order.

Sec. 14. [583.11] [LIMITATIONS.]

No postponement or extension shall be ordered under conditions which would substantially diminish or impair the value of the contract or obligation of the person against whom the relief is sought without reasonable allowance to justify the exercise of the police power authorized in sections 4 to 15, or which would cause irreparable harm or undue hardship to any mortgagee, contract vendor, judgment creditor, or their successors or assigns. The remedy authorized by sections 4 to 15 shall be available to a mortgagor or contract vendee only one time on any piece of property.

Sec. 15. [583.12] [INCONSISTENT LAWS SUSPENDED.]

Every law, to the extent that it is inconsistent with sections 4 to 15 is suspended during the effective period of sections 4 to 15.

Sec. 16. [REPEALER.]

Sections 1 to 15 are repealed effective July 1, 1984.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 15 are effective seven days following final enactment. Section 16 is effective July 1, 1984."

Delete the title and insert:

"A bill for an act relating to agricultural and residential real estate; requiring 60 days notice of default on a real estate mortgage, notice of termination of a real estate contract for deed, and eight weeks notice of commencement of a sale and foreclosure proceeding; providing that a court may order a delay in a foreclosure sale or contract termination under certain circumstances; limiting the right to maintain actions for deficiency judgments; amending Minnesota Statutes 1982, sections 47.20, by adding a subdivision; 559.21, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 580; proposing new law coded as Minnesota Statutes, chapter 583."

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Adkins	Chmielewski	Knaak	Olson	Stumpf
Anderson	Frederick	Knutson	Petty	Taylor
Belanger	Frederickson	Kronebusch	Ramstad	Ulland
Benson	Isackson	Langseth	Reichgott	Waldorf
Bernhagen	Johnson, D.E.	Luther	Renneke	Wegscheid
Bertram	Jude	McQuaid	Schmitz	
Brataas	Kamrath	Mehrrens	Storm	

Those who voted in the negative were:

Berg	Dieterich	Lantry	Pehler	Sieloff
Berglin	Frank	Lessard	Peterson, C. C.	Solon
Dahl	Freeman	Merriam	Peterson, D. C.	Spear
Davis	Hughes	Moe, D. M.	Peterson, D. L.	Vega
DeCramer	Johnson, D. J.	Moe, R. D.	Peterson, R. W.	Willet
Dicklich	Kroening	Nelson	Pogemiller	
Diessner	Laidig	Novak	Purfeerst	

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

Mr. Benson moved to amend the Dicklich amendment to H.F. No. 102 as follows:

Delete sections 7 to 19 and insert:

“Sec. 7. [LOAN GUARANTEES.]

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) “Applicant” means a person applying for a loan to be guaranteed by the state under this section.

(c) “Commissioner” means the commissioner of administration.

(d) “Guarantee” means a state guarantee of payment of a loan issued under this section.

(e) “Homestead loan guarantee” means a loan guaranteed under this section for residential or agricultural real estate, a portion or all of which is entitled to receive homestead credit under section 273.13, subdivision 15a.

(f) “Farm working capital loan guarantee” means a loan guaranteed under this section for working capital needed for the operation of a farm.

(g) “Small business working capital loan guarantee” means a loan guaranteed under this section for working capital needed for the operation of a small business, as defined in section 645.445.

(h) “Lender” means a bank, savings bank, mutual savings bank, building and loan association, or savings and loan association, organized under the laws of this state or the United States, a trust company, a trust company acting as a fiduciary, and any other financial institution subject to the supervision of the commissioner of banks, and a financial institution operating under the supervision of the farm credit administration.

Subd. 2. [APPLICANT CRITERIA.] An applicant for a loan guarantee under this section must meet the following criteria:

(a) the applicant must be an individual Minnesota farmer or a Minnesota family farm corporation all members of which live on the farm and are en-

gaged in farming, or a partnership all members of which are engaged in farming; or

(b) an owner of a small business as defined in section 645.445 who is threatened with bankruptcy due to economic circumstances beyond his control; or

(c) in the case of an applicant for a homestead loan guarantee, the applicant is unemployed or underemployed.

In addition to (a), (b), or (c), the applicant must also have applied for a loan for the same purposes to at least one lender within the preceding 60 days and been rejected.

Subd. 3. [LOAN CRITERIA.] A loan guarantee under this section may be granted only if:

(a) the loan is being made by a lender to an applicant who is already a customer of that lender for existing loans;

(b) the loan is used only for working capital needed for the operation of a farm or small business, or in the case of homestead guaranteed loans, for mortgage reinstatements or redemptions or to avoid cancellation of a contract for deed;

(c) the term of the loan to be guaranteed is no more than 18 months;

(d) there is a reasonable probability that the applicant will be able to repay the guaranteed loan at the end of its term;

(e) the parties to the loan agree that all payments made by the applicant to the lender during the term of the loan will first be applied to any portion of the guaranteed loan still outstanding and then to previous or subsequent loans made by the lender to the applicant;

(f) the loan does not exceed \$25,000 in principal amount;

(g) the loan is secured by a mortgage on real estate satisfactory to the commissioner to secure payment of the loan, the value of the real estate securing the loan to be certified by the lender on the basis of appraisals as the commissioner may require; and

(h) the parties to the loan agree that the state is subrogated to the rights of the lender in case of default to the extent of its liability under its guarantee of a loan.

Subd. 4. [LOAN APPLICATION; DENIAL.] A person desiring a loan guaranteed by the state under this section may apply for a loan from a lender where the applicant has existing loans. The loan application shall be on forms supplied by the commissioner, including a net worth statement, and shall be accompanied by a copy of the applicant's 1982 federal and state income tax returns. If the applicant, the lender, and the terms of the loan meet the criteria in this section, the lender may apply to the commissioner for a guarantee of the loan. If the commissioner agrees that the applicant, the lender, and the terms of the loan meet the criteria in this section, the commissioner shall guarantee payment of 50 percent of the amount of the loan. Otherwise, the commissioner shall deny the guarantee. The form of the guarantee is subject to the approval of the attorney general, but not subject

to the provisions of chapter 14.

Subd. 5. [CLAIMS UNDER GUARANTEE.] A claim for payment of an amount guaranteed under this section arises when the term of a guaranteed loan expires with less than 50 percent of the original amount of the loan repaid. The state is not obligated to pay any claim under a guarantee unless the lender notifies the commissioner of the claim within three days after it arises. The lender shall provide the commissioner with a current financial statement of the borrower within ten days after notification of the claim. When a claim is made as provided in this subdivision, the commissioner shall pay to the lender the difference between 50 percent of the original amount of the loan and the amount that has been repaid by the borrower.

Subd. 6. [RECOVERY OF STATE FUNDS.] The commissioner shall diligently attempt to recover amounts paid to lenders because of defaults on loans guaranteed under this section, exercising, as appropriate, all the state's rights of subrogation, payment priorities, and other available remedies.

Subd. 7. [GUARANTEE VOID.] A loan guarantee under this section is void if the guarantee was obtained by fraud or material misrepresentation of which the lender had actual knowledge.

Subd. 8. [RESERVE FOR DEFAULTED LOANS.] Up to \$10,000,000 of the amount set aside in the special account created under Minnesota Statutes 1982, section 41.61, subdivision 1, for defaulted family farm security loans is appropriated to pay lenders for defaulted farm working capital loans made under this section. The sum of all outstanding farm working capital loans guaranteed by the commissioner at any time shall not exceed eight times the balance in this \$2,000,000 account. This appropriation reduces the amount of new family farm security loans that may be guaranteed during the time when guaranteed loans under this section are outstanding. When all working capital guarantees have expired, the appropriation will again be available to guarantee family farm security loans.

Subd. 9. [EXPIRATION.] The authority of the commissioner to make loan guarantees under this section applies to loan applications received by lenders before September 1, 1983.

Subd. 10. [STAFFING.] The commissioner shall coordinate staffing among the departments of agriculture and energy, planning and development and the housing finance agency for the purposes of implementing this section. The commissioner of agriculture shall oversee farm working capital loan guarantees, the commissioner of energy, planning and development shall oversee small business working capital loan guarantees, and the director of the housing finance agency shall oversee homestead loan guarantees.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective the day following final enactment. Sections 1 to 7 are repealed July 1, 1985. Notwithstanding the provisions of section 645.34, the repeal of sections 1 to 7 shall revive the corresponding provision or section of the original law."

Delete the title amendment and insert:

"A bill for an act relating to real property; requiring 60 days' notice of default on real estate mortgage, nature of termination of a farm real estate contract for deed, and nature of commencement of a sale and foreclosure proceeding; authorizing farm and small business working capital loan guarantees and homestead loan guarantees until September 1, 1983; amending Minnesota Statutes 1982, sections 47.20, subdivision 8; 550.18; 559.21, subdivisions 1, 1a, and 2."

Mr. Frederick moved to amend the Benson amendment to the Dicklich amendment to H.F. No. 102 as follows:

Pages 3 and 4, delete subdivision 8 and insert:

"Subd. 8. [RESERVE FOR DEFAULTED LOANS.] The sum of \$10,000,000 is appropriated from the general fund to a special account created to pay lenders for defaulted loans made under this section. The sum of all outstanding loans guaranteed by the commissioner at any time shall not exceed eight times the balance of the funds in this account."

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

The question recurred on the Benson amendment, as amended.

The roll was called, and there were yeas 23 and nays 41, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Kamrath	Mehrkens	Storm
Belanger	Frederick	Knutson	Olson	Taylor
Benson	Frederickson	Kronebusch	Peterson.D.L.	Ulland
Berg	Isackson	Laidig	Ramstad	
Bernhagen	Johnson, D.E.	McQuaid	Renneke	

Those who voted in the negative were:

Adkins	Frank	Lessard	Peterson.R.W.	Stumpf
Berglin	Freeman	Luther	Petty	Vega
Bertram	Hughes	Merriam	Pogemiller	Waldorf
Chmielewski	Johnson, D.J.	Moe, D. M.	Purfeerst	Wegscheid
Dahl	Jude	Moe, R. D.	Reichgott	Willet
Davis	Knaak	Novak	Schmitz	
DeCramer	Kroening	Pehler	Sieloff	
Dicklich	Langseth	Peterson.C.C.	Soion	
Diessner	Lantry	Peterson,D.C.	Spear	

The motion did not prevail. So the Benson amendment, as amended, was not adopted.

Mr. Peterson, R.W. moved to amend the Dicklich amendment to H.F. No. 102 as follows:

Page 6, delete section 8

ReNUMBER the sections in sequence and correct the internal references

The motion prevailed. So the amendment was adopted.

H.F. No. 102 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 43 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Langseth	Pehler	Sieloff
Berg	Freeman	Lantry	Peterson, C. C.	Solon
Berglin	Hughes	Lessard	Peterson, D. C.	Spear
Chmielewski	Johnson, D.E.	Luther	Peterson, D.L.	Ulland
Dahl	Johnson, D.J.	Merriam	Peterson, R. W.	Waldorf
Davis	Jude	Moe, D. M.	Pogemiller	Wegscheid
DeCramer	Kroening	Moe, R. D.	Purfeerst	Willet
Dicklich	Kronebusch	Nelson	Reichgott	
Diessner	Laidig	Novak	Schmitz	

Those who voted in the negative were:

Anderson	Brataas	Knaak	Petty	Taylor
Belanger	Frederick	Knutson	Ramstad	Vega
Benson	Frederickson	McQuaid	Renneke	
Bernhagen	Isackson	Mehrkens	Storm	
Bertram	Kamrath	Olson	Stumpf	

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

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 1233: Mr. Langseth, Mrs. Lantry, Messrs. Purfeerst, Schmitz and Mehrkens.

H.F. No. 1290: Messrs. Kroening, Solon, Luther, Willet and Dahl.

H.F. No. 380: Messrs. Luther, Merriam and Ramstad.

S.F. No. 1012: Messrs. Merriam, Pehler and Renneke.

H.F. No. 300: Messrs. Vega; Moe, D.M.; Freeman; Pogemiller and Renneke.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Mrs. Kronebusch was excused from the Session of today from 1:00 to 2:15 p.m. Mr. Johnson, D.J. was excused from the Session of today from 1:00 to 2:30 p.m. Ms. Berglin was excused from the Session of today from 1:45 to 3:00 p.m. Mr. Ulland was excused from the Session of today until 5:00 p.m. Mr. Pogemiller was excused from the Session of today from 7:00 to 9:00 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Tuesday, May 17, 1983. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-FIFTH DAY

St. Paul, Minnesota, Tuesday, May 17, 1983

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Kenneth Ludeschere.

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

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

The President declared a quorum present.

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

REPORTS FILED WITH THE SECRETARY OF THE SENATE

The following reports were received and filed with the Secretary of the Senate: Pollution Control Agency, Minnesota Water Quality, 1982; Workers' Compensation Court of Appeals, Permanent Partial Disability Panel Pilot Project, 1983; Department of Natural Resources, Report on Endangered Species, 1983; Zoological Garden, Annual Report, 1982; Department of Education, Impact of Conciliation Conference, 1981-82; Department of Energy, Planning and Development, Small Business Set-Aside Program, 1981-82; Department of Transportation, Small Business Set-Aside Program, 1981-82; Ethical Practices Board, Annual Report, 1981-82; Minnesota Community College System, 1983; Department of Agriculture, Weather Modification Activities, 1982; Department of Education, Alterna-

tive Delivery Systems for Small Rural Schools, 1983; Minnesota Housing Finance Agency, Biennial Report, 1982-83; Minnesota Housing Finance Agency, Biennial Report, Appendix, 1982-83; Joint Senate/House Task Force on Use of State Hospital Facilities, 1983; Department of Natural Resources, Amount of Gasoline Used for Motorboats and Snowmobiles, 1982; Report of Revisor of Statutes, Concerning Certain Opinions of the Supreme Court, 1982; Metropolitan Council, Annual Report, 1982; Metropolitan Transit Commission, Capital Budget, 1983; Metropolitan Waste Control Commission, Program Budget, 1983; Metropolitan Waste Control Commission, Estimated Cost Allocation, 1983; Metropolitan Transit Commission, User Fees and Schedules; Department of Natural Resources, Regional Organization, 1983; Department of Administration, Final Report, Energy Conservation in State Owned Buildings, 1983; Minnesota State Board of Investment, 1982; Department of Public Welfare, Supplemental Aid Program, Annual Report, 1982; Department of Education, Division of Instruction, Teacher-Pupil Ratio and Supervision Rules Governing Special Education Programs in Minnesota Public Schools, 1983; Minnesota Sentencing Guidelines Commission, 1983; Department of Administration, Small Business Procurement Act, Annual Report, 1982; Department of Education, Division of Special Services, Improved Learning Program, 1982; Department of Education, Minnesota Educational Computing Consortium, Telecommunications and Computers: A Study of the Impact on the Instructional Telecommunications Funding Reduction, 1982; Department of Natural Resources, Trails and Waterways Unit, User-fee Feasibility on DNR-Assisted Recreation Trails, 1983; Department of Natural Resources, Division of Forestry, Nursery and Tree Improvement Program, 1983; Department of Energy, Planning and Development, Report on Regional Health Planning, 1982; Department of Education, Preschool Screening Program, Annual Report, 1981-82; Department of Energy, Planning and Development, Border Cities Study, 1983; Iron Range Resources and Rehabilitation Board, Biennial Report, 1980-82; Pollution Control Agency, Biennial Report, 1982; Department of Public Welfare, Community Social Services Act, 1981; Legislative Commission on Metropolitan Governance, 1983; University of Minnesota, Progress Report on Energy Conservation Surveys, 1983; University of Minnesota, Annual Report, 1982; University of Minnesota, Progress Report on Planning, 1983; Department of Public Welfare, Experimental Grants for Services to Chronically Mentally Ill Persons; Minnesota Department of Human Rights, Biennial Report, 1981-82; Legislative Commission on Minnesota Resources, 20th Year Symposium, 1983; Department of Natural Resources, Minnesota Dam Safety Program, Cedar River Dam, 1983; Legislative Auditor, Financial Audit Division, An Analysis of Financial Problems and Opportunities, 1982; Minnesota Department of Corrections, Biennial Report, 1981-82; Department of Finance, Report of Actions of the Legislative Advisory Commission; Department of Agriculture, Shade Tree Program, 1982; Department of Finance, Report on Fees; Department of Education, Unrequested Leave of Absence; Governor of the State of Minnesota, Fund Statements; Metropolitan Sports Facilities Commission, Small Business Procurement Report; Department of Public Welfare, Residential Services for Mentally Retarded.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

May 13, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Act of the 1983 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1983	Date Filed 1983
	725	143	May 13	May 13

Sincerely,

Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 1011: A bill for an act relating to unemployment compensation; providing for conformity with federal law; imposing an annual surcharge on employers' calendar year contributions for the purpose of repayment of interest charged on federal loans; creating the emergency interest repayment fund; adding a category to the extension of base period in the definition of base period; updating the law to reflect current practice; making technical changes; removing obsolete language; regulating administrative practices; providing for the effect of back pay awards; regulating benefit amounts, contributions, and benefit eligibility; requiring a report to the legislature on shared work benefits; appropriating money; amending Minnesota Statutes 1982, sections 268.04, subdivisions 2, 12, 17, 25, 26, 29, and by adding a subdivision; 268.05, subdivision 5; 268.06, subdivisions 1, 2, 3a, 5, 20, 28, and 29; 268.07, subdivisions 2 and 3; 268.071, subdivision 3; 268.08, subdivisions 1, 3, 6, and by adding subdivisions; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6, 7, and 9; 268.11, subdivisions 2 and 3; 268.12, subdivisions 8 and 9; 268.16, subdivision 2; 268.161, subdivisions 1, 4, 5, 7, and 8; 268.18, subdivisions 1 and 2; proposing new law coded in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1982, section 268.06, subdivision 32.

Senate File No. 1011 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1983

CONCURRENCE AND REPASSAGE

Mr. Chmielewski moved that the Senate concur in the amendments by the

House to S.F. No. 1011 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1011 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 36 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Luther	Petty	Stumpf
Berglin	Frank	Mehrkens	Pogemiller	Waldorf
Bertram	Freeman	Moe, R. D.	Samuelson	Wegscheid
Chmielewski	Hughes	Nelson	Schmitz	Willet
Dahl	Johnson, D.E.	Olson	Sieloff	
Davis	Jude	Pehler	Solon	
DeCramer	Kronebusch	Peterson, D.C.	Spear	
Dicklich	Lantry	Peterson, R.W.	Storm	

Those who voted in the negative were:

Anderson	Berg	Frederickson	Kamrath	Ramstad
Belanger	Bernhagen	Isackson	Knaak	Ulland
Benson	Brataas			

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 72: A bill for an act relating to occupations and professions; authorizing the commissioner of public safety to provide administrative support services to the board of peace officer standards and training; amending Minnesota Statutes 1982, sections 214.04, subdivision 1; 626.843, subdivision 1; 626.845, subdivision 1; and 626.849.

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

Clark, J.; Begich and McKasy.

Senate File No. 72 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1983

Mr. President:

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

S.F. No. 297: A bill for an act relating to criminal justice; requiring peace officers to make arrests based on probable cause in cases of domestic as-

sault; requiring peace officers to notify victims of domestic assault of the legal remedies available; amending Minnesota Statutes 1982, section 629.341; and Laws 1983, chapter 52, by adding a section.

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

Coleman, Osthoff and Levi.

Senate File No. 297 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1983

Mr. President:

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

S.F. No. 473: A bill for an act relating to traffic regulations; removing restrictions on use at trial of an accused's refusal to take a chemical test; providing that a suspect be informed that refusal to take a chemical test will be used against him at trial; removing requirements for mandatory detoxification in certain instances; providing penalties; amending Minnesota Statutes 1982, sections 169.121, subdivisions 2, 3, 4, and 8; and 169.123, subdivisions 2, 3, and 4; repealing Minnesota Statutes 1982, section 169.1231.

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

Vellenga; Vanasek; Clark, J.; Dempsey and McKasy.

Senate File No. 473 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1983

Mr. President:

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

S.F. No. 652: A bill for an act relating to agriculture; adopting recommended federal rules relating to milk quality for manufacturing purposes; providing for phase in of inspections and compliance; proposing new law coded in Minnesota Statutes, chapter 32.

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

Ogren, Wenzel, Kalis, Sparby and Uphus.

Senate File No. 652 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1983

Mr. President:

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

S.F. No. 634: A bill for an act relating to game and fish; establishing the joint legislative committee on fishing resources; imposing a surcharge on fishing licenses for development and improvement of state fishing resources; authorizing designation of experimental and specialized fishing waters; authorizing additional notice of netting season; licensing fishing guides; increasing certain license fees; prohibiting angling and use of tip-ups while spearing in a dark house; prohibiting issuance of new commercial game fish netting licenses; allowing designation of lakes for taking of certain muskellunge; imposing penalties for various offenses; amending Minnesota Statutes 1982, sections 84.027, subdivision 2; 97.48, subdivision 26, and by adding a subdivision; 97.53, by adding a subdivision; 97.55, by adding subdivisions; 98.46, subdivision 5; 98.52, by adding subdivisions; and 101.42, subdivisions 1a and 20; proposing new law coded in Minnesota Statutes, chapters 97, 98, and 102.

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

Sarna, Munger, Battaglia, Osthoff and Bennett.

Senate File No. 634 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1983

Mr. President:

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

S.F. No. 695: A bill for an act relating to public welfare; requiring new procedures for determining nursing home payment rates; requiring a moratorium on certification or welfare licensure of new beds with certain exceptions; providing for an interagency board for quality assurance; appropriating money; amending Minnesota Statutes 1982, sections 144A.10, subdivisions 4, 6, and by adding a subdivision; 256B.091, subdivisions 1, 2, 4, and 8; 256B.41; 256B.47; and 256B.48; proposing new law coded in Minnesota Statutes 1982, chapters 144A and 256B; repealing Minnesota Statutes 1982, sections 256B.42; 256B.43; 256B.44; 256B.45; and 256B.46; and 12 MCAR 2.049.

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

Clawson, Swanson and Onnen.

Senate File No. 695 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1983

Mr. President:

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

S.F. No. 923: A bill for an act relating to libraries; prohibiting the theft or damage of library materials; restricting tort liability for public libraries; prescribing a penalty; amending Minnesota Statutes 1982, section 466.01, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 609.

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

Anderson, B.; Quinn and Halberg.

Senate File No. 923 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1983

Mr. President:

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

S.F. No. 989: A bill for an act relating to collection and dissemination of data; classifying government data as public, private, and nonpublic; clarifying issues relating to classifications of data, access to data, the effect of death of individuals on classifications, and the temporary classification of data; refining provisions of the data practice act; amending Minnesota Statutes 1982, sections 13.02, subdivision 8, and by adding a subdivision; 13.03, subdivisions 3 and 4, and by adding subdivisions; 13.04, subdivision 2; 13.05, subdivisions 3, 7, 9, and 10, and by adding a subdivision; 13.06, subdivisions 1 and 6; 13.31, subdivision 2; 13.41, by adding a subdivision; 13.43, subdivision 2; 13.44; 13.46, subdivision 2, and by adding subdivisions; 13.67; 144.335, subdivision 2; and 253B.03, subdivision 8; proposing new law coded in Minnesota Statutes, chapter 13.

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

Ellingson, Minne and Dempsey.

Senate File No. 989 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1983

Mr. President:

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

S.F. No. 1189: A bill for an act relating to employment; exempting search firms from employment agency licensing; subjecting certain search firms to fee and bond requirements; requiring certain statements, fees, and bonds to

be submitted at the time a search firm is established; amending Minnesota Statutes 1982, sections 184.22, subdivision 2, and by adding subdivisions; 184.29; 184.30, subdivision 1; and 184.41.

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

Ogren, Skoglund and Heinitz.

Senate File No. 1189 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 870 and repassed said bill in accordance with the report of the Committee, so adopted.

H.F. No. 870: A bill for an act relating to state government; authorizing the commissioner of the department of economic security to adopt permanent or temporary rules; proposing new law coded in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1982, section 268.12, subdivision 3.

House File No. 870 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1983

Mr. Moe, R.D. moved that H.F. No. 870 and the Conference Committee report thereon be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 549 and 1310.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1983

FIRST READING OF HOUSE BILLS

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

H.F. No. 549: A bill for an act relating to education; establishing a lending program to fund school energy conservation investments; authorizing the issuance of state bonds pursuant to article XI of the Minnesota Constitution; appropriating money; amending Minnesota Statutes 1982, section 275.125, subdivisions 11a, 11b, and by adding a subdivision; and proposing new law coded in Minnesota Statutes, chapter 116J.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 409.

H.F. No. 1310: A bill for an act relating to capital improvements; author-

izing the acquisition and betterment of public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; appropriating money; proposing new law coded in Minnesota Statutes, chapter 16.

Mr. Moe, R.D. moved that H.F. No. 1310 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 409: A bill for an act relating to education; establishing a lending program to fund school energy conservation investments; authorizing the issuance of state bonds pursuant to article XI of the Minnesota Constitution; appropriating money; amending Minnesota Statutes 1982, section 275.125, subdivisions 11a, 11b, and by adding a subdivision; amending Laws 1969, chapter 775, section 4, by adding a subdivision; chapter 822, by adding a section; chapter 1060, by adding a section; and proposing new law coded in Minnesota Statutes, chapters 116J and 124.

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

Page 1, line 26, delete "make" and insert "approve"

Page 2, line 6, delete "he or she prescribes" and insert "prescribed"

Page 2, line 8, delete "or not"

Page 2, line 19, delete "proceeds of bonds or"

Page 2, line 22, delete "make" and insert "approve"

Page 2, line 23, delete "terms" and insert "conditions"

Page 2, line 29, delete "is" and insert "must be"

Page 2, line 32, delete "pay money" and insert "approve payment"

Page 3, line 1, delete "commissioner's" and insert "commissioner of finance's"

Page 3, line 3, after "commissioner" insert "of finance"

Page 3, line 7, after "commissioner" insert "of finance"

Page 3, delete section 2

Page 5, line 34, strike "116H" and insert "116J"

Page 6, line 16, after "audits;" insert "or"

Page 6, line 17, delete " ; or"

Page 6, delete lines 18 and 19

Page 6, line 20, delete everything before the period

Pages 6 and 7, delete sections 6 to 8

Page 7, line 13, after the dollar sign, insert "30,000,000"

Page 7, line 14, after "commissioner" insert "of finance"

Page 7, line 18, delete "and the"

Page 7, delete line 19

Page 7, line 20, delete "sections 1 and 2"

Page 7, line 21, delete "10" and insert "6"

Page 7, line 22, after the period, insert "To reduce the amount of taxes otherwise required to be levied, there is also appropriated from the general fund, on November 1 in each year, a sum of money sufficient in amount, when added to other funds appropriated for the bonds, to pay all bonds and interest on them due and to become due to and including July 1 in the second ensuing year."

Page 7, delete lines 26 to 28 and insert:

"Subd. 2. None of the appropriations made in this section shall lapse until the purpose for which it is made has been accomplished or abandoned. The amount of each loan approved for disbursement shall be and remain appropriated for that purpose until the loan is fully disbursed or part or all of it is revoked by the energy division.

Subd. 3. [ADMINISTRATIVE EXPENSES.] The sum of \$695,318 is appropriated from the general fund to the commissioner to administer section 1. This sum is available for the fiscal year ending June 30 in the years indicated:

1984	1985
\$375,318	\$320,000

The commissioner may employ persons necessary to perform the functions required by section 1. These employees may be in the unclassified service. The approved complement of the department is increased by 11 positions.

Subd. 4. [AUDIT EXPENSES.] The sum of \$500,000 is appropriated to the commissioner of energy, planning and development for the purpose of providing cost-share audit revision services for previously audited buildings in an amount not to exceed \$2,000 per building and to provide cost-share audit services for nonaudited buildings in an amount not to exceed \$5,000 per building to eligible institutions applying for loans authorized in section 1. The commissioner of energy, planning and development shall contract for provision of audit services, and determine the amount, if any, of audit revision and audit services for which the institution is eligible."

Page 7, line 31, delete "9" and insert "5"

Page 7, line 31, after "finance" insert "upon request of the governor"

Page 7, line 33, after the dollar sign, insert "30,000,000"

Page 7, line 34, delete "16A.66" and insert "16A.671"

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 8, delete everything after the semicolon

Page 1, delete lines 9 and 10

Page 1, line 11, delete "and"

Page 1, line 12, delete "chapters 116J and 124" and insert "chapter 116J"

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

Mr. Willet from the Committee on Finance, to which was referred

H.F. No. 233: A bill for an act relating to retirement; providing post retirement annuity or benefit increases for certain retired or disabled public employees.

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

Mr. Willet from the Committee on Finance, to which was re-referred

H.F. No. 744: A bill for an act relating to motor vehicles; providing for special, free license plates for recipients of the congressional medal of honor; proposing new law coded in Minnesota Statutes, chapter 168.

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 839: A bill for an act relating to veterans; clarifying eligibility for certain educational programs; standardize the definition of "veteran"; improve management of grant program; coordinate program with federal law; amending Minnesota Statutes 1982, section 197.75; proposing new law coded in Minnesota Statutes, chapter 197; repealing Minnesota Statutes 1982, sections 197.09; 197.10; and 197.11.

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 584: A bill for an act relating to labor; establishing the job skills partnership; creating a board; appropriating money; proposing new law coded as Minnesota Statutes, chapter 116K.

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

Page 4, line 5, delete "\$2,000,000" and insert "\$1,500,000"

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 77: A bill for an act relating to veterans; providing funds for the

Vietnam era veterans downpayment assistance program administered by the Minnesota housing finance agency; appropriating money.

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

Page 1, line 10, delete "\$3,000,000" and insert "\$1,000,000"

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 950: A bill for an act relating to agriculture; requiring pseudorabies testing and imposing quarantine and restricted movement requirements for swine; proposing new law coded in Minnesota Statutes 1982, chapter 35.

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

Page 1, line 12, before the comma, insert "after the entry, sale, lease, or loan"

Page 2, after line 21, insert:

"Sec. 4. [APPROPRIATION.]

The sum of \$50,000 is appropriated from the general fund to the board of animal health for the purposes of this act, to be available for the fiscal year ending June 30 in the years indicated.

FY 1984
\$25,000

FY 1985
\$25,000

The approved complement of the board of animal health is increased by one position."

Page 2, line 22, delete "4" and insert "5"

Page 2, line 24, after the period, insert "Section 4 is effective July 1, 1983."

Amend the title as follows:

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

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

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

H.F. No. 257 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
257	860				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 257 be amended as follows:

Page 2, delete section 2

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "appropriating money;"

And when so amended H.F. No. 257 will be identical to S.F. No. 860, and further recommends that H.F. No. 257 be given its second reading and substituted for S.F. No. 860, and that the Senate File be indefinitely postponed.

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

Mr. Chmielewski from the Committee on Employment, to which was referred the following appointment as reported in the Journal for January 31, 1983:

DEPARTMENT OF LABOR AND INDUSTRY
COMMISSIONER
Steve Keefe

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

SECOND READING OF SENATE BILLS

S.F. Nos. 1254, 409, 839, 584, 77 and 950 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 233, 744 and 257 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Ramstad introduced—

Senate Resolution No. 56: A Senate resolution proclaiming June 1, 1983, as Les Bolstad Day in the State of Minnesota.

Referred to the Committee on Rules and Administration.

Ms. Reichgott introduced—

Senate Resolution No. 57: A Senate resolution congratulating the Hosterman Junior High School Chess Team for its fourth consecutive state title.

Referred to the Committee on Rules and Administration.

Mr. Purfeerst introduced—

Senate Resolution No. 58: A Senate resolution congratulating Shattuck-St. Mary's School upon the 125th anniversary of its founding.

Referred to the Committee on Rules and Administration.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 409: Messrs. Purfeerst, Bertram and Anderson.

H.F. No. 77: Messrs. Purfeerst, Frank, Lessard, Knaak and Spear.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Merriam, Nelson, Frank and Novak introduced—

S.F. No. 1255: A bill for an act relating to education; authorizing discretionary contract renewal of a superintendent; amending Minnesota Statutes 1982, section 123.34, subdivision 9.

Referred to the Committee on Education.

Messrs. Merriam, Nelson, Ramstad, Lessard and Hughes introduced—

S.F. No. 1256: A bill for an act relating to gambling; allowing certain organizations to conduct casino nights under specified conditions; amending Minnesota Statutes 1982, sections 349.26, subdivisions 2, 8, 10, 11, 12, 13, 14, 15, 15a, and by adding a subdivision; 349.31, subdivision 1; 541.20; 541.21; and 609.75, subdivision 3.

Referred to the Committee on Veterans and General Legislation.

Mr. Johnson, D.J. introduced—

S.F. No. 1257: A bill for an act relating to game and fish; authorizing free fishing licenses for totally and permanently disabled public employees; amending Minnesota Statutes 1982, section 98.47, by adding a subdivision.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Merriam; Davis; Moe, D.M.; Luther and Ms. Berglin intro-

duced—

S.F. No. 1258: A bill for an act relating to environment; requiring a permit for test drilling of geologic structures for disposal of high level radioactive waste and notification of results; regulating transportation of high level radioactive waste through the state; providing penalties; proposing new law coded in Minnesota Statutes, chapter 116C.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Davis introduced—

S.F. No. 1259: A bill for an act relating to retirement; authorizing teachers to purchase allowable service credit for military service or out of state teaching service; proposing new law coded in Minnesota Statutes, chapter 356.

Referred to the Committee on Governmental Operations.

Mr. Merriam introduced—

S.F. No. 1260: A bill for an act relating to education; restricting the Minnesota state high school league to regulating athletics during the school year; amending Minnesota Statutes 1982, section 129.121, subdivision 1.

Referred to the Committee on Education.

Messrs. Merriam and Jude introduced—

S.F. No. 1261: A bill for an act relating to real property; providing for the effect of payment of taxes on a claim of title by adverse possession; amending Minnesota Statutes 1982, section 541.02.

Referred to the Committee on Judiciary.

Mr. Merriam introduced—

S.F. No. 1262: A bill for an act relating to environment; providing a comprehensive program for recovery of solid waste; imposing taxes; imposing criminal penalties; amending Minnesota Statutes 1982, sections 116J.06, by adding subdivisions; 290.06, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 116F.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Davis, Pehler, DeCramer, Purfeerst and Bernhagen introduced—

S.F. No. 1263: A resolution memorializing the governments of the United States and the Republic of China that the State of Minnesota adopts the Province of Taiwan as a sister state.

Referred to the Committee on Rules and Administration.

Messrs. Purfeerst, Luther and Moe, R.D. introduced—

S.F. No. 1264: A bill for an act relating to state government; providing for legislative expenses; amending Minnesota Statutes 1982, section 3.101;

repealing Minnesota Statutes 1982, section 3.102.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Special Orders Calendar. The motion prevailed.

SPECIAL ORDER

H.F. No. 558: A bill for an act relating to commerce; altering certain interest rate provisions on renegotiations of conventional and cooperative apartment loans and contracts for deed; amending Minnesota Statutes 1982, section 47.20, subdivision 4a.

Mr. Wegscheid, for Mr. Merriam, moved to amend H.F. No. 558, the unofficial engrossment, as follows:

Page 10, after line 18, insert:

“Sec. 4. Minnesota Statutes 1982, section 325G.30, subdivision 3, is amended to read:

Subd. 3. [CONSUMER CONTRACT.] “Consumer contract” means any written contract with a consumer except: (1) a contract where the price, excluding interest or finance charges, is more than \$50,000; (2) a contract through which a consumer obtains money or credit to be used to purchase or refinance mortgaging an interest in realty; (3) a contract in which the sale of personal property is merely incidental to the sale of an interest in realty.”

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon, insert “clarifying the plain language requirement for mortgages;”

Page 1, line 8, delete “section” and insert “sections”

Page 1, line 9, before the period, insert “; and 325G.30, subdivision 3”

The motion prevailed. So the amendment was adopted.

Mr. Pogemiller moved to amend H.F. No. 558, the unofficial engrossment, as follows:

Page 9, line 8, after “subdivision” insert “if the renegotiated rate of interest is less than or equal to the original rate of interest on the loan or contract”

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

H.F. No. 558 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 46 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Kronebusch	Peterson, D.L.	Storm
Anderson	DeCramer	Lantry	Peterson, R.W.	Stumpf
Belanger	Diessner	Lessard	Petty	Taylor
Benson	Frederick	Luther	Purfeerst	Ulland
Berg	Hughes	McQuaid	Ramstad	Vega
Bernhagen	Isackson	Mehrkens	Reichgott	Wegscheid
Bertram	Johnson, D.E.	Merriam	Renneke	
Brataas	Jude	Moe, R. D.	Schmitz	
Chmielewski	Kamrath	Olson	Sieloff	
Dahl	Knaak	Pehler	Solon	

Those who voted in the negative were:

Berglin	Frank	Peterson, D.C.	Samuelson	Willet
Dieterich	Kroening	Pogemiller	Spear	

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Waldorf moved that the following members be excused for a Conference Committee on H.F. No. 1283 at 12:00 Noon.

Messrs. Hughes, Nelson, Taylor, Dicklich and Waldorf. The motion prevailed.

SPECIAL ORDER

S.F. No. 510: A bill for an act relating to housing; prohibiting certain rent control ordinances in cities, counties, and towns; proposing new law coded in Minnesota Statutes, chapter 471.

Mr. Wegscheid moved to amend S.F. No. 510 as follows:

Page 1, line 14, after "town" insert:

"(1)"

Page 1, line 16, after "agency" insert " , or

(2) to contract with a property owner who is a recipient of public subsidies, grants, or loans, or

(3) to act as required or authorized by laws or regulations of the United States Government or this state"

Mr. Dieterich moved to amend the Wegscheid amendment to S.F. No. 510 as follows:

Page 1, line 6, delete "who is a recipient of"

Page 1, line 7, delete "public subsidies, grants, or loans"

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

The question recurred on the Wegscheid amendment, as amended. The motion prevailed. So the Wegscheid amendment, as amended, was adopted.

Mr. Merriam moved to amend S.F. No. 510 as follows:

Page 1, line 9, delete "is" and insert "may be"

Page 1, line 10, delete "no statutory or home rule charter"

Page 1, delete lines 11 to 16 and insert "the Minnesota housing finance agency shall study the subject of the imposition of rent controls on private residential housing units, prepare a report, and submit the report to the appropriate standing committees of the legislature on or before January 1, 1985. In the report, the agency shall summarize a survey of the relevant literature on the subject, may address any issues that it deems relevant to a thorough treatment of the subject, and shall address the following issues:

(1) The incentives and disincentives to the investment of private capital in the development of government subsidized and unsubsidized rental housing units;

(2) The impact, if any, of the adoption by a local unit of government of a law of general applicability placing restrictions on the amount of rent increases in private residential housing units on (a) the investment of private capital in the development of rental housing units; (b) the investment of federal, state, and local funds in the development of rental housing units; (c) the level of maintenance and repair of the private residential housing units covered by the law; and (d) the rent to income ratio of tenants occupying the private residential housing units covered by the law;

(3) The impact, if any, of the presence of a state law proscribing the adoption by local units of government of rent controls on (a) the investment of private capital in the development of rental housing units, and (b) the investment of federal, state, and local funds in the development of rental housing units."

Amend the title as follows:

Page 1, line 2, delete "prohibiting certain rent control"

Page 1, line 3, delete everything before the semicolon and insert "providing for a study by the Minnesota housing finance agency of the subject of rent controls on private residential housing units"

The question was taken on the adoption of the amendment.

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

The roll was called, and there were yeas 24 and nays 36, as follows:

Those who voted in the affirmative were:

Berglin	Dieterich	Kroening	Moe, R. D.	Pogemiller
Dahl	Frank	Langseth	Nelson	Samuelson
Davis	Freeman	Luther	Novak	Spear
Dicklich	Hughes	Merriam	Pehler	Willett
Diessner	Johnson, D.J.	Moe, D. M.	Peterson, D.C.	

Those who voted in the negative were:

Adkins	Chmielewski	Knaak	Peterson, D.L.	Stumpf
Anderson	DeCramer	Knutson	Peterson, R.W.	Ulland
Belanger	Frederick	Kronebusch	Petty	Vega
Benson	Frederickson	Laidig	Reichgott	Wegscheid
Berg	Isackson	Lantry	Renneke	
Bernhagen	Johnson, D.E.	McQuaid	Schmitz	
Bertram	Jude	Mehrken	Sieloff	
Brataas	Kamrath	Olson	Storm	

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

Mr. Dieterich moved to amend S.F. No. 510 as follows:

Page 1, line 8, before "The" insert "Subdivision 1."

Page 1, line 10, delete "Therefore" and insert:

"Subd. 2. Except as provided in subdivisions 3 and 4,"

Page 1, line 12, after the period, insert:

"Subd. 3. A home rule charter city, pursuant to a charter provision, may impose controls on the rents charged for residential property if there exists within the city a significant shortage of suitable rental dwellings available to low and moderate income individuals or families.

Subd. 4."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "requiring a hearing in certain cases;"

The question was taken on the adoption of the amendment.

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

The roll was called, and there were yeas 15 and nays 44, as follows:

Those who voted in the affirmative were:

Berglin	Dieterich	Merriam	Novak	Pogemiller
Dahl	Frank	Moe, D. M.	Peterson, D.C.	Samuelson
Dicklich	Johnson, D.J.	Nelson	Peterson, R.W.	Spear

Those who voted in the negative were:

Adkins	DeCramer	Kamrath	McQuaid	Schmitz
Anderson	Diessner	Knaak	Mehrkens	Sieloff
Belanger	Frederick	Knutson	Olson	Solon
Berg	Frederickson	Kronebusch	Pehler	Storm
Bernhagen	Freeman	Laidig	Peterson, D.L.	Stumpf
Bertram	Hughes	Langseth	Petty	Ulland
Brataas	Isackson	Lantry	Ramstad	Vega
Chmielewski	Johnson, D.E.	Lessard	Reichgott	Wegscheid
Davis	Jude	Luther	Renneke	

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

Mr. Pogemiller moved to amend S.F. No. 510 as follows:

Page 1, line 9, after "on" insert "new"

Page 1, line 12, after "property" insert "constructed or substantially rehabilitated after the effective date of this act"

Page 1, line 15, after "has" insert "or acquires"

The question was taken on the adoption of the amendment.

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

The roll was called, and there were yeas 19 and nays 44, as follows:

Those who voted in the affirmative were:

Berglin	Dicklich	Johnson, D.J.	Nelson	Pogemiller
Dahl	Dieterich	Kroening	Novak	Samuelson
Davis	Frank	Merriam	Pehler	Spear
DeCramer	Freeman	Moe, D. M.	Peterson, D.C.	

Those who voted in the negative were:

Adkins	Diessner	Knutson	Olson	Sieloff
Anderson	Frederick	Kronebusch	Peterson, D.L.	Solon
Belanger	Frederickson	Laidig	Peterson, R. W.	Storm
Benson	Hughes	Langseth	Petty	Stumpf
Berg	Isackson	Lantry	Purfeerst	Taylor
Bernhagen	Johnson, D.E.	Lessard	Ramstad	Ulland
Bertram	Jude	Luther	Reichgott	Vega
Brataas	Kamrath	McQuaid	Renneke	Wegscheid
Chmielewski	Knaak	Mehrken	Schmitz	

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

Ms. Berglin moved to amend the Wegscheid amendment to S.F. No. 510, adopted by the Senate May 17, 1983, as follows:

Page 1, line 9, after "state" insert ", or

(4) to mediate between property owners and tenants for the purpose of negotiating rents"

The motion prevailed. So the amendment was adopted.

S.F. No. 510 was read the third time, as amended, and placed on its final passage.

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

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

The roll was called, and there were yeas 42 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Kamrath	Olson	Storm
Anderson	Davis	Knaak	Peterson, D.L.	Stumpf
Belanger	DeCramer	Knutson	Petty	Taylor
Benson	Frederick	Kronebusch	Ramstad	Ulland
Berg	Frederickson	Laidig	Renneke	Vega
Bernhagen	Hughes	Langseth	Samuelson	Wegscheid
Bertram	Isackson	Lantry	Schmitz	
Brataas	Johnson, D.E.	Lessard	Sieloff	
Chmielewski	Jude	Mehrken	Solon	

Those who voted in the negative were:

Berglin	Freeman	Moe, D. M.	Peterson, R.W.	Willet
Dicklich	Johnson, D.J.	Nelson	Pogemiller	
Diessner	Kroening	Novak	Purfeerst	
Dieterich	Luther	Pehler	Reichgott	
Frank	Merriam	Peterson, D.C.	Spear	

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

SPECIAL ORDER

H.F. No. 553: A bill for an act relating to elections; changing certain

election procedures, requirements, and time limits; amending Minnesota Statutes 1982, sections 201.071, subdivision 1; 203B.02, subdivision 1; 203B.04, subdivision 1; 203B.21, subdivision 2; 204B.12, subdivision 1; 204B.19, subdivision 1; 204B.21, subdivision 1; 204B.27, subdivision 1; 204B.34, subdivision 1; 204B.35, subdivision 4; 204C.05, subdivision 1; 204C.32, subdivision 2; 204C.33, subdivision 2; 204D.06; 204D.11, subdivisions 1 and 5; 204D.14; 204D.15, subdivision 2; 205.03, subdivisions 1 and 3; and 209.02, subdivision 4; proposing new law coded in Minnesota Statutes, chapter 203B; repealing Minnesota Statutes 1982, sections 201.091, subdivisions 6 and 7; and 204B.12, subdivision 2.

Mr. DeCramer moved to amend H.F. No. 553, as amended pursuant to Rule 49, adopted by the Senate March 7, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 446.)

Page 9, after line 12, insert:

“Sec. 23. Minnesota Statutes 1982, section 209.02, subdivision 4a, is amended to read:

Subd. 4a. [NOTICE OF CONTEST, CERTAIN LEGISLATIVE CONTESTS, HOW SERVED.] In legislative contests, notice of contest shall be filed and served as provided in subdivisions 2 to 4, except that the *service of summons must be between the hours of 8:00 a.m. and 8:00 p.m. and the clerk of district court with whom the notice, and answer, if any, has been filed shall, within three days of receipt of each, submit by certified mail one copy thereof to the chief justice of the supreme court. Upon receipt of the notice of contest, the chief justice shall, within five days, submit to the parties a list of all the district judges in the state, having stricken any judges involved in a trial with which serving as judge in the election contest would interfere and having stricken the name of any judge whose health precludes service as judge in the election contest. The parties shall within two days after receiving the list of judges meet together and, in cases where an unfair campaign practice is alleged, by alternating strikes remove the names of all judges until but one remains who shall then proceed to hear the contest in the manner provided in section 209.10. In cases where no unfair campaign practice is alleged, the parties shall follow the same procedure using only the names of judges of the judicial district or districts covering the area served by the contested office. The judge shall, within 15 days after notice has been filed, convene at an appropriate place within the county, or, if the district includes all or portions of more than one county, a county within the legislative district and hear testimony of the parties, under the ordinary rules of evidence for civil actions. If the contestant does not proceed within the time provided for herein his action shall be dismissed and the judge shall transmit a copy of his order for dismissal to the chief clerk of the house of representatives or the secretary of the senate, as appropriate.”*

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 13, delete “subdivision” and insert “subdivisions” and after “4” insert “and 4a”

The motion prevailed. So the amendment was adopted.

H.F. No. 553 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

S.F. No. 531: A resolution memorializing the President and Congress of the United States to provide medical care for former members of the military forces who were exposed to atomic radiation in the course of their duties.

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

The question was taken on the passage of the resolution.

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

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Moe, R. D.	Spear
Anderson	Pehler	Knaak	Pehler	Storm
Belanger	Dieterich	Knutson	Peterson, D.C.	Stumpf
Berg	Frank	Kroening	Peterson, D.L.	Ulland
Berglin	Frederick	Kronebusch	Petty	Vega
Bernhagen	Freeman	Laidig	Pogemiller	Waldorf
Bertram	Hughes	Lantry	Ramstad	Wegscheid
Brataas	Isackson	Luther	Reichgott	Willet
Dahl	Johnson, D.E.	McQuaid	Renneke	
Davis	Johnson, D.J.	Mehrkens	Schmitz	
DeCramer	Jude	Merriam	Sieloff	

So the resolution passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1236: A bill for an act relating to local government; permitting certain land transfers by the metropolitan sports facilities commission; permitting certain land acquisitions by the Bloomington port authority; amending Minnesota Statutes 1982, section 473.556, subdivision 6.

Mr. Freeman moved that the amendment made to H.F. No. 1236 by the Committee on Rules and Administration in the report adopted May 16, 1983, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 1236 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Pehler and Renneke voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 445: A bill for an act relating to the city of St. Paul; setting the maximum amounts of and other conditions for the issuance of capital improvement bonds; amending Laws 1971, chapter 773, sections 1, as amended, and 2, as amended.

Mr. Merriam moved to amend the amendment placed on H.F. No. 445 by the Committee on Local and Urban Government, adopted by the Senate April 25, 1983, as follows:

In the committee amendment to page 2, line 27, and page 3, line 21, after "strike "such"" insert "and insert "the""

The motion prevailed. So the amendment was adopted.

H.F. No. 445 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kamrath	Novak	Samuelson
Anderson	Dicklich	Knutson	Olson	Schmitz
Belanger	Diessner	Kroening	Pehler	Sieloff
Benson	Dieterich	Kronebusch	Peterson, D.C.	Storm
Berg	Frederickson	Langseth	Peterson, R.W.	Ulland
Berglin	Freeman	Lantry	Petty	Vega
Bertram	Hughes	Luther	Pogemiller	Waldorf
Brataas	Johnson, D.E.	McQuaid	Ramstad	Wegscheid
Dahl	Johnson, D.J.	Mehrkens	Reichgott	Willet
Davis	Jude	Merriam	Renneke	

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mrs. Lantry moved that the following members be

excused for a Conference Committee on S.F. No. 695 at 3:00 p.m.:

Mrs. Lantry, Mr. Benson and Ms. Berglin. The motion prevailed.

SPECIAL ORDER

H.F. No. 973: A bill for an act relating to commerce; securities and real estate; modifying the definition of "investment adviser"; clarifying the definition of "trust account"; modifying the definition of "investment metal contract"; defining and regulating investment adviser representatives; expanding the regulation of investment advisers; exempting certain persons from the definition of real estate broker; providing for the suspension of a broker's or salesperson's license pending a hearing; clarifying the intent of certain language relating to the real estate education, research, and recovery fund; modifying an exemption from the registration and annual report requirements for social and charitable organizations; amending Minnesota Statutes 1982, sections 80A.02; 80A.04, subdivisions 2 and 3; 80A.07, subdivisions 1 and 3, and by adding a subdivision; 80A.09, subdivision 1; 80A.14, subdivisions 8, 9, 12, and by adding a subdivision; 82.17, subdivisions 4 and 6; 82.18; 82.27, subdivision 3; 82.34, subdivision 7; 309.515, subdivision 1.

Ms. Reichgott moved that the amendment made to H.F. No. 973 by the Committee on Rules and Administration in the report adopted May 10, 1983, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

Ms. Reichgott then moved to amend H.F. No. 973, as follows:

Pages 7 and 8, delete section 8

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 19, delete "8,"

The motion prevailed. So the amendment was adopted.

H.F. No. 973 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 45 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Frederickson	Kronebusch	Peterson, D.L.	Schmitz
Anderson	Freeman	Laidig	Peterson, R.W.	Sieloff
Berg	Hughes	Langseth	Petty	Spear
Bernhagen	Johnson, D.E.	Lessard	Pogemiller	Storm
Bertram	Jude	McQuaid	Purfeerst	Stumpf
Davis	Kamrath	Merriam	Ramstad	Taylor
DeCramer	Knaak	Novak	Reichgott	Ulland
Diessner	Knutson	Pehler	Renneke	Vega
Frank	Kroening	Peterson, D.C.	Samuelson	Willet

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

SPECIAL ORDER

S.F. No. 1196: A bill for an act relating to taxation; providing a temporary sales tax exemption for sales by community service organizations.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Dicklich	Kroening	Olson	Sieloff
Anderson	Diessner	Kronebusch	Pehler	Solon
Berg	Frank	Laidig	Peterson, D.C.	Spear
Bernhagen	Frederick	Langseth	Peterson, D.L.	Storm
Bertram	Frederickson	Luther	Petty	Stumpf
Brataas	Hughes	McQuaid	Ramstad	Taylor
Chmielewski	Johnson, D.E.	Mehrkens	Reichgott	Ulland
Dahl	Jude	Merriam	Renneke	Vega
Davis	Kamrath	Moe, D. M.	Samuelson	Waldorf
DeCramer	Knutson	Novak	Schmitz	Willet

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 863: A resolution memorializing the President and Secretary of State of the United States to protest discrimination against Soviet Jews and seek an end to restrictions on their emigration.

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

The question was taken on the passage of the resolution.

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

Those who voted in the affirmative were:

Adkins	Frederick	McQuaid	Petty	Storm
Belanger	Frederickson	Mehrkens	Pogemiller	Stumpf
Berg	Freeman	Merriam	Purfeerst	Taylor
Bernhagen	Hughes	Moe, D. M.	Ramstad	Ulland
Bertram	Jude	Novak	Reichgott	Vega
Dahl	Knaak	Olson	Renneke	Waldorf
Davis	Knutson	Pehler	Samuelson	Wegscheid
DeCramer	Kronebusch	Peterson, C.C.	Schmitz	Willet
Dicklich	Laidig	Peterson, D.C.	Sieloff	
Diessner	Langseth	Peterson, D.L.	Solon	
Frank	Luther	Peterson, R.W.	Spear	

So the resolution passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 836: A bill for an act relating to the legislative reference library; permitting the library to require certain identification of documents deposited; amending Minnesota Statutes 1982, sections 3.195; and 3.302, by adding a subdivision.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Frank	McQuaid	Pogemiller	Stumpf
Belanger	Frederick	Mehrkens	Purfeerst	Taylor
Berg	Frederickson	Merriam	Ramstad	Ulland
Bernhagen	Hughes	Moe, D. M.	Reichgott	Vega
Bertram	Jude	Nelson	Renneke	Waldorf
Brataas	Kamrath	Olson	Samuelson	Wegscheid
Chmielewski	Knutson	Pehler	Schmitz	Willet
Dahl	Kroening	Peterson, C.C.	Sieloff	
Davis	Kronebusch	Peterson, D.C.	Solon	
DeCramer	Laidig	Peterson, D.L.	Spear	
Diessner	Luther	Petty	Storm	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 652: A bill for an act relating to retirement; public plans generally; providing for the fiduciary obligation of trustees; providing that moneys of public pension plans are for the exclusive benefit of eligible employees and their beneficiaries; amending Minnesota Statutes 1982, section 354A.021, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 356.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 782: A bill for an act relating to crimes; providing for increases in maximum authorized fines for crimes and petty misdemeanors; amending Minnesota Statutes 1982, sections 609.02, subdivisions 3 and 4; and 609.03; proposing new law coded in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1982, sections 609.031 and 609.032.

Mr. Spear moved to amend H.F. No. 782, as amended pursuant to Rule 49, adopted by the Senate May 12, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 795.)

Page 2, line 35, delete "as of January 1, 1983."

Page 3, line 2, after the period, insert "This subdivision does not apply to any felony for which a fine is established or changed by law after January 1, 1983."

The motion prevailed. So the amendment was adopted.

H.F. No. 782 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

Adkins	Frank	Laidig	Peterson,D.C.	Spear
Anderson	Frederickson	Langseth	Peterson,R.W.	Stumpf
Belanger	Hughes	Lessard	Petty	Taylor
Bertram	Isackson	Luther	Pogemiller	Ulland
Brataas	Johnson, D.J.	McQuaid	Purfeerst	Vega
Chmielewski	Jude	Merriam	Ramstad	Waldorf
Dahl	Kamrath	Moe, R. D.	Reichgott	Wegscheid
Davis	Knaak	Nelson	Renneke	Willet
DeCramer	Knutsen	Olson	Schmitz	
Dicklich	Kroening	Pehler	Sieloff	
Diessner	Kronebusch	Peterson,C.C.	Solon	

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

SPECIAL ORDER

S.F. No. 1151: A bill for an act relating to taxation; imposing or altering certain income tax, withholding tax, sales, and excise tax penalties; extending the time limitations within which certain indictments may be filed; amending Minnesota Statutes 1982, sections 290.53, subdivision 4, and by adding a subdivision; 290.92, subdivision 15; 290A.11, subdivision 2; 297A.08; 297A.39, subdivision 4, and by adding a subdivision; and 297B.10.

Mr. Sieloff moved to amend S.F. No. 1151 as follows:

Page 9, after line 26, insert:

"Sec. 9. [STUDY.]

The commissioner of revenue and the commissioner of economic security shall prepare a report to be given to the chairmen of the senate committees on taxes and tax laws, employment, and governmental operations, and the house committees on taxes, labor-management relations, and governmental operations. The report shall contain recommendations from the commissioners on possible functions of each agency which could be combined or performed jointly to achieve economy in the budgets of the agencies and/or reduce paperwork for taxpayers. The report shall include proposed legislation to accomplish the recommendations of the commissioners. The report shall be submitted by January 15, 1984, to the legislative committee chairmen."

Page 9, line 28, delete "This act is" and insert "Sections 1 to 8 are"

Page 9, line 29, after the period insert "Section 9 is effective the day after

final enactment.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon insert “requiring a study;”

The motion prevailed. So the amendment was adopted.

Mr. Sieloff then moved to amend S.F. No. 1151 as follows:

Page 6, after line 24, insert:

“Sec. 4. Minnesota Statutes 1982, section 290A.03, subdivision 8, is amended to read:

Subd. 8. [CLAIMANT.] “Claimant” means a person, other than a dependent, who filed a claim authorized by sections 290A.01 to 290A.20 and who was domiciled in this state during the calendar year for which the claim for relief was filed. In the case of a claim relating to rent constituting property taxes, the claimant shall have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes, are payable at some time during the calendar year covered by the claim. “Claimant” shall not include a resident of a nursing home, intermediate care facility, or long term residential facility whose rent constituting property taxes is paid pursuant to the supplemental security income program under Title XVI of the social security act, the Minnesota supplemental aid program under sections 256D.35 to 256D.41, the medical assistance program pursuant to Title XIX of the social security act, or the general assistance medical care program pursuant to section 256D.03, Subdivision 3. If only a portion of the rent constituting property taxes is paid by these programs, the resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as defined in subdivision 3 reduced by the total amount of income from the above sources other than vendor payments under the medical assistance program or the general assistance medical care program and the denominator of which is income as defined in subdivision 3 plus vendor payments under the medical assistance program or the general assistance medical care program, to determine the allowable refund pursuant to this chapter. In the case of a claim for rent constituting property taxes of a part year resident, the income and rental reflected in this computation shall be for the period of Minnesota residency only. Any rental expenses paid which may be reflected in arriving at federal adjusted gross income cannot be utilized for this computation. ~~When two individuals of a household are able to meet the qualifications for a claimant, they may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final.~~ If a homestead property owner was a part year resident, the income reflected in the computation made pursuant to section 290A.04 shall be for the entire calendar year, including income not assignable to Minnesota.

Except as provided in section 290A.05, if a homestead is occupied by two or more renters or joint tenants or tenants in common, who are not husband and wife, the rent or property taxes shall be deemed to be paid equally by

each, and separate claims shall be filed by each. The income of each shall be his household income for purposes of computing the amount of credit to be allowed.

Sec. 5. Minnesota Statutes 1982, section 290A.03, subdivision 13, is amended to read:

Subd. 13. [PROPERTY TAXES PAYABLE.] "Property taxes payable" means the property tax exclusive of special assessments, penalties, and interest payable on a claimant's homestead before reductions made pursuant to section 273.13, subdivisions 6, 7 and 14a, but after deductions made pursuant to sections 124.2137, 273.115, 273.116, 273.135, 273.139, and 273.1391 in any calendar year. No apportionment or reduction of the "property taxes payable" shall be required for the use of a portion of the claimant's homestead for a business purpose if the claimant does not deduct any business depreciation expenses for the use of a portion of the homestead in the determination of federal adjusted gross income. For homesteads which are manufactured homes as defined in section 168.011, subdivision 8, "property taxes payable" shall also include 23 percent of gross rent paid in the preceding year for the site on which the homestead is located, exclusive of charges for utilities or services. ~~When a homestead is owned by two or more persons as joint tenants or tenants in common, such tenants shall determine between them which tenant may claim the property taxes payable on the homestead. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final.~~ Property taxes are considered payable in the year prescribed by law for payment of the taxes.

In the case of a claim relating to "property taxes payable", the claimant must have owned and occupied the homestead on January 2 of the year in which the tax is payable and (i) the property must have been classified as homestead property pursuant to section 273.13, subdivisions 6, 7, or 14a on or before June 1 of the year in which the "property taxes payable" were levied; or (ii) the claimant must provide documentation from the local assessor that application for homestead classification has been made prior to July 1 of the year in which the "property taxes payable" were payable and that the assessor has approved the application.

~~For property taxes levied in 1981, payable 1982, "property taxes payable" shall be limited to that portion of the property taxes eligible for the homestead credit as determined pursuant to section 273.13, subdivision 15b.~~

Sec. 6. Minnesota Statutes 1982, section 290A.05, is amended to read:

290A.05 [COMBINED HOUSEHOLD INCOME; *RENTERS AND LESSEES.*]

If a person occupies a homestead with another person or persons not related to the person as husband and wife, excluding dependents, *joint tenants or tenants in common who are also claimants*, roomers or boarders on contract, and has property tax payable with respect to the homestead, the household income of the claimant or claimants for the purpose of computing the refund allowed by section 290A.04 shall include the total income received by the other persons residing in the homestead. If a person occupies a homestead with another person or persons not related as husband and wife or as dependents, *and who are residing at the homestead under rental or lease agree-*

ment, the property tax payable or rent constituting property tax shall be reduced as follows:

If the other person or persons are residing at the homestead under rental or lease agreement, the amount of property tax payable or rent constituting property tax shall be that portion not covered by the rental agreement."

Page 9, line 28, delete "This act is" and insert "Sections 1 to 3 and 7 to 11 are"

Page 9, line 29, after the period insert "Sections 4 to 6 are effective for claims based on property taxes payable in 1984 and thereafter."

Amend the title as follows:

Page 1, line 5, after the semicolon insert "providing for apportionment of property taxes payable with respect to certain claims for property tax refunds;"

Page 1, line 7, after "15;" insert "290A.03, subdivisions 8 and 13; 290A.05;"

The motion prevailed. So the amendment was adopted.

S.F. No. 1151 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Novak	Reichgott
Anderson	DeCramer	Kroening	Olson	Schmitz
Belanger	Diessner	Kronebusch	Pehler	Sieloff
Benson	Frank	Laidig	Peterson, C.C.	Solon
Berg	Frederickson	Lantry	Peterson, D.C.	Stumpf
Berglin	Hughes	Luther	Peterson, D.L.	Taylor
Bertram	Isackson	McQuaid	Petty	Ulland
Brataas	Johnson, D.J.	Merriam	Pogemiller	Vega
Chmielewski	Jude	Moe, R. D.	Purfeerst	Willet
Dahl	Kamrath	Nelson	Ramstad	

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

SPECIAL ORDER

S.F. No. 619: A bill for an act relating to taxation; providing for a study by the commissioners of revenue and economic security.

Mr. Sieloff moved that S.F. No. 619, No. 43 on Special Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 40 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kronebusch	Olson	Schmitz
Belanger	Frederickson	Lantry	Pehler	Sieloff
Berg	Hughes	Luther	Peterson, D.C.	Spear
Bertram	Isackson	McQuaid	Peterson, D.L.	Stumpf
Brataas	Jude	Merriam	Petty	Taylor
Chmielewski	Kamrath	Moe, R. D.	Pogemiller	Ulland
Dahl	Knaak	Nelson	Purfeerst	Vega
Davis	Knutson	Novak	Ramstad	Willet

Those who voted in the negative were:

Anderson Frank Kroening Laidig Peterson, C.C.
 Berglin Johnson, D.J.

The motion prevailed.

SPECIAL ORDER

S.F. No. 841: A bill for an act relating to commerce; providing for the testing of the ambient air level of formaldehyde in housing; providing approved testing methods; establishing the limits of liability for builders; amending Minnesota Statutes 1982, section 325F.18, by adding subdivisions; repealing Minnesota Statutes 1982, section 325F.18, subdivision 5.

Mr. Petty moved that S.F. No. 841, No. 27 on Special Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

SPECIAL ORDER

S.F. No. 1041: A bill for an act relating to the city of Plymouth; giving the city the powers of a port authority.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 41 and nays 10, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Olson	Sieloff
Anderson	Diessner	Knutson	Peterson, D.C.	Stumpf
Belanger	Frank	Kronebusch	Peterson, D.L.	Uiland
Berg	Frederick	Laidig	Petty	Vega
Bernhagen	Frederickson	Langseth	Purfeerst	Wegscheid
Bertram	Hughes	Lessard	Ramstad	
Brataas	Isackson	McQuaid	Reichgott	
Chmielewski	Johnson, D.E.	Moe, D. M.	Renneke	
Dahl	Jude	Novak	Schmitz	

Those who voted in the negative were:

Davis	Knaak	Luther	Pehler	Spear
DeCramer	Kroening	Merriam	Peterson, R.W.	Waldorf

So the bill passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Frank moved that the following members be excused for a Conference Committee on H.F. No. 77 at 4:00 p.m.:

Messrs. Frank, Purfeerst, Lessard, Knaak and Spear. The motion prevailed.

SPECIAL ORDER

H.F. No. 435: A bill for an act relating to crimes; establishing degrees of burglary; prescribing penalties; providing mandatory terms of incarceration in certain instances; proposing new law coded in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1982, section 609.58.

Mr. Peterson, R.W. moved to amend H.F. No. 435, as amended pursuant to Rule 49, adopted by the Senate May 12, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 483.)

Page 3, line 22, after "*convicted of*" insert "*a second or subsequent offense of*"

Page 3, line 24, after "*(a),*" insert "*committed*"

The motion prevailed. So the amendment was adopted.

H.F. No. 435 was then progressed.

SPECIAL ORDER

H.F. No. 765: A bill for an act relating to insurance; permitting differing benefit payments for services by designated health care providers; amending Minnesota Statutes 1982, section 72A.20, subdivision 15.

Mr. Diessner moved that the amendment made to H.F. No. 765 by the Committee on Rules and Administration in the report adopted May 11, 1983, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

Mr. Diessner then moved to amend H.F. No. 765 as follows:

Page 2, line 11, delete "*annually*" and insert "*on or before August 1 of each year*"

Page 2, line 15, delete "*annually*" and insert "*on or before August 1 of each year*"

The motion prevailed. So the amendment was adopted.

H.F. No. 765 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 42 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kroening	Peterson, C.C.	Sieloff
Anderson	Dieterich	Kronebusch	Peterson, D.C.	Storm
Berg	Frederickson	Langseth	Peterson, D.L.	Stumpf
Bertram	Freeman	Luther	Peterson, R.W.	Ulland
Brataas	Isackson	McQuaid	Petty	Vega
Chmielewski	Johnson, D.E.	Merriam	Ramstad	Wegscheid
Dahl	Jude	Moe, R. D.	Reichgott	
Davis	Kamrath	Novak	Renneke	
DeCramer	Knutson	Pehler	Samuelson	

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

The question recurred on H.F. No. 435.

SPECIAL ORDER

H.F. No. 435: A bill for an act relating to crimes; establishing degrees of burglary; prescribing penalties; providing mandatory terms of incarceration

in certain instances; proposing new law coded in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1982, section 609.58.

H.F. No. 435 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

Adkins	Frederick	Laidig	Peterson, C.C.	Sieloff
Anderson	Frederickson	Langseth	Peterson, D.C.	Spear
Berg	Freeman	Luther	Peterson, D.L.	Storm
Bertram	Isackson	McQuaid	Peterson, R.W.	Stumpf
Brataas	Johnson, D.E.	Mehrkens	Petty	Vega
Dahl	Jude	Merriam	Ramstad	Wegscheid
Davis	Kamrath	Moe, R. D.	Reichgott	
DeCramer	Knutson	Novak	Renneke	
Diessner	Kroening	Olson	Samuelson	
Dieterich	Kronebusch	Pehler	Schmitz	

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

SPECIAL ORDER

S.F. No. 1241: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 44 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Kronebusch	Olson	Renneke
Anderson	Frederickson	Laidig	Pehler	Samuelson
Berg	Freeman	Langseth	Peterson, C.C.	Schmitz
Bertram	Isackson	Luther	Peterson, D.C.	Sieloff
Brataas	Johnson, D.E.	McQuaid	Peterson, D.L.	Storm
Dahl	Jude	Mehrkens	Peterson, R.W.	Stumpf
Davis	Kamrath	Merriam	Petty	Ulland
DeCramer	Knutson	Moe, R. D.	Ramstad	Wegscheid
Diessner	Kroening	Novak	Reichgott	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 492: A bill for an act relating to financial institutions; regulating certain acquisitions by bank holding companies; defining terms; prescribing limitations; proposing new law coded in Minnesota Statutes, chapter 47.

CALL OF THE SENATE

Ms. Peterson, D.C. imposed a call of the Senate for the balance of the proceedings on S.F. No. 492. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Luther moved that S.F. No. 492, No. 18 on Special Orders, be stricken

and re-referred to the Committee on Economic Development and Commerce.

The question was taken on the adoption of the motion.

Ms. Peterson, D.C. moved that those not voting be excused from voting. The motion did not prevail.

The roll was called, and there were yeas 24 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Isackson	McQuaid	Peterson, D.L.	Solon
Brataas	Johnson, D.E.	Mehrkens	Petty	Storm
DeCramer	Kamrath	Merriam	Ramstad	Ulland
Diessner	Knutson	Moe, R. D.	Schmitz	Waldorf
Freeman	Luther	Olson	Sieloff	

Those who voted in the negative were:

Adkins	Davis	Jude	Pehler	Stumpf
Belanger	Dicklich	Kroening	Peterson, C.C.	Vega
Berg	Dieterich	Laidig	Peterson, D.C.	Wegscheid
Bernhagen	Frederick	Langseth	Peterson, R.W.	Willet
Bertram	Frederickson	Moe, D. M.	Reichgott	
Chmielewski	Hughes	Nelson	Renneke	
Dahl	Johnson, D.J.	Novak	Samuelson	

The motion did not prevail.

Ms. Peterson, D.C., for Mr. Benson, moved to amend S.F. No. 492 as follows:

Page 3, delete lines 19 to 21

The motion prevailed. So the amendment was adopted.

Mr. Petty moved to amend S.F. No. 492 as follows:

Page 3, after line 18, insert:

“This section does not apply if the commissioner has determined that the merger, consolidation, or purchase of assets and assumption of liabilities is necessary and in the public interest to prevent the probable failure of a state bank or national banking association.”

The motion prevailed. So the amendment was adopted.

Ms. Peterson, D.C. moved to amend S.F. No. 492 as follows:

Page 2, line 35, after “indirectly” insert “(a)”

Page 3, line 1, after “bank” insert “, or (b) establish or operate, through a banking subsidiary, any office or branch separate from the main banking house.”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 9 and nays 48, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Kroening	Peterson, D.C.	Willet
Bertram	Davis	Novak	Stumpf	

Those who voted in the negative were:

Anderson	Frederick	Kronebusch	Pehler	Schmitz
Benson	Frederickson	Laidig	Peterson, C.C.	Sieloff
Berg	Freeman	Langseth	Peterson, D.L.	Solon
Bernhagen	Isackson	Lessard	Peterson, R.W.	Spear
Brataas	Johnson, D.E.	Luther	Petty	Storm
Chmielewski	Johnson, D.J.	McQuaid	Purfeerst	Ulland
DeCramer	Jude	Mehrkens	Ramstad	Vega
Diessner	Kamrath	Merriam	Reichgott	Wegscheid
Dieterich	Knaak	Moe, R. D.	Renneke	
Frank	Knutson	Olson	Samuelson	

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

S.F. No. 492 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 43 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Nelson	Renneke
Belanger	Dicklich	Kamrath	Novak	Samuelson
Benson	Diessner	Kroening	Pehler	Solon
Berg	Frank	Kronebusch	Peterson, C.C.	Stumpf
Bernhagen	Frederick	Laidig	Peterson, D.C.	Vega
Bertram	Frederickson	Langseth	Peterson, D.L.	Wegscheid
Chmielewski	Hughes	Lantry	Peterson, R.W.	Willet
Dahl	Isackson	Lessard	Purfeerst	
Davis	Johnson, D.J.	Moe, D. M.	Reichgott	

Those who voted in the negative were:

Anderson	Knaak	Merriam	Schmitz	Waldorf
Brataas	Knutson	Moe, R. D.	Sieloff	
Dieterich	Luther	Olson	Spear	
Freeman	McQuaid	Petty	Storm	
Johnson, D.E.	Mehrkens	Ramstad	Ulland	

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

MOTIONS AND RESOLUTIONS - CONTINUED

CONFIRMATION

With the unanimous consent of the Senate, Mr. Chmielewski moved that the report from the Committee on Employment, reported May 17, 1983, pertaining to appointments, be taken from the table. The motion prevailed.

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

Mr. Chmielewski moved that in accordance with the report from the Committee on Employment, reported May 17, 1983, the Senate, having given its advice, do now consent to and confirm the appointment of:

DEPARTMENT OF LABOR AND INDUSTRY

COMMISSIONER

Steve Keefe, 334 East 44th Street, Minneapolis, Hennepin County, effec-

tive January 3, 1983, for a term expiring the first Monday in January, 1987.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Johnson, D.J. moved that the report from the Committee on Taxes and Tax Laws, reported May 12, 1983, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Johnson, D.J. moved that the foregoing report be now adopted. The motion prevailed.

Mr. Johnson, D.J. moved that in accordance with the report from the Committee on Taxes and Tax Laws, reported May 12, 1983, the Senate, having given its advice, do now consent to and confirm the appointment of:

TAX COURT

Earl B. Gustafson, 984 Ashland Avenue, St. Paul, Ramsey County, effective February 19, 1983, for a term expiring the first Monday in January, 1989.

The motion prevailed. So the appointment was confirmed.

RECONSIDERATION

Mr. Chmielewski moved that the vote whereby H.F. No. 575 failed to pass the Senate on May 16, 1983, be now reconsidered. The motion prevailed.

Mr. Chmielewski moved that H.F. No. 575 be laid on the table. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Messages From The House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 415: A bill for an act relating to state government; providing for salaries for constitutional officers, agency heads, metropolitan agency heads, and certain judicial positions; providing an expense allowance; establishing a compensation council; limiting local government salaries; prohibiting cash payments for accumulated vacation pay; expanding the authority of the commissioner of employee relations to set salaries; requiring the governor to recommend certain salaries; removing salary setting authority of certain state agencies; removing additional compensation for the career executive service; requiring the percentage of women in the career executive service to be increased; ratifying state and University of Minnesota labor agreements, compensation plans, and plans for early retirement incentives; amending Minnesota Statutes 1982, sections 3.855, subdivision 3; 3.922,

subdivision 5; 15A.081, subdivisions 1, 6, and 7, and by adding a subdivision; 15A.083, subdivisions 1, 2, and 4; 43A.17, by adding subdivisions; 43A.18, subdivisions 3, 4, and 5; 43A.21, by adding a subdivision; 105.71, subdivision 2; 136.034; 136A.03; 179.741, subdivision 1; 244.09, subdivision 10; 256.482, subdivision 2; 298.22, subdivision 1; 326.241, subdivision 2; 352.03, subdivision 4; 354.06, subdivision 2; 484.68, subdivision 6; and Laws 1980, chapter 564, article XII, section 1, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 15A; repealing Minnesota Statutes 1982, sections 16A.16; 136.063; and 136A.035.

Senate File No. 415 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1983

Mr. Moe, D.M. moved that the Senate do not concur in the amendments by the House to S.F. No. 415, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 90, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 90 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 90

A bill for an act relating to highway traffic regulations; prescribing penalties for failure to place children under the age of four years in child passenger restraint systems when being transported on streets and highways; amending Minnesota Statutes 1982, section 169.685, subdivision 5.

May 13, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 90, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 90 be further amended as follows:

Page 1, line 15, after "vehicle" insert "*that is*" and before the comma, insert "*and was equipped with factory-installed seat belts*"

Page 2, line 4, before the comma insert "*in a seat of the motor vehicle that was equipped with a factory-installed seat belt*"

Page 2, after line 16, insert:

“Sec. 2. Minnesota Statutes 1982, section 65B.133, subdivision 5, is amended to read:

Subd. 5. [LIMITATION ON CHARGEABLE TRAFFIC VIOLATIONS.] No traffic violation is chargeable to a driver unless the driver is convicted of, or forfeits bail for, the offense, or the driver's license is revoked pursuant to section 169.123. If a surcharge is applied because bail is forfeited and if the driver is later acquitted of the offense, the insurer shall rebate the surcharge. *A violation of section 169.685, subdivision 5 is not chargeable.*”

Re-number section 2 as section 3

Further amend the title as follows:

Page 1, line 6, delete “section” and insert “sections 65B.133, subdivision 5; and”

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

House Conferees: (Signed) Wes Skoglund, Carolyn Rodriguez, William Schreiber

Senate Conferees: (Signed) Marilyn M. Lantry, Don Frank, Gary W. Laidig

Mrs. Lantry moved that the foregoing recommendations and Conference Committee Report on H.F. No. 90 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 90: A bill for an act relating to highway traffic regulations; prescribing penalties for failure to place children under the age of four years in child passenger restraint systems when being transported on streets and highways; amending Minnesota Statutes 1982, sections 65B.133, subdivision 5; and 169.685, subdivision 5.

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

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

The roll was called, and there were yeas 38 and nays 17, as follows:

Those who voted in the affirmative were:

Brataas	Freeman	Lessard	Peterson, R. W.	Spear
Dahl	Johnson, D.E.	Luther	Petty	Storm
Davis	Jude	McQuaid	Pogemiller	Ulland
DeCramer	Knaak	Merriam	Purfeerst	Vega
Dicklich	Kroening	Moe, R. D.	Reichgott	Wegscheid
Diessner	Kronebusch	Novak	Schmitz	Willet
Frank	Laidig	Pehler	Sieloff	
Frederick	Langseth	Peterson, D.C.	Solon	

Those who voted in the negative were:

Anderson	Bernhagen	Isackson	Olson	Stumpf
Belanger	Bertram	Kamrath	Peterson, D.L.	
Benson	Chmielewski	Knutson	Ramstad	
Berg	Frederickson	Mehrkens	Renneke	

So the bill, as amended by the Conference Committee, was repassed and

its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 218, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 218 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 218

A bill for an act relating to crimes; expanding the rights of victims of crime; affirming the right of victims to bring civil actions against offenders; establishing the right of a victim to request restitution; providing for implementation of victim and witness rights by law; providing penal sanctions and judicial mechanisms to deter intimidation of witnesses; requiring development of a plan for notifying crime victims about available financial assistance and social services; providing for victim participation in the criminal process; providing penalties; amending Minnesota Statutes 1982, sections 241.26, subdivisions 5 and 6; 243.23, subdivision 3; 571.55, by adding a subdivision; 609.115, subdivision 1; 609.498; and 631.425, subdivision 5; proposing new law coded as Minnesota Statutes, chapter 611A.

May 13, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 218, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and House File No. 218 be amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

RIGHTS OF VICTIMS OF CRIMES

GENERAL RIGHTS

Section 1. [611A.01] [DEFINITIONS.]

For the purposes of sections 1 to 5:

(a) “Crime” means conduct that is included within the definition of “crime” in section 609.02, subdivision 1, or would be included within that definition but for the fact that (i) the person engaging in the conduct lacked capacity to commit the crime under the laws of this state, or (ii) the act was

alleged or found to have been committed by a juvenile;

(b) "Victim" means a natural person who incurs loss or harm as a result of a crime. If the victim is deceased, "victim" means the deceased's surviving spouse or next of kin; and

(c) "Juvenile" has the same meaning as given to the term "child" in section 260.015, subdivision 2.

Sec. 2. [611A.02] [VICTIM SERVICE NOTIFICATION.]

The commissioner of corrections, in cooperation with the executive director of the crime victims reparations board, shall develop a plan to provide victims with information concerning victim services in the geographic area where the crime occurred. This information shall include, but need not be limited to, information about available victim crisis centers, programs for victims of sexual assault, victim witness programs, elderly victims projects, victim assistance hotlines, incest abuse programs, and domestic violence shelters and programs.

The plan shall take into account the fact that some counties currently have informational service systems and victim or witness services or programs.

This plan shall be presented to the appropriate standing committees of the legislature no later than February 1, 1984.

Sec. 3. [611A.03] [PLEA AGREEMENTS; NOTIFICATION.]

Subdivision 1. [PLEA AGREEMENTS; NOTIFICATION OF VICTIM.] Prior to the entry of the factual basis for a plea pursuant to a plea agreement recommendation, a prosecuting attorney shall make a reasonable and good faith effort to inform the victim of:

(a) The contents of the plea agreement recommendation; and

(b) His right to be present at the sentencing hearing and to express in writing any objection he has to the agreement or to the proposed disposition. If the victim is not present when the court considers the recommendation, but has communicated his objections to the prosecuting attorney, the prosecuting attorney shall make these objections known to the court.

Subd. 2. [NOTIFICATION DUTIES.] A prosecuting attorney satisfies the requirements of subdivision 1 by notifying:

(a) The victim's legal guardian or guardian ad litem; or

(b) The three victims the prosecuting attorney believes to have suffered the most, if there are more than three victims of the offense.

Subd. 3. [APPLICABILITY.] The provisions of this section apply to crimes which are violations of sections 609.185, 609.19, 609.195, 609.20, 609.205, 609.221, 609.222, 609.223, 609.224, 609.24, 609.245, 609.25, 609.255, 609.342, 609.343, 609.344, 609.345, 609.3641, 609.3642, 609.3643, 609.3644, 609.365, 609.498, 609.561, 609.58, clauses (1)(b) and (2), and 609.687.

Sec. 4. [611A.04] [VICTIM'S RIGHT TO REQUEST RESTITUTION.]

Subdivision 1. [REQUEST; DECISION.] A victim of a crime has the right to request that restitution be considered as part of the disposition of a

criminal charge or juvenile delinquency proceeding against the offender. The request for restitution shall be made by the victim in writing in affidavit form, describing the items or elements of loss and itemizing the total dollar amounts of restitution claimed, and the reasons justifying these amounts, if the request is for monetary or property restitution. In order to be considered by the court, the request must be received by the clerk of the appropriate court at least three business days before the sentencing or dispositional hearing. The clerk of court shall provide copies of this request to the prosecutor and the offender at least 24 hours before the sentencing or dispositional hearing.

The court shall grant or deny restitution, and shall state on the record its reasons for its decision on restitution if a request for restitution has been made.

Subd. 2. [PROCEDURES.] The offender shall make restitution payments to the clerk of the county, municipal, or district court of the county in which the restitution is to be paid.

Subd. 3. [EFFECT OF ORDER FOR RESTITUTION.] A decision for or against restitution in any criminal or juvenile proceeding is not a bar to any civil action by the victim or by the state pursuant to section 299B.10 against the offender. The offender shall be given credit, in any order for judgment in favor of a victim in a civil action, for any restitution paid to the victim for the same injuries for which the judgment is awarded.

Sec. 5. [611A.06] [RIGHT TO NOTICE OF RELEASE.]

The commissioner of corrections or other custodial authority shall make a good faith effort to notify the victim that the offender is to be released from imprisonment or incarceration, other than for work release, prior to the release if the victim has mailed to the commissioner of corrections or to the head of the facility in which the offender is confined a written request for this notice. The commissioner or other custodial authority complies with this section if he mails the notice of impending release to the victim at the address which the victim has most recently provided to him in writing.

Sec. 6. [INSTRUCTION TO REVISOR.]

In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall renumber each section specified in Column A with the number set forth in Column B.

In addition, the revisor of statutes shall make necessary cross-reference changes consistent with renumbering required by this section.

Column A	Column B
Minnesota Statutes 1982 Section 645.23	Section 611A.05 VICTIM PROGRAMS PROGRAM TO AID VICTIMS OF SEXUAL ATTACK
Section 241.51	Section 611A.21
Section 241.52	Section 611A.22
Section 241.53	Section 611A.23

Section 241.61
 Section 241.62
 Section 241.63
 Section 241.64
 Section 241.65
 Section 241.66

Section 241.55
 Section 241.56
 Section 241.57
 Section 241.58

Section 299B.01
 Section 299B.02
 Section 299B.03
 Section 299B.04
 Section 299B.05
 Section 299B.06
 Section 299B.07
 Section 299B.071
 Section 299B.08
 Section 299B.09
 Section 299B.10
 Section 299B.11
 Section 299B.12
 Section 299B.13
 Section 299B.14
 Section 299B.15
 Section 299B.16
 Section 299B.17

BATTERED WOMEN

Section 611A.31
 Section 611A.32
 Section 611A.33
 Section 611A.34
 Section 611A.35
 Section 611A.36

VICTIM AGENCIES

CRIME VICTIM CRISIS CENTER

Section 611A.41
 Section 611A.42
 Section 611A.43
 Section 611A.44

CRIME VICTIMS

REPARATIONS BOARD

Section 611A.51
 Section 611A.52
 Section 611A.53
 Section 611A.54
 Section 611A.55
 Section 611A.56
 Section 611A.57
 Section 611A.58
 Section 611A.59
 Section 611A.60
 Section 611A.61
 Section 611A.62
 Section 611A.63
 Section 611A.64
 Section 611A.65
 Section 611A.66
 Section 611A.67
 Section 611A.68

ARTICLE 2

Section 1. Minnesota Statutes 1982, section 241.26, subdivision 5, is amended to read:

Subd. 5. [EARNINGS; WORK RELEASE ACCOUNT.] The net earnings of each inmate participating in a work release program provided by this section shall be collected by or forwarded to the commissioner of corrections under rules established by him and deposited by the commissioner in the state treasury ~~and, to be credited to the "work release account", which account is hereby established,~~ to the account of ~~such the~~ inmate. ~~Such~~ The moneys shall ~~be and~~ remain under the control of the commissioner for the sole benefit of ~~such the~~ inmate, subject to disbursement by the commissioner for the following ~~purpose purposes~~ and in the following order:

(1) The cost of ~~such the~~ inmate's keep as determined by ~~the provision of~~ subdivision 7, which moneys shall be deposited in the general fund of the state treasury if ~~such the~~ inmate is housed in a state correctional institution, or shall be paid to the appropriate city or county treasurer if ~~such the~~ inmate is housed in a city or county facility;

(2) Necessary travel expense to and from work and other incidental expenses of the inmate;

(3) Support of inmate's dependents, if any;

(4) Court-ordered restitution;

(5) After the above expenditures, the inmate shall have discretion to direct payment of the balance, if any, upon proper proof of personal legal debts;

~~(5)~~ (6) The balance, if any, shall be disbursed to the inmate as provided in section 243.24, subdivision 1.

All moneys in the "work release account" established by this subdivision are appropriated annually to the commissioner of corrections for the purposes of the work release program.

Sec. 2. Minnesota Statutes 1982, section 243.23, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] Notwithstanding sections 241.01, subdivision 8, 241.26, subdivision 5, and 243.24, subdivision 1, the commissioner shall promulgate rules for the disbursement of funds earned under subdivision 1 for the support of families and dependent relatives of the respective inmates, *for the payment of court-ordered restitution*, and for the discharge of any legal obligations arising out of litigation under this subdivision. An inmate of an adult correctional facility under the control of the commissioner is subject to actions for the enforcement of support obligations and reimbursement of any public assistance rendered the dependent family and relatives. The commissioner may conditionally release an inmate who is a party to an action under this subdivision and provide for his detention in a local detention facility convenient to the place of the hearing when he is not engaged in preparation and defense.

Sec. 3. Minnesota Statutes 1982, section 609.115, subdivision 1, is amended to read:

Subdivision 1. [PRESENTENCE INVESTIGATION.] When a defendant has been convicted of a misdemeanor, ~~or gross misdemeanor, or felony~~, the court may, *and when the defendant has been convicted of a felony, the court shall*, before sentence is imposed, cause a presentence investigation and written report to be made to the court concerning the defendant's individual characteristics, circumstances, needs, potentialities, criminal record and social history, the circumstances of the offense and the harm caused ~~thereby by it~~ to others and to the community. If the court so directs, the report shall include an estimate of the prospects of the defendant's rehabilitation and recommendations as to the sentence which should be imposed. In misdemeanor cases the report may be oral.

When a defendant has been convicted of a felony, and before sentencing, the court shall cause a sentencing worksheet to be completed to facilitate the application of the Minnesota sentencing guidelines. ~~If a presentence investigation is ordered by the court,~~ The worksheet shall be submitted as part of the presentence investigation report. ~~If a presentence investigation is not ordered by the court, the worksheet shall nonetheless be submitted.~~

The investigation shall be made by a probation officer of the court, if there is one, otherwise by the commissioner of corrections.

Pending the presentence investigation and report, the court with the consent of the commissioner may commit the defendant to the custody of the commissioner of corrections who shall return the defendant to the court when the court so orders.

Presentence investigations shall be conducted and summary hearings held upon reports and upon the sentence to be imposed upon the defendant in accordance with this section. ~~Minnesota Statutes, Section~~ section 244.10.

upon its effective date, and Rule 27 of the rules of criminal procedure.

Sec. 4. Minnesota Statutes 1982, section 609.115, is amended by adding a subdivision to read:

Subd. 1b. [ADDITIONAL CONTENTS.] The presentence investigation report shall also include the following information relating to victims:

(a) A summary of the damages or harm and any other problems generated by the criminal occurrence;

(b) A concise statement of what disposition the victim deems appropriate for the defendant or juvenile court respondent, including reasons given, if any, by the victim in support of his opinion; and

(c) An attachment to the report, consisting of the victim's written objections, if any, to the proposed disposition if the victim provides the officer conducting the presentence investigation with this written material within a reasonable time prior to the disposition.

For the purposes of this section, "victim" has the meaning given to it in article 1, section 1.

Sec. 5. Minnesota Statutes 1982, section 609.115, is amended by adding a subdivision to read:

Subd. 1c. [NOTICE TO VICTIM.] The officer conducting the presentence or predispositional report shall make reasonable and good faith efforts to contact the victim of that crime and to provide that victim with the following information: (i) the charge or juvenile court petition to which the defendant has been convicted or pleaded guilty, or the juvenile respondent has admitted in court or has been found to have committed by the juvenile court, and of any plea agreement between the prosecution and the defense counsel; (ii) his right to request restitution pursuant to article 1, section 4; (iii) the time and place of the sentencing or juvenile court disposition and his right to be present; and (iv) his right to object in writing to the court, prior to the time of sentencing or juvenile court disposition, to the proposed sentence or juvenile dispositional alternative, or to the terms of the proposed plea agreement. To assist the victim in making a recommendation under clause (iv), the officer shall provide the victim with information about the court's options for sentencing and other dispositions. Failure of the officer to comply with this subdivision does not give any rights or grounds for post conviction or post juvenile disposition relief to the defendant or juvenile court respondent, nor does it entitle a defendant or a juvenile court respondent to withdraw a plea of guilty.

Sec. 6. Minnesota Statutes 1982, section 609.498, is amended to read:

609.498 [TAMPERING WITH A WITNESS.]

Subdivision 1. [TAMPERING WITH A WITNESS IN THE FIRST DEGREE.] Whoever does any of the following is guilty of tampering with a witness in the first degree and may be sentenced as provided in subdivision 1a:

(a) intentionally prevents or dissuades or intentionally attempts to prevent or dissuade by means of force or threats of injury to person, family, or property, a person who is or may become a witness from attending or testifying at any trial, proceeding, or inquiry authorized by law, is guilty of tampering with a witness in the first degree and may be sentenced;

(b) intentionally threatens to cause injury to person, family, or property in retaliation against a person who was summoned as a witness at any trial, proceeding, or inquiry authorized by law, within a year following that trial, proceeding, or inquiry;

(c) intentionally prevents or dissuades or attempts to prevent or dissuade, by means of force or threats of injury to person, family, or property, a person from providing information to law enforcement authorities concerning a crime; or

(d) intentionally threatens to cause injury to person, family, or property in retaliation against a person who has provided information to law enforcement authorities concerning a crime within a year of that person providing the information.

Subd. 1a. [PENALTY.] Whoever violates subdivision 1 may be sentenced to imprisonment for not more than five years or to payment of a fine not to exceed \$5,000.

Subd. 2. [TAMPERING WITH A WITNESS IN THE SECOND DEGREE.] Whoever does any of the following is guilty of tampering with a witness in the second degree and may be sentenced as provided in subdivision 3:

(a) intentionally prevents or dissuades or intentionally attempts to prevent or dissuade by means of any act described in section 609.27, subdivision 1, clauses clause (3), (4), or (5), a person who is or may become a witness from attending or testifying at any trial, proceeding, or inquiry authorized by law; ~~is guilty of tampering with a witness in the second degree and; or~~

(b) intentionally prevents or dissuades or attempts to prevent or dissuade by means of any act described in section 609.27, subdivision 1, clause (3), (4), or (5), a person from providing information to law enforcement authorities concerning a crime.

Subd. 3. [SENTENCE.] Whoever violates subdivision 2 may be sentenced to imprisonment for not more than one year or to payment of a fine not to exceed \$1,000.

Sec. 7. Minnesota Statutes 1982, section 631.425, subdivision 5, is amended to read:

Subd. 5. [EARNINGS.] The earnings of the prisoner may be collected by the sheriff, probation department, welfare board or suitable person or agency designated by the court. From ~~such~~ the earnings, the person or agency designated to collect them may pay the cost of the prisoner's maintenance, both inside and outside the jail, but the charge for maintenance inside the jail shall not exceed the legal daily allowance for board allowed the sheriff for ordinary prisoners, and, to the extent directed by the court, pay the support of his dependents, if any, ~~and~~ court costs and fines, ~~and court-ordered restitution~~, if any. Any balance shall be retained until his discharge when it shall be paid to him.

Sec. 8. [EFFECTIVE DATE.]

Articles 1 and 2 of this act are effective August 1, 1983, and apply to crimes committed on or after that date."

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

Page 1, line 4, delete everything before "establishing"

Page 1, line 13, delete "subdivisions 5 and 6" and insert "subdivision 5"

Page 1, line 14, delete everything after the first semicolon

Page 1, line 15, after "1" insert ", and by adding subdivisions"

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

House Conferees: (Signed) Randy C. Kelly, Richard J. Cohen, David T. Bishop

Senate Conferees: (Signed) Ronald R. Dicklich, Gene Merriam, Fritz Knaak

Mr. Dicklich moved that the foregoing recommendations and Conference Committee Report on H.F. No. 218 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 218: A bill for an act relating to crimes; expanding the rights of victims of crime; establishing the right of a victim to request restitution; providing for implementation of victim and witness rights by law; providing penal sanctions and judicial mechanisms to deter intimidation of witnesses; requiring development of a plan for notifying crime victims about available financial assistance and social services; providing for victim participation in the criminal process; providing penalties; amending Minnesota Statutes 1982, sections 241.26, subdivision 5; 243.23, subdivision 3; 609.115, subdivision 1, and by adding subdivisions; 609.498; and 631.425, subdivision 5; proposing new law coded as Minnesota Statutes, chapter 611A.

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

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

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommenda-

tion and report of the Conference Committee on House File No. 610, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 610 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 610

A bill for an act relating to financial institutions; industrial loan and thrift companies; regulated loans; enlarging the group of institutions which may utilize electronic fund transfer facilities; modifying the capital and reserve limitation on loans by industrial loan and thrift companies; permitting loan and thrifts and regulated lenders to take discount points in certain circumstances; authorizing loan and thrifts to receive savings accounts and savings deposits subject to certain prescribed conditions; regulating loan splitting; eliminating the receipt requirement for money orders; standardizing certain penalties; excepting loan and thrifts and regulated lenders from the licensing requirements for real estate brokers and salespersons; amending Minnesota Statutes 1982, sections 47.61, subdivision 4; 47.64, subdivision 1; 48.196; 53.03, subdivision 5; 53.04, subdivisions 3a and 5; 53.05; 53.07, subdivision 2; 53.10; 56.131, subdivision 3, and by adding a subdivision; 56.14; 56.19, subdivision 1; 80A.15, subdivision 1; and 82.18; repealing Minnesota Statutes 1982, section 56.19, subdivision 2.

May 13, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 610, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 610 be further amended as follows:

Page 4, line 35, after "estate" insert "*and that is in a principal amount of \$7,500 or more and a maturity of 60 months or more*"

Page 5, line 6, delete "*yield on the original loan*" and insert "*maximum rate of interest provided by this subdivision when the prepayment is taken into account*"

Page 8, line 31, after "estate" insert "*and that is in a principal amount of \$7,500 or more and has a maturity of 60 months or more*"

Page 9, line 2, delete "*yield on the original*"

Page 9, line 3, delete "*loan*" and insert "*maximum rate of interest provided by this section when the prepayment is taken into account*"

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

House Conferees: (Signed) Thomas R. Berkelman, James I. Rice, James

Metzen

Senate Conferees: (Signed) Darril Wegscheid, Duane D. Benson, Sam G. Solon

Mr. Wegscheid moved that the foregoing recommendations and Conference Committee Report on H.F. No. 610 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 610 was read the third time as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 47 and nays 7, as follows:

Those who voted in the affirmative were:

Anderson	Diessner	Laidig	Pehler	Sieloff
Belanger	Frederick	Langseth	Peterson, D.L.	Solon
Benson	Frederickson	Lantry	Peterson, R.W.	Storm
Berg	Freeman	Lessard	Petty	Stumpf
Bernhagen	Isackson	Luther	Pogemiller	Ulland
Bertram	Johnson, D.E.	McQuaid	Purfeerst	Vega
Brataas	Jude	Mehrkens	Ramstad	Wegscheid
Dahl	Kamrath	Merriam	Reichgott	
Davis	Knaak	Moe, R. D.	Renneke	
DeCramer	Knutson	Olson	Schmitz	

Those who voted in the negative were:

Chmielewski	Frank	Moe, D. M.	Spear	Willet
Dicklich	Kroening			

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 582, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 582 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 582

A bill for an act relating to corrections; clarifying the powers of the commissioner of corrections; limiting certain inmate functions; authorizing the use of necessary force to prevent escape; providing for the costs of transporting juvenile delinquents committed to the commissioner of corrections; providing for supervision of gross misdemeanant probations; removing ar-

chaic language; amending Minnesota Statutes 1982, sections 241.01, subdivision 3a; 241.23; 242.31, subdivisions 1 and 3; 243.17, subdivision 1; 243.52; 243.58; 243.62; 609.135, subdivision 1; and 624.714, subdivision 13.

May 16, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives
The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 582, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 582 be further amended as follows:

Page 1, line 28, after "inmates" insert a period and strike "or" and insert "*Inmates may*"

Page 1, line 29, strike the first "any" and insert "an"

Page 1, line 29, after "position" insert "*subordinate to correctional staff*"

Page 2, line 2, delete "without" and insert "with"

Page 5, line 14, strike everything after "himself"

Page 5, line 15, strike everything before the period and insert "*by the use of force*"

Page 5, line 17, strike "or to resist" and insert "resists"

Page 5, line 18, strike the second "or"

Page 5, line 19, after "or" insert "attempts"

Page 5, line 20, strike "in" and delete "any" and strike "manner"

Page 5, line 21, delete the new language and strike "necessary; and," and insert "*by the use of force.*" and strike "in so doing,"

Page 5, line 22, strike "so"

Page 5, line 23, strike "necessarily" and after "the" insert "*use of force by the*"

Page 5, line 25, delete "*subdivision*" and insert "*section*"

Page 5, after line 25, insert:

"As used in this section, "use of force" means conduct which is authorized by sections 609.06 to 609.066. An officer or guard may use force in the same manner as authorized for peace officers under sections 609.06 to 609.066."

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

House Conferees: (Signed) Randy C. Kelly, Janet Clark, David T. Bishop

Senate Conferees: (Signed) Lawrence J. Pogemiller, Donna C. Peterson

Mr. Pogemiller moved that the foregoing recommendations and Confer-

ence Committee Report on H.F. No. 582 be now adopted and that the bill be repassed as amended by the Conference Committee.

Mr. Laidig moved that the recommendations and Conference Committee Report on H.F. No. 582 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration. The motion did not prevail.

The question recurred on the motion of Mr. Pogemiller. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 582 was read the third time as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 36 and nays 27, as follows:

Those who voted in the affirmative were:

Berglin	Freeman	Moe, D. M.	Petty	Taylor
Chmielewski	Knutson	Moe, R. D.	Pogemiller	Vega
Dahl	Kroening	Nelson	Purfeerst	Waldorf
Davis	Langseth	Novak	Reichgott	Willet
DeCramer	Lantry	Pehler	Schmitz	
Dicklich	Lessard	Peterson, C.C.	Solon	
Dieterich	Luther	Peterson, D.C.	Spear	
Frank	Merriam	Peterson, R.W.	Stumpf	

Those who voted in the negative were:

Anderson	Brataas	Jude	Mehrkens	Storm
Belanger	Diessner	Kamrath	Olson	Ulland
Benson	Frederick	Knaak	Peterson, D.L.	Wegscheid
Berg	Frederickson	Kronebusch	Ramstad	
Bernhagen	Isackson	Laidig	Renneke	
Bertram	Johnson, D.E.	McQuaid	Sieloff	

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

MEMBERS EXCUSED

Mr. Langseth was excused from the Session of today from 12:00 noon to 1:30 p.m. Mr. Laidig was excused from the Session of today from 12:00 noon to 1:10 p.m. Mr. Bernhagen was excused from the Session of today from 4:00 to 5:00 p.m. Mr. Dieterich was excused from the Session of today from 2:00 to 4:00 p.m. Mrs. Adkins was excused from the Session of today at 6:10 p.m. Ms. Reichgott was excused from the Session of today at 6:30 p.m.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 40, Mr. Benson moved that S.F. No. 259 be recalled from the Committee on Judiciary and placed on General Orders.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon,

Wednesday, May 18, 1983.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 33 and nays 24, as follows:

Those who voted in the affirmative were:

Berglin	Diessner	Luther	Peterson, D.C.	Spear
Bertram	Frank	Merriam	Peterson, R.W.	Vega
Chmielewski	Freeman	Moe, R. D.	Petty	Waldorf
Dahl	Jude	Nelson	Pogemiller	Wegscheid
Davis	Kroening	Novak	Reichgott	Willet
DeCramer	Langseth	Pehler	Schmitz	
Dicklich	Lantry	Peterson, C.C.	Solon	

Those who voted in the negative were:

Anderson	Frederick	Knaak	Mehrkens	Sieloff
Belanger	Frederickson	Knutson	Olson	Storm
Benson	Isackson	Kronebusch	Peterson, D.L.	Taylor
Berg	Johnson, D.E.	Laidig	Ramstad	Ulland
Bernhagen	Kamrath	McQuaid	Renneke	

The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-SIXTH DAY

St. Paul, Minnesota, Wednesday, May 18, 1983

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Manual Johnson.

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 17, 1983

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 44, 568, 705, 843 and 900.

Sincerely,

Rudy Perpich, Governor

May 18, 1983

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 689, 756, 824 and 927.

Sincerely,

Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 366.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1983

Mr. President:

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

S.F. No. 545: A bill for an act relating to welfare; changing laws relating to child support enforcement; providing for determination of paternity; providing for determination and modification of child support; amending Minnesota Statutes 1982, sections 256.74, by adding a subdivision; 256.87; 257.55, subdivision 1; 257.58; 257.59, subdivision 1; 257.60; 257.62, subdivision 1, and by adding subdivisions; 257.64, subdivision 1; 257.66, subdivisions 3 and 4; 257.69, subdivision 2; 518.10; 518.17, by adding a subdivision; 518.551, subdivisions 1, 5, and 6, and by adding subdivisions; 518.611; 518.64, subdivisions 2 and 5, and by adding a subdivision; 518.645; 518B.01, subdivisions 2 and 6; 518C.17, subdivision 1; 518C.33, subdivision 1; and 548.09; proposing new law coded in Minnesota Statutes, chapters 257, 518, and 543; repealing Minnesota Statutes 1982, sections 256.87, subdivision 2; 256.872; 256.873; 256.876; and 518.551, subdivisions 2, 3, and 4.

Senate File No. 545 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1983

Mr. Luther moved that S.F. No. 545 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following

Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1008: A bill for an act relating to courts; authorizing the appointment of court referees; amending Minnesota Statutes 1982, sections 260.031, subdivision 1; 484.65, subdivisions 4, 5, and 6; and 484.70, subdivision 1; repealing Minnesota Statutes 1982, section 484.701.

Senate File No. 1008 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1983

Mr. Luther moved that S.F. No. 1008 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 1012: A bill for an act relating to waste management; amending the Waste Management Act of 1980; providing for the evaluation of bedrock disposal of hazardous waste; providing for participation by private developers and operators of waste facilities in the evaluation of hazardous waste disposal sites; creating phases of environmental impact statements; expanding the definition of hazardous waste; extending the deadlines for the adoption of certain hazardous waste rules; extending certain deadlines of the metropolitan council; clarifying the contents of environmental impact statements; providing reports to counties on permit conditions and permit application requirements for county sites; authorizing issuance of bonds by Washington and Ramsey counties for a solid waste facility; amending Minnesota Statutes 1982, sections 115.071, subdivision 3; 115A.03, subdivision 10; 115A.05, subdivisions 2 and 3; 115A.06, subdivision 4; 115A.08, subdivisions 4, 5, and 6; 115A.10; 115A.11, subdivisions 1 and 2; 115A.21; 115A.22, subdivisions 1, 3, 4, 6, and 7; 115A.24, subdivision 1; 115A.25, subdivisions 1, 2, 3, and by adding subdivisions; 115A.26; 115A.27, subdivision 2; 115A.28, subdivisions 1, 2, and 3; 115A.30; 115A.54, subdivision 2; 115A.67; 115A.70, subdivision 3; 116.06, subdivision 13, and by adding a subdivision; 116.07, subdivision 4; 116.41, subdivision 1a; 473.149, subdivisions 2b, 2c, 2d, 2e, and 4; 473.153, subdivisions 2, 5, 6, 6b, and by adding a subdivision; 473.803, subdivisions 1a and 1b; 473.823, subdivision 6; 473.831, subdivision 2; 473.833, subdivisions 2a, 3, 7, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 1982, sections 115A.23; 115A.27, subdivision 1; 116.07, subdivision 4c; and 116.41, subdivision 1.

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

Long; Nelson, D. and Anderson, R.

Senate File No. 1012 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1983

Mr. President:

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

S.F. No. 1233: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and for other agencies with certain conditions; fixing and limiting fees; providing for adjustments of responsibilities of the department of agriculture for soil and water conservation; allowing limited donation of accumulated vacation time by certain law enforcement employees to their union representative; providing for deposit of proceeds of assessment by the assigned risk review board; regulating financial assistance to public transit systems; limiting certain hearing functions of the transportation regulation board; transferring certain rules authority to the transportation regulation board; reducing membership and establishing terms of members of the public utilities commission; defining enforcement powers of the hazardous material specialists and transportation representatives of the department of transportation; defining terms and requirements for building movers; crediting certain receipts of the commissioner of transportation to the trunk highway fund; providing for certain costs to be paid from the trunk highway fund; authorizing the commissioner of transportation to enforce certain carrier regulations; extending retirement coverage of certain employees of the department of transportation from age 60 to age 62 and providing for disability benefits; transferring and renaming the air transportation revolving account; instructing the commissioner of transportation to charge users of certain air transportation services for certain costs; limiting fare increases by the metropolitan transit commission; basing taxing for the metropolitan transit taxing district upon the level of transit service provided; providing for the disposition of proceeds of certain trunk highway bonds; reducing the amount appropriated from the bridge construction account in the trunk highway fund to the department of transportation; amending Minnesota Statutes 1982, sections 12.14; 17A.04, subdivision 5; 18.51, subdivision 2; 18.52, subdivision 5; 18.53; 18.54; 18A.22, subdivisions 5 and 7; 18A.26; 27.041, subdivision 2; 28A.08; 28A.09; 32.075; 32.59; 34.02; 34.05, subdivision 1; 40.03, subdivision 2, as amended; 43A.04, by adding a subdivision; 79.251, subdivision 1; 155A.07, subdivision 7; 155A.08, subdivision 5; 169.81, subdivision 3b; 169.86, subdivision 5; 169.862; 170.23; 171.26; 171.29, subdivision 2; 173.07, subdivision 2; 173.08, subdivision 1; 173.13, subdivision 4; 174.24, subdivision 3; 174A.02, subdivision 2; 174A.06; 216A.03, subdivision 1; 221.061; 221.071; 221.131; 221.221; 221.296, subdivision 5; 221.64; 221.81; 296.17, subdivisions 10, 17, and 20; 296.25, subdivision 1; 299C.46, subdivision 3; 352.86, subdivisions 1, 2, and by adding a subdivision; 360.018, subdivision 1; 360.63; 473.408, subdivision 3 and by adding a subdivision; 473.446, subdivision 1, as amended; 500.221, subdivision 4; 626.88, subdivision 2; Laws 1975, chapter 235, section 2; Laws 1977, chapter 277, sections 1 and 3, subdivision 1; and Laws 1983, chapter 17, section 12; proposing new law coded in Minnesota Statutes, chapters 10A; 221; 299C; and 360; repealing Minne-

sota Statutes 1982, sections 24.24; 24.25; 24.26; 24.27; 24.28; 24.29; 24.30; 24.31; 160.26, subdivision 3; 174.265; and 174A.07.

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

Kalis, Metzen, Vellenga, Valan and Seaberg.

Senate File No. 1233 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 50 and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 50: A bill for an act relating to crimes; providing for new crimes relating to abuse of children; establishing willful and unlawful restraint as a crime; establishing malicious punishment as a crime; establishing neglect as a crime; providing penalties; amending Minnesota Statutes 1982, sections 260.315; 609.255; and 626.556, subdivision 12; proposing new law coded in Minnesota Statutes, chapter 609.

Senate File No. 50 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 800 and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 800: A bill for an act relating to health; providing for retention and destruction of certain medical records; amending Minnesota Statutes 1982, section 145.32.

Senate File No. 800 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 892 and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 892: A bill for an act relating to insurance; authorizing the establishment of joint self-insurance employee health plans; providing administrative, trust, bonding, investment, and reporting requirements; establishing a quarterly revenue fee; proposing new law coded as Minnesota Statutes, chapter 62H.

Senate File No. 892 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1983

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 751, 921, 1031, 452, 1059, 1188 and 722.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1983

FIRST READING OF HOUSE BILLS

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

H.F. No. 751: A bill for an act relating to energy; simplifying hydropower lease procedures; amending Minnesota Statutes 1982, sections 105.482, subdivisions 8 and 9; 272.02, by adding a subdivision; 273.19, by adding a subdivision; and 295.44, subdivision 1; repealing Minnesota Statutes 1982, section 295.44, subdivisions 2, 3, and 4.

Mr. Luther moved that H.F. No. 751 be laid on the table. The motion prevailed.

H.F. No. 921: A bill for an act relating to taxation; motor vehicle registration tax; motor vehicle excise tax; providing for refund of tax on certain vehicles that are replaced or the purchase price refunded; appropriating money; proposing new law coded in Minnesota Statutes, chapters 168 and 297B.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 1031: A bill for an act relating to the lower Red River watershed management board; removing ten year limitation for tax levy by watershed districts which are members of board; amending Laws 1976, chapter 162, sections 1, as amended, and 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 893, now on Special Orders.

H.F. No. 452: A resolution memorializing the Postmaster General; urging the issuance of a postal stamp to commemorate the centennial of the first shipment of iron ore from Minnesota.

Referred to the Committee on Rules and Administration.

H.F. No. 1059: A resolution memorializing the President and Congress of the United States to take immediate steps to curb the sources of acid rain.

Mr. Luther moved that H.F. No. 1059 be laid on the table. The motion prevailed.

H.F. No. 1188: A resolution memorializing the United States Congress to conduct an in-depth investigation of the steel industry.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1126, now on Special Orders.

H.F. No. 722: A bill for an act relating to cable communications; authorizing cable communications companies to use public roads for certain purposes; defining terms; requiring access by cable communications companies; providing residences with freedom of choice of cable communications services; imposing conditions of access; limiting certain actions of property owners; allowing appeal; specifying the measure of damages under a subsequent condemnation; specifying certain prohibitions; authorizing cable communications companies to use existing utility easements; amending Minnesota Statutes 1982, sections 222.37, subdivision 1; and 238.02, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 238.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 789, now on Special Orders.

REPORTS OF COMMITTEES

Mr. Willet moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 794: A bill for an act relating to education; providing for computer and related services to aid education; providing for the transfer of duties and property of the Minnesota educational computing consortium; repealing Minnesota Statutes 1982, sections 120.81; 120.82; and 120.83.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 3.732, subdivision 1, is amended to read:

Subdivision 1. As used in this section and section 3.736 the terms defined in this section have the meanings given them.

(1) “State” includes each of the departments, boards, agencies, commissions and officers in the executive branch of the state of Minnesota and includes but is not limited to the *Minnesota Educational Computing Consortium*, Minnesota Housing Finance Agency, the Minnesota Higher Education Coordinating Board, the Minnesota Higher Education Facilities Authority, the Armory Building Commission, the State Zoological Board, the University of Minnesota, state universities, community colleges, state hospitals, and state penal institutions. It does not include a city, town, county, school district, or other local governmental body corporate and politic.

(2) “Employee of the state” means all present or former officers, members, directors or employees of the state, members of the national guard, or persons acting on behalf of the state in an official capacity, temporarily or permanently, with or without compensation, but does not include an independent contractor.

(3) “Scope of his office or employment” means that the employee was

acting on behalf of the state in the performance of duties or tasks lawfully assigned to him by competent authority.

Sec. 2. Minnesota Statutes 1982, section 120.81, is amended to read:

120.81 [MINNESOTA EDUCATIONAL COMPUTING CONSORTIUM, RECEIPTS.]

Subdivision 1. [PURPOSE.] *The legislature recognizes that computers are becoming a major factor in the operation of educational institutions, both in cost and in importance as an instructional tool. Furthermore, the legislature has continually supported the development of curricula for Minnesota educational institutions that include educational computing materials. While it is important that educational institutions be able to join together to gain economies in purchasing power, it is equally important that computer software and documentation be created, and instructional and administrative computing services be provided to meet the educational needs of Minnesota educational institutions. The purpose of the Minnesota educational computing consortium is to meet these needs.*

~~Subd. 1a. [STATE LAWS APPLY.] Effective October 1, 1977, no funds appropriated by the state shall be transferred to or expended with or by The Minnesota educational computing consortium unless the consortium adheres shall adhere to the provisions of chapters 15, 16, excepting sections 16.90 and 16.94 thereof, 16A and 43 43A.~~

Subd. 2. ~~Notwithstanding the provisions of subdivision 1,~~ The consortium is authorized to maintain a revolving fund for all receipts derived from computer services provided by the consortium. The Minnesota educational computing consortium shall charge users of consortium facilities ~~for on-line computer time actually used~~ *services and products*. Receipts shall be deposited in the Minnesota educational computing consortium revolving fund and are appropriated to the consortium. The consortium board shall appoint an executive director who shall be its chief administrative officer. The executive director ~~may be in the unclassified service.~~ *and all other employees are in the classified unclassified service of the state. The executive director shall establish the total compensation and terms and conditions of employment of the other consortium employees.*

Sec. 3. Minnesota Statutes 1982, section 120.82, is amended to read:

120.82 [CONTRACTS.]

Subdivision 1. [SERVICES AND PRODUCTS TO OTHERS.] The Minnesota educational computing consortium, created and now existing pursuant to section 471.59, its members and elementary-secondary and vocational school regional computing centers, are authorized to provide computer services and products to private educational institutions and to other individuals or groups ~~in the event that MECC has computer service capabilities in excess of need~~ and to establish and collect fees therefor. ~~Provided, however, that~~ The fees shall in no event be less than the cost of providing the services, *including statewide indirect costs and general support costs of the consortium. The consortium may provide its services and products to other than Minnesota educational institutions and shall establish a differential pricing policy between sales to Minnesota educational institutions and sales to others.*

Subd. 2. [SOFTWARE; TRAINING; RESEARCH.]

The consortium may:

(a) develop computer software and documentation for use by educational institutions;

(b) train educators in the use of computing;

(c) research and develop innovative uses of instructional and management computing for education; and

(d) contract with educational institutions for the development of software, documentation, and instructional and management computing services and charge for the cost of the development or services.

Subd. 3. [PURCHASES.] All Minnesota educational institutions may designate the consortium as their purchasing agent for computer hardware, software, and development of software. Notwithstanding the requirements of sections 16.07, 123.37, or 471.345, Minnesota educational institutions may contract directly with the consortium for the development of computer programs and documentation and for instructional and management computing services for educational institutions.

Sec. 4. [EFFECTIVE DATE.]

This act is effective July 1, 1983."

Delete the title and insert:

"A bill for an act relating to education; providing for computer and related services to aid education through the Minnesota educational computing consortium; amending Minnesota Statutes 1982, sections 3.732, subdivision 1; 120.81; and 120.82."

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

SECOND READING OF SENATE BILLS

S.F. No. 794 was read the second time.

MOTIONS AND RESOLUTIONS

Pursuant to Rule 40, Mr. Benson moved that S.F. No. 259 be recalled from the Committee on Judiciary, given its second reading and placed on General Orders.

CALL OF THE SENATE

Mr. Benson imposed a call of the Senate for the balance of the proceedings on S.F. No. 259. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion did not prevail.

The roll was called, and there were yeas 23 and nays 42, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Kamrath	Mehrkens	Sieloff
Belanger	Frederick	Knaak	Olson	Storm
Benson	Frederickson	Knutson	Peterson, D.L.	Ulland
Berg	Isackson	Kronebusch	Ramstad	
Bernhagen	Johnson, D.E.	McQuaid	Renneke	

Those who voted in the negative were:

Adkins	Dieterich	Lessard	Peterson, D.C.	Spear
Berglin	Frank	Luther	Peterson, R.W.	Stumpf
Bertram	Freeman	Merriam	Petty	Vega
Chmielewski	Hughes	Moe, D. M.	Pogemiller	Waldorf
Dahl	Johnson, D.J.	Moe, R. D.	Purfeerst	Wegscheid
Davis	Jude	Nelson	Reichgott	Willit
DeCramer	Kroening	Novak	Samuelson	
Dicklich	Langseth	Pehler	Schmitz	
Diessner	Lantry	Peterson, C.C.	Solon	

The motion did not prevail.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Merriam moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1262. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Message From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 653 and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 653 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 18, 1983

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Merriam moved that the following members be excused for a Conference Committee on S.F. No. 1012 at 1:00 p.m.:

Messrs. Merriam, Renneke and Pehler. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Ms. Berglin moved that the following members be excused for a Conference Committee on S.F. No. 695 at 1:00 p.m.:

Ms. Berglin, Mr. Benson and Mrs. Lantry. The motion prevailed.

CONFERENCE COMMITTEE REPORT ON H.F. NO. 653

A bill for an act relating to elections; making numerous procedural

changes in the election law; removing or clarifying obsolete and inappropriate language; rearranging certain provisions; amending Minnesota Statutes 1982, sections 201.061, subdivision 3; 203B.11; 203B.12, subdivision 2; 204B.31; 204B.33; 204B.36, subdivision 2; 204C.08, subdivision 1; 204C.10, subdivision 1; 204C.12, subdivisions 3 and 4; 204C.24, subdivision 1; 204C.25; 204C.35; 204D.11, subdivision 5; 204D.13, subdivision 3; 205.17, subdivisions 3 and 4; 206.11; 206.19, subdivision 1; 210A.39; proposing new law coded in Minnesota Statutes, chapter 204C; repealing Minnesota Statutes 1982, section 204B.06, subdivision 3.

May 13, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 653, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 653 be amended as follows:

Page 2, after line 11 insert:

"Sec. 2. Minnesota Statutes 1982, section 203B.08, is amended by adding a subdivision to read:

Subd. 1a. [ELECTRONIC VOTING SYSTEM AUTHORIZED.] An electronic voting system approved and authorized for use under chapter 206 may be used for absentee voting when the voter applies in person to the municipal clerk for an absentee ballot and chooses to vote at the time of application. The municipal clerk designated under the provisions of section 203B.05 must give written notice to the county auditor prior to each state primary election that an electronic voting system will be used for absentee voting. Paper ballots must be used when applications for absentee ballots are submitted to the county auditor, when ballots are delivered to temporary or permanent residents or patients in a health care facility as provided in section 203B.11, or when applications are submitted by mail.

Sec. 3. Minnesota Statutes 1982, section 203B.08, is amended by adding a subdivision to read:

Subd. 3a. [PROCEDURES FOR SAFEGUARDING ELECTRONICALLY MARKED BALLOTS.] When the voter has completed marking the ballot as authorized under section 2, the voter shall remove the ballot card from the electronic voting device, insert it in a security envelope, and place the security envelope in an absentee ballot return envelope which is to be signed by the voter and witnessed as provided in section 203B.07, subdivision 2. The return envelope in which a ballot card is returned shall be dated and initialed by hand by the clerk and placed in a secure location with other absentee ballot cards marked under section 2."

Page 4, after line 8 insert:

"Sec. 6. Minnesota Statutes 1982, section 203B.12, subdivision 5, is amended to read:

Subd. 5. [ELECTRONIC VOTING SYSTEM PRECINCTS.] (a) Paper absentee ballots delivered to the election judges in precincts which use an electronic voting system shall be counted in the manner provided in this section. No duplicate ballot cards shall be prepared. The paper ballot vote totals for each candidate and on each question shall be added to the results obtained from the electronic tabulating equipment in each precinct.

(b) Absentee ballot cards marked using electronic voting machines as authorized under section 2 shall be tabulated using the electronic tabulating equipment in each precinct.

Sec. 7. [203B.125] [SECRETARY OF STATE TO MAKE RULES.]

The secretary of state shall adopt rules establishing methods and procedures for issuing ballot cards and related absentee forms to be used as provided in section 2 and for the reconciliation of voters and ballot cards before tabulation under section 203B.12."

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 6, after the first semicolon insert "203B.08, by adding subdivisions;"

Page 1, line 7, delete "subdivision 2" and insert "subdivisions 2 and 5"

Page 1, line 13, delete "chapter" and insert "chapters 203B and"

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

House Conferees: (Signed) Tom Osthoff, Lona Minne, Ben Omann

Senate Conferees: (Signed) Jerome M. Hughes, Donna C. Peterson, Dean E. Johnson

Mr. Hughes moved that the foregoing recommendations and Conference Committee Report on H.F. No. 653 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 653: A bill for an act relating to elections; making numerous procedural changes in the election law; removing or clarifying obsolete and inappropriate language; rearranging certain provisions; amending Minnesota Statutes 1982, sections 201.061, subdivision 3; 203B.08, by adding subdivisions; 203B.11; 203B.12, subdivisions 2 and 5; 204B.31; 204B.33; 204B.36, subdivision 2; 204C.08, subdivision 1; 204C.10, subdivision 1; 204C.12, subdivisions 3 and 4; 204C.24, subdivision 1; 204C.25; 204C.35; 204D.11, subdivision 5; 204D.13, subdivision 3; 205.17, subdivisions 3 and 4; 206.11; 206.19, subdivision 1; 210A.39; proposing new law coded in Minnesota Statutes, chapters 203B and 204C; repealing Minnesota Statutes 1982, section 204B.06, subdivision 3.

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

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

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Sepcial Orders Calendar. The motion prevailed.

SPECIAL ORDER

S.F. No. 751: A resolution memorializing the Commission on Wartime Relocation and Internment of Civilians to recommend to the United States Congress to provide adequate compensation to internees.

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

The question was taken on the passage of the resolution.

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

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the resolution passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Waldorf moved that the following members be excused for a Conference Committee on H.F. No. 1283:

Messrs. Nelson, Waldorf, Hughes, Dicklich and Taylor. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Peterson, C.C. moved that the following mem-

bers be excused for a Conference Committee on S.F. No. 634:

Messrs. Peterson, C.C.; Bernhagen; Johnson, D.J.; Merriam and Kroening. The motion prevailed.

SPECIAL ORDER

H.F. No. 657: A bill for an act relating to transportation; authorizing the commissioner to expend money for railroad acquisition by a regional railroad authority; modifying requirements for compliance with standards for zoning ordinances for municipal airports; modifying the regional railroad authority act to allow municipalities to form regional railroad authorities; allowing the expenditure of certain state funds for railroad improvement and acquisition; providing an aircraft base price for taxation purposes; amending Minnesota Statutes 1982, sections 222.50, subdivision 7; 360.063, subdivisions 3, 4, and 6; 360.065, subdivision 2; 360.066, subdivision 1; 360.067, subdivision 1; 360.531, subdivision 4; 398A.02; 398A.03; 398A.04, subdivisions 8 and 9; 398A.07, subdivision 2; and Laws 1980, chapter 610, section 1, as amended.

Mr. DeCramer moved to amend the amendment placed on H.F. No. 657 by the Committee on Finance, adopted by the Senate May 12, 1983, as follows:

In the amendment to page 2, after line 14, fifth line, after "railroad" insert "*except a regional rail authority,*"

The motion prevailed. So the amendment was adopted.

Mr. Petty moved to amend H.F. No. 657 as follows:

Page 14, after line 26, insert:

"Sec. 16. [RESTRICTIONS ON CERTAIN AIRPORTS.]

The metropolitan airports commission shall not take any action with respect to an airport owned by it which would result in a permanent net reduction in useable runway length at the airport. Retention of existing useable runway length at any airport owned by the metropolitan airports commission shall not cause such an airport to be reclassified from a minor to an intermediate use airport."

Page 14, line 28, delete "14" and insert "16"

Re-number the sections in sequence and correct any internal references

Amend the title accordingly

CALL OF THE SENATE

Mr. Lessard imposed a call of the Senate for the balance of the proceedings on the Petty amendment. The Sergeant at Arms was instructed to bring in the absent members.

CALL OF THE SENATE

Mr. Sieloff imposed a call of the Senate for the balance of the proceedings on H.F. No. 657. The Sergeant at Arms was instructed to bring in the absent

members.

The question recurred on the Petty amendment.

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

The roll was called, and there were yeas 34 and nays 28, as follows:

Those who voted in the affirmative were:

Anderson	Isackson	Langseth	Olson	Renneke
Belanger	Johnson, D.E.	Lantry	Pehler	Sieloff
Benson	Kamrath	Lessard	Peterson, D.C.	Spear
Bernhagen	Knutson	Mehrkens	Peterson, D.L.	Taylor
Brataas	Kroening	Moe, D. M.	Peterson, R. W.	Waldorf
Frederick	Kronebusch	Moe, R. D.	Petty	Wegscheid
Freeman	Laidig	Nelson	Ramstad	

Those who voted in the negative were:

Adkins	Diessner	Jude	Pogemiller	Storm
Berg	Dieterich	Knaak	Purfeerst	Ulland
Bertram	Frank	Luther	Reichgott	Vega
Chmielewski	Frederickson	McQuaid	Samuelson	Willet
Davis	Hughes	Merriam	Schmitz	
DeCramer	Johnson, D.J.	Novak	Solon	

The motion prevailed. So the amendment was adopted.

H.F. No. 657 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 56 and nays 5, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Frank	Knaak	Merriam	Novak	Schmitz
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So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 250: A bill for an act relating to insurance; regulating interest rates on life insurance policy loans; establishing written pricing and dividend policies in certain circumstances; prescribing penalties; amending Minnesota Statutes 1982, section 61A.03; proposing new law coded in

Minnesota Statutes, chapter 72A.

Mr. Petty moved to amend the amendment placed on H.F. No. 250 by the Committee on Economic Development and Commerce, adopted by the Senate April 25, 1983, as follows:

Delete the third amendment to Page 5, line 3,

Delete the amendment to Page 5, line 4,

Delete the amendment to Page 5, line 5,

Delete the amendment to Page 5, line 6,

After the amendment to Page 7, lines 11 and 24, insert:

"Page 7, line 13, after the period, insert "Upon election of policies providing adjustable policy loan interest rates, the cash surrender values of any policies subject to the provisions of this section shall be determined in accordance with section 61A.24 or 61A.245 at the time of the election."

The motion prevailed. So the amendment was adopted.

Mr. Petty then moved to amend H.F. No. 250 as follows:

Page 6, line 18, after "rate" insert *"or offering to add a provision for an adjustable policy loan interest rate to existing policyholders,"*

Page 6, line 20, after "reductions" insert *“, increased amounts of insurance,”*

The motion prevailed. So the amendment was adopted.

Mr. Luther moved to amend H.F. No. 250, as amended by the Petty amendment, as follows:

Page 7, line 7, delete "EXISTING"

Page 1, line 15, of the Petty amendment No. SCH0250a-3, after the period, insert *"The provisions of subdivision 2 shall not apply to any insurance policy that the commissioner determines provides insufficient benefits to the policyholder to justify loan interest rates in excess of those provided in subdivision 1."*

The motion prevailed. So the amendment was adopted.

Mr. Petty moved to amend the amendment placed on H.F. No. 250 by the Committee on Economic Development and Commerce, adopted by the Senate April 25, 1983, as follows:

In the amendment to page 7, line 27, the first line, delete "July" and insert *"September"*

The motion prevailed. So the amendment was adopted.

H.F. No. 250 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 37 and nays 20, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Laidig	Olson	Schmitz
Belanger	Isackson	Lantry	Pehler	Sieloff
Benson	Johnson, D.E.	Luther	Peterson, D.L.	Solon
Berg	Jude	McQuaid	Peterson, R.W.	Storm
Bertram	Kamrath	Mehrkens	Petty	Wegscheid
Brataas	Knaak	Merriam	Ramstad	
Dahl	Knutson	Moe, R. D.	Reichgott	
Frederick	Kronebusch	Nelson	Renneke	

Those who voted in the negative were:

Adkins	DeCramer	Freeman	Peterson, D.C.	Stumpf
Berglin	Diessner	Kroening	Pogemiller	Ulland
Chmielewski	Dieterich	Moe, D. M.	Purfeerst	Vega
Davis	Frank	Novak	Spear	Willet

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Willet moved that H.F. No. 1308 be taken from the table. The motion prevailed.

H.F. No. 1308: A bill for an act relating to appropriations; reducing appropriations for the fiscal year ending June 30, 1983; appropriating money; amending Minnesota Statutes 1982, section 41.61, subdivision 1; 270.18; repealing Minnesota Statutes 1982, section 41.61, subdivisions 2 and 3.

SUSPENSION OF RULES

Mr. Willet moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1308 and that the rules of the Senate be so far suspended as to give H.F. No. 1308 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1308 was read the second time.

Mr. Willet moved to amend H.F. No. 1308 as follows:

Page 2, line 24, delete "4i" and insert "7"

The motion prevailed. So the amendment was adopted.

Mr. Willet then moved to amend H.F. No. 1308 as follows:

Page 5, after line 14, insert:

"Sec. 5. [PAYMENT DELAY; REDUCTION.]

The commissioner of finance shall delay payment of money due to the University of Minnesota during May and June, 1983, pursuant to direct appropriations until the commissioner determines that allotment reductions under Minnesota Statutes, section 16A.15, subdivision 1, will not be necessary to prevent a deficit for the biennium ending June 30, 1983. If the commissioner finds that allotment reductions will be necessary, he shall first reduce allotments to the University of Minnesota and shall not reduce allotments to school districts or other recipients of state money until all allotments remaining to be paid to the University of Minnesota have been eliminated."

Page 5, line 19, delete "Sections 1 to 5 are" and insert "This act is"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "providing for delay and reduction of certain payments to prevent a deficit;"

The motion prevailed. So the amendment was adopted.

Mr. Mehrkens moved to amend H.F. No. 1308 as follows:

Page 3, after line 7, insert:

"Provided that the general fund has a budget surplus at the end of the 1981-1982 biennium the funds being reduced in this bill on page 2, lines 28 to 35, shall be restored to the extent possible."

CALL OF THE SENATE

Mr. Willet imposed a call of the Senate for the balance of the proceedings on H.F. No. 1308. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the Mehrkens amendment.

The roll was called, and there were yeas 20 and nays 27, as follows:

Those who voted in the affirmative were:

Anderson	DeCramer	Kamrath	Mehrkens	Renneke
Belanger	Frederick	Knutson	Olson	Sieloff
Berg	Frederickson	Kronebusch	Peterson, D.L.	Storm
Brataas	Isackson	McQuaid	Ramstad	Ulland

Those who voted in the negative were:

Adkins	Dieterich	Novak	Reichgott	Vega
Bertram	Frank	Pehler	Samuelson	Wegscheid
Chmielewski	Jude	Peterson, D.C.	Schmitz	Willet
Dahl	Kroening	Peterson, R.W.	Solon	
Davis	Langseth	Petty	Spear	
Diessner	Luther	Purfeerst	Stumpf	

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Freeman moved that the following members be excused for a Conference Committee on S.F. No. 473 at 4:00 p.m.

Messrs. Luther, Knaak, Ramstad, Freeman and Ms. Reichgott. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Peterson, C.C. moved that the following members be excused for a Conference Committee on S.F. No. 634 from 3:00 to 4:15 p.m.:

Messrs. Johnson, D.J.; Peterson, C.C.; Merriam; Kroening and Bernhagen. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following mem-

bers be excused for a Conference Committee on H.F. No. 1259 at 4:30 p.m.:

Messrs. Johnson, D.J.; Peterson, C.C.; Novak; Dieterich and Ms. Berglin. The motion prevailed.

Mr. Renneke moved to amend H.F. No. 1308 as follows:

Page 3, after line 7, insert:

“Provided that the general fund has a budget surplus at the end of the 1982-1983 biennium the funds being reduced in this bill on page 2, lines 36 to 45, shall be restored.”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 18 and nays 26, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Kamrath	McQuaid	Sieloff
Belanger	Frederickson	Knaak	Mehrkens	Ulland
Benson	Isackson	Knutson	Peterson, D.L.	
DeCramer	Johnson, D.E.	Kronebusch	Renneke	

Those who voted in the negative were:

Adkins	Frank	Novak	Purfeerst	Vega
Bertram	Jude	Pehler	Samuelson	Willet
Chmielewski	Kroening	Peterson, D.C.	Schmitz	
Dahl	Langseth	Peterson, R.W.	Solon	
Diessner	Lessard	Petty	Spear	
Dieterich	Luther	Pogemiller	Stumpf	

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

H.F. No. 1308 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Willet moved that S.F. No. 1250, No. 50 on Special Orders, be

stricken and laid on the table. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Nelson moved that the following members be excused for a Conference Committee on H.F. No. 92 from 2:00 to 4:00 p.m.:

Messrs. Nelson; Merriam; Peterson, R.W.; Peterson, D.L. and Pehler. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Purfeerst moved that the following members be excused for a Conference Committee on H.F. No. 77 at 4:00 p.m.:

Messrs. Purfeerst, Spear, Frank, Knaak and Lessard. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Willet moved that H.F. No. 1310 be taken from the table. The motion prevailed.

H.F. No. 1310: A bill for an act relating to capital improvements; authorizing the acquisition and betterment of public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; appropriating money; proposing new law coded in Minnesota Statutes, chapter 16.

SUSPENSION OF RULES

Mr. Willet moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1310 and that the rules of the Senate be so far suspended as to give H.F. No. 1310 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1310 was read the second time.

Mr. Willet moved to amend H.F. No. 1310 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 1310, and insert the language after the enacting clause, and the title, of S.F. No. 1254, as introduced.

The motion prevailed. So the amendment was adopted.

Mr. Willet then moved to amend H. F. No. 1310, as amended by the Senate May 18, 1983, as follows:

(The text of the amended House File is identical to Senate File No. 1254.)

Page 1, line 20, delete "2,056,800" and insert "18,226,800"

Page 1, after line 20, insert:

"ENERGY, PLANNING AND DEVELOPMENT 17,325,000"

Page 2, line 3, delete "56,200" and insert "91,200"

Page 2, line 4, delete "\$59,893,500" and insert "\$93,423,500"

Page 2, line 6, delete "53,565,000" and insert "87,095,000"

Page 3, line 20, delete "2,056,800" and insert "18,226,800"

Page 3, delete lines 24 to 26

Page 3, lines 34 and 35, delete "for forest road betterment" and delete "500,000" and insert:

to acquire and better public outdoor recreation lands and capital improvements as more specifically described in the following paragraphs of this subdivision

17,670,000

(a) For acquisition of state parks and recreation areas, as listed and described in Minnesota Statutes, sections 85.012 and 85.013

2,500,000

(b) For betterment of state parks and recreation areas, as listed and described in Minnesota Statutes, sections 85.012 and 85.013

3,450,000

(c) For betterment of state trails and trails within state parks and other units of the outdoor recreation system as defined in Minnesota Statutes, section 86A.05

1,725,000

(d) For acquisition of state forests listed and described in Minnesota Statutes, section 89.021

470,000

(e) For betterment of R. J. Dorer memorial forest described in Minnesota Statutes, section 89.021, subdivision 33

230,000

(f) For betterment of state forest recreation listed and described in Minnesota Statutes, section 89.021

380,000

(g) For betterment of state forest roads and bridges

1,150,000

(h) For acquisition of fishing management lands including riparian rights and other interests therein needed for management of waters for primary wildlife use and benefit and for access to fishing waters pursuant to Minnesota Statutes, section 97.48, subdivisions 8, 11, and 15

240,000

(i) For acquisition of wildlife

management areas pursuant to Minnesota Statutes, sections 97.48, subdivision 13, and 97.481, and wetlands under the water bank program pursuant to Minnesota Statutes, section 105.392 4,090,000

(j) For betterment of wildlife management areas, acquired pursuant to Minnesota Statutes, sections 97.48, subdivision 13, and 97.481 575,000

(k) For acquisition of scientific and natural areas designated pursuant to Minnesota Statutes, section 84.033 400,000

(l) For betterment of natural and scientific areas designated pursuant to Minnesota Statutes, section 84.033 60,000

(m) For acquisition of wild, scenic, and recreational rivers, designated pursuant to sections 104.25 to 104.40, and canoe and boating routes, portages, and camp sites, as listed and described in Minnesota Statutes, section 85.32 250,000

(n) for betterment of canoe and boating routes, portages, and camp sites as listed and described in Minnesota Statutes, section 85.32 50,000

(o) For betterment of public accesses to public waters pursuant to Minnesota Statutes, section 97.48, subdivision 15 920,000

(p) For acquisition of public accesses to public waters pursuant to Minnesota Statutes, section 97.48, subdivision 15 1,180,000

Lands in this subdivision shall be acquired by the commissioner of natural resources and in accordance with policies established in Minnesota Statutes, sections 86A.01 to 86A.09. Those acquired for each unit of the outdoor recreation system shall be suited for the purpose of that unit and suited for management in accordance with the principles applicable to it. The commissioner of natural resources shall submit semiannual work progress reports to the legislative commission on Minnesota resources, in the form

requested by the commission, and shall submit a work program to the commission and request its recommendation thereon before expending any money appropriated by this subdivision for any purpose. The commission's recommendation shall be advisory only. Failure to respond to a request within 60 days after receipt shall be deemed a negative recommendation.

The approved complement of the department of natural resources is increased by 26 unclassified positions. These positions are a continuation of the positions authorized by Laws 1981, Chapter 304, Section 4."

Renumber the subdivisions in sequence

Page 3, after line 35, insert:

"Sec. 4. ENERGY, PLANNING AND

DEVELOPMENT

17,325,000

To the commissioner of energy, planning and development for payment to the metropolitan council established under Minnesota Statutes, section 473.123. The commissioner of energy, planning and development shall transfer this amount to the metropolitan council upon receipt of a certified copy of a council resolution requesting payment. The appropriation shall be used to pay the cost of the acquisition and betterment by the metropolitan council and local governmental units of regional recreation open space in accordance with the council's policy plan as provided in Minnesota Statutes, sections 473.301 to 473.341, including relocation costs and tax equivalents required to be paid by Minnesota Statutes, sections 473.315 and 473.341. Of the amount appropriated by this section, the metropolitan council may expend no more than \$400,000 for staff and independent professional services necessary to acquire and better open space and for the performance of duties of the metropolitan council under this section."

Page 10, line 19, delete "56,200" and insert "91,200"

Page 10, line 24, delete "\$53,565,000" and insert "\$87,095,000"

Page 12, after line 9, insert:

"Sec. 21. Minnesota Statutes 1982, section 473.147, subdivision 1, is amended to read:

Subdivision 1. The metropolitan council after consultation with the parks and open space commission, municipalities, park districts and counties in the metropolitan area, and after appropriate public hearings, shall prepare and adopt a long-range system policy plan for regional recreation open space as part of the council's metropolitan development guide. The plan shall substantially conform to all policy statements, purposes, goals, standards, and maps in development guide sections and comprehensive plans as developed and adopted by the council pursuant to the chapters of the Minnesota Statutes directly relating to the council. The policy plan shall identify generally the areas which should be acquired by a public agency to provide a system of regional recreation open space comprising park district, county and municipal facilities which, together with state facilities, reasonably will meet the outdoor recreation needs of the people of the metropolitan area and shall establish priorities for acquisition and development. In preparing or amending the policy plan the council shall consult with and make maximum use of the expertise of the commission. The policy plan shall include a five year capital improvement program, which shall be revised periodically, and shall establish criteria and priorities for the allocation of funds for such acquisition and development. *The legislature in each bonding measure shall designate an anticipated level of funding for this acquisition and development for each of the two succeeding biennia.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "section" and insert "sections 473.147, subdivision 1; and"

Mr. Willet then moved to amend the Willet amendment to H. F. No. 1310 as follows:

Page 1, line 5, delete "18,226,800" and insert "20,226,800"

Page 1, line 10, delete "\$93,423,500" and insert "\$95,423,500"

Page 1, line 11, delete "87,095,000" and insert "89,095,000"

Page 1, line 12, delete "18,226,800" and insert "20,226,800"

Page 1, line 20, delete "17,670,000" and insert "19,670,000"

Page 1, line 33, delete "1,725,000" and insert "3,725,000"

Page 1, after line 33, insert:

"\$2,000,000 is for the state trail in Ramsey and Washington counties authorized by this act."

Page 4, line 26, delete "\$87,095,000" and insert "\$89,095,000"

Page 4, after line 27, insert:

"Sec. 21. Minnesota Statutes 1982, section 85.015, is amended by adding a subdivision to read:

Subd. 14. [STATE TRAIL, RAMSEY AND WASHINGTON COUNTIES.] (a) The trail shall originate at milepost 446.19 on the Soo Line Railroad right-of-way in the Southeast Quarter of Section 19, Township 29 North, Range 22 West, Ramsey County, and shall extend in an easterly and northeasterly direction along the Soo Line Railroad right-of-way to milepost 438.33 in the Southwest Quarter of Section 5, Township 29 North, Range 21 West, in Washington County, and there terminate.

(b) The trail shall be developed primarily for hiking and nonmotorized riding.

(c) In addition to the authority granted in Minnesota Statutes, section 85.015, subdivision 1, lands and interests in lands for the trail may be acquired by eminent domain.

(d) The commissioner of natural resources, after consulting with all local units of government affected by the trail, and with the commissioner of transportation and the metropolitan council, shall prepare a master plan for the trail. After completion of the master plan, any land or interest in land not needed for the trail may be disposed of by the commissioner of natural resources as follows:

(1) by transfer to the department of transportation, the historical society, or another state agency;

(2) by sale at not less than the purchase price to a city, town, school district, park district, or other political subdivision whose boundaries include or are adjacent to the land, for public purposes only, after written notice to each of these political subdivisions; or

(3) if no offer to purchase is received from any political subdivision within one year after the completion of the master plan, then by public sale, at not less than the purchase price, upon notice published in the manner provided in section 92.14, and otherwise in the same manner as trust fund lands are sold, so far as applicable.

All proceeds derived from sales of unneeded land and interest in land shall be deposited in the state bond fund. For the purposes of United States Code, title 23, section 138, and title 49, section 1653(f), any land or interest in land not needed for the trail and transferred to another state agency, or sold, does not constitute permanent park, recreation area, or wildlife or waterfowl refuge facility land."

Page 4, line 28, delete "21" and insert "22"

Amend the title amendment as follows:

Page 5, line 11, after "sections" insert "85.015, by adding a subdivision;"

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

The roll was called, and there were yeas 32 and nays 21, as follows:

Those who voted in the affirmative were:

Brataas	Freeman	Lessard	Peterson, C. C.	Storm
Chmielewski	Hughes	Luther	Peterson, D. C.	Ulland
Dahl	Isackson	Merriam	Petty	Wegscheid
DeCramer	Knutson	Moe, R. D.	Pogemiller	Willet
Dicklich	Laidig	Nelson	Reichgott	
Diessner	Langseth	Olson	Sieloff	
Frederickson	Lantry	Pehler	Spear	

Those who voted in the negative were:

Adkins	Bertram	Kamrath	Mehrkens	Waldorf
Belanger	Davis	Knaak	Peterson, D. L.	
Benson	Frederick	Kroening	Peterson, R. W.	
Berg	Johnson, D. E.	Kronebusch	Ramstad	
Bernhagen	Jude	McQuaid	Renneke	

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

The question recurred on the Willet amendment, as amended.

The motion prevailed. So the amendment, as amended, was adopted.

Mr. Willet then moved to amend H.F. No. 1310, as amended by the Senate May 18, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 1254.)

Page 12, after line 18, insert:

“Sec. 21. [AUTHORIZATION OF BONDS.]

To provide money in the state agricultural resource loan guaranty fund, for the purpose of the program for which this fund is appropriated and dedicated under the provisions of sections 1 to 6 of Senate File No. 596, if enacted at the 1983 regular session, the commissioner of finance may issue bonds of the state in the aggregate amount of \$25,000,000. Before the issuance of any series of the bonds the loan guaranty board shall determine by resolution that the amount to be issued will be needed to make payments due under one or more guaranties executed with respect to outstanding loans in the program, or is needed to maintain within the guaranty fund a balance sufficient in the judgment of the board to assure compliance by the state with its covenant contained in section 5, subdivision 3, of Senate File No. 596, if enacted at the 1983 regular session. The bonds shall be sold and issued in the manner, upon the terms, and with the effect prescribed by Senate File No. 596, sections 1 to 6, and by the constitution, article XI, sections 4 to 7.”

Renumber the sections in sequence

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 39 and nays 17, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D. E.	Moe, R. D.	Renneke
Benson	Dicklich	Kamrath	Nelson	Schmitz
Berg	Diessner	Kronebusch	Olson	Sieloff
Bernhagen	Frederick	Laidig	Pehler	Solon
Bertram	Frederickson	Langseth	Peterson, C. C.	Waldorf
Chmielewski	Freeman	Lessard	Peterson, D. L.	Wegscheid
Dahl	Hughes	McQuaid	Purfeerst	Willet
Davis	Isackson	Mehrkens	Reichgott	

Those who voted in the negative were:

Anderson	Knaak	Merriam	Pogemiller	Ulland
Belanger	Knutson	Moe, D. M.	Ramstad	
Brataas	Lantry	Peterson, R. W.	Spear	
Jude	Luther	Petty	Storm	

The motion prevailed. So the amendment was adopted.

Mr. Isackson moved to amend H.F. No. 1310, as amended by the Senate May 18, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 1254.)

Page 8, delete lines 10 to 13 and insert:

“Subd. 6. Southwest Experiment

Station - Lambertson	165,300
(a) Supplement due to delay of construction	17,000
(b) Land acquisition	148,300

This appropriation is for the state share of the purchase price of a 270-acre parcel of land near the Southwest Experiment Station.”

Correct the section total, the summary by fund, and the bond sale authorization accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 29, as follows:

Those who voted in the affirmative were:

Anderson	Davis	Johnson, D.E.	Laidig	Ramstad
Belanger	DeCramer	Kamrath	McQuaid	Renneke
Benson	Frederick	Knaak	Mehrkens	Sieloff
Bernhagen	Frederickson	Knutson	Olson	Taylor
Brataas	Isackson	Kronebusch	Peterson, D.L.	Ulland

Those who voted in the negative were:

Adkins	Kroening	Moe, D. M.	Petty	Stumpf
Bertram	Langseth	Moe, R. D.	Pogemiller	Vega
Chmielewski	Lantry	Nelson	Reichgott	Waldorf
Dahl	Lessard	Pehler	Schmitz	Wegscheid
Dicklich	Luther	Peterson, D.C.	Solon	Willet
Jude	Merriam	Peterson, R. W.	Spear	

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

Mr. Berg moved to amend H. F. No. 1310, as amended by the Senate May 18, 1983, as follows:

(The text of the amended House File is identical to Senate File No. 1254.)

Page 1, line 22, delete “4,485,500” and insert “6,287,500”

Page 2, line 4, delete “\$59,893,500” and insert “\$61,695,500”

Page 2, line 5, delete “6,328,500” and insert “8,130,500”

Page 4, line 10, delete “4,485,500” and insert “6,287,500”

Page 4, after line 15, insert:

“(f) Morris maintenance
headquarters

1,802,000”

CALL OF THE SENATE

Mr. Willet imposed a call of the Senate for the balance of the proceedings on H.F. No. 1310. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Berg amendment.

The roll was called, and there were yeas 29 and nays 30, as follows:

Those who voted in the affirmative were:

Anderson	DeCramer	Knaak	Moe, D. M.	Storm
Belanger	Frederick	Knutson	Olson	Stumpf
Benson	Frederickson	Kronebusch	Peterson, D.L.	Taylor
Berg	Isackson	Laidig	Ramstad	Ulland
Bernhagen	Johnson, D.E.	McQuaid	Renneke	Wegscheid
Bertram	Kamrath	Mehrkens	Sieloff	

Those who voted in the negative were:

Adkins	Freeman	Lessard	Peterson, D.C.	Samuelson
Chmielewski	Hughes	Luther	Peterson, R.W.	Schmitz
Dahl	Jude	Merriam	Petty	Spear
Davis	Kroening	Moe, R. D.	Pogemiller	Vega
Dicklich	Langseth	Nelson	Purfeerst	Waldorf
Diessner	Lantry	Pehler	Reichgott	Willet

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

Mr. Willet moved that H.F. No. 1310 be laid on the table. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 271, 855, 856, 462, 597, 679, 857, 278 and 412.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1983

Mr. President:

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

S.F. No. 159: A bill for an act relating to occupations and professions; regulating chiropractic practice; providing rulemaking authority for the

board of chiropractic examiners; creating a legislative study commission; amending Minnesota Statutes 1982, sections 148.01; 148.06; and 148.08, and by adding a subdivision.

Senate File No. 159 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1983

Mr. Luther moved that S.F. No. 159 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 218: A bill for an act relating to commitment of persons who are mentally ill, mentally retarded, or mentally ill and dangerous; requiring mental commitment proceedings for persons acquitted of a criminal charge pursuant to a verdict of not guilty by reason of mental illness or not guilty by reason of mental deficiency to be held in the court in which acquittal took place; modifying the burden of going forward with the evidence on the issues of mental illness, mental retardation, and mental illness and dangerousness in certain cases; amending Minnesota Statutes 1982, sections 253B.02, subdivision 4, and by adding subdivisions; 253B.07, subdivisions 1, 2, 3, and 7, and by adding a subdivision; 253B.08, subdivision 7; 253B.12, subdivision 4; 253B.18, subdivision 1; 253B.19, subdivision 1; 253B.21, subdivision 5; and 253B.23, subdivision 7.

Senate File No. 218 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1983

Mr. Freeman moved that S.F. No. 218 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 337: A bill for an act relating to drivers' licenses; requiring licenses of a distinguishing color for persons under 19 years of age; amending Minnesota Statutes 1982, section 171.07, subdivision 1.

Senate File No. 337 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1983

CONCURRENCE AND REPASSAGE

Mr. Schmitz moved that the Senate concur in the amendments by the

House to S.F. No. 337 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 337 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 338: A bill for an act relating to motor vehicles; maintaining the maximum interest rate on certain loans under the Motor Vehicle Retail Installment Sales Act at the current rate; amending Minnesota Statutes 1982, section 168.72, subdivision 2.

Senate File No. 338 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1983

Mr. Dahl moved that S.F. No. 338 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 427: A bill for an act relating to safety glazing material; establishing new requirements for the use of glazed safety glass in hazardous locations; amending Minnesota Statutes 1982, section 299G.13, subdivisions 3 and 10.

Senate File No. 427 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1983

CONCURRENCE AND REPASSAGE

Mrs. Adkins moved that the Senate concur in the amendments by the House to S.F. No. 427 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 427: A bill for an act relating to the safety of buildings and structures; regulating the application of the state building code to hospitals; establishing new requirements for the use of glazed safety glass in hazardous locations; amending Minnesota Statutes 1982, sections 16.851, subdivision 3; and 299G.13, subdivisions 3 and 10.

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

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

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

Those who voted in the affirmative were:

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

Mr. Merriam voted in the negative.

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 511: A bill for an act relating to low-level radioactive waste; entering the Midwest Interstate Low-Level Radioactive Waste Compact; assessing certain low-level radioactive waste generators; providing for enforcement of the compact; providing for civil and criminal penalties; appropriating money; proposing new law coded in Minnesota Statutes, chapter 116C.

Senate File No. 511 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1983

CONCURRENCE AND REPASSAGE

Mr. Pehler moved that the Senate concur in the amendments by the House

to S.F. No. 511 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 511: A bill for an act relating to low-level radioactive waste; entering the Midwest Interstate Low-Level Radioactive Waste Compact; assessing certain low-level radioactive waste generators; providing for enforcement of the compact; providing for civil and criminal penalties; creating an advisory committee; appropriating money; proposing new law coded in Minnesota Statutes, chapter 116C.

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

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

The roll was called, and there were yeas 47 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	Frederick	Lantry	Peterson, R.W.	Storm
Anderson	Freeman	Lessard	Petty	Stumpf
Belanger	Hughes	Luther	Pogemiller	Taylor
Benson	Jude	McQuaid	Purfeerst	Ulland
Bernhagen	Knaak	Mehrkens	Ramstad	Vega
Chmielewski	Knutson	Merriam	Reichgott	Wegscheid
Dahl	Kroening	Moe, R. D.	Schmitz	Willet
Davis	Kronebusch	Olson	Sieloff	
DeCramer	Laidig	Pehler	Solon	
Diessner	Langseth	Peterson, D.C.	Spear	

Those who voted in the negative were:

Bertram	Isackson	Kamrath	Peterson, D.L.	Renneke
Frederickson	Johnson, D.E.			

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 616: A bill for an act relating to the council for the handicapped; providing for appointment of members to the council; decreasing the number of council members; making the council permanent; clarifying the purposes of committees within the council; describing duties; amending Minnesota Statutes 1982, sections 256.481; and 256.482; repealing Minnesota Statutes 1982, section 256.483.

Senate File No. 616 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1983

Mr. Solon moved that S.F. No. 616 be laid on the table. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of

the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 435:

H.F. No. 435: A bill for an act relating to crimes; establishing degrees of burglary; prescribing penalties; providing mandatory terms of incarceration; proposing new law coded in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1982, section 609.58.

And the House respectfully requests that a Conference Committee of five members be appointed thereon:

Clark, J.; Kelly; Staten; Seaberg and Bishop have been appointed as such committee on the part of the House.

House File No. 435 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 18, 1983

Mr. Peterson, R.W. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 435, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 553:

H.F. No. 553: A bill for an act relating to elections; changing certain election procedures, requirements, and time limits; amending Minnesota Statutes 1982, sections 201.071, subdivision 1; 203B.02, subdivision 1; 203B.04, subdivision 1; 203B.21, subdivision 2; 204B.12, subdivision 1; 204B.19, subdivision 1; 204B.21, subdivision 1; 204B.27, subdivision 1; 204B.34, subdivision 1; 204B.35, subdivision 4; 204C.03, by adding a subdivision; 204C.05, subdivision 1; 204C.32, subdivision 2; 204C.33, subdivision 2; 204D.06; 204D.11, subdivisions 1 and 5; 204D.14; 204D.15, subdivision 2; 205.03, subdivisions 1 and 3; and 209.02, subdivision 4; repealing Minnesota Statutes 1982, sections 201.091, subdivisions 6 and 7; 204B.12, subdivision 2; and 204B.36, subdivision 5.

And the House respectfully requests that a Conference Committee of three members be appointed thereon:

Osthoff, Minne and Piepho have been appointed as such committee on the part of the House.

House File No. 553 is herewith transmitted to the Senate with the request

that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 18, 1983

Mr. Hughes moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 553, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Langseth moved that the following members be excused for a Conference Committee on S.F. No. 1233 at 7:15 p.m.:

Messrs. Langseth, Schmitz, Purfeerst, Mrs. Lantry and Mr. Mehrkens. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Freeman moved that S.F. No. 218 be taken from the table. The motion prevailed.

Mr. Freeman moved that the Senate do not concur in the amendments by the House to S.F. No. 218, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. Freeman moved that S.F. No. 1008 be taken from the table. The motion prevailed.

Mr. Freeman moved that the Senate do not concur in the amendments by the House to S.F. No. 1008, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. Samuelson moved that S.F. No. 159 be taken from the table. The motion prevailed.

Mr. Samuelson moved that the Senate do not concur in the amendments by the House to S.F. No. 159, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. Dieterich moved that H.F. No. 289 be taken from the table. The motion prevailed.

Mr. Dieterich moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 289 and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Without objection, the Senate reverted to the Order of Business of Mes-

sages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 102.

H.F. No. 102: A bill for an act relating to agricultural and residential real estate; requiring 60 days notice of default on a real estate mortgage, notice of termination of a real estate contract for deed, and eight weeks notice of commencement of a sale and foreclosure proceeding; providing that a court may order a delay in a foreclosure sale or contract termination under certain circumstances; limiting the right to maintain actions for deficiency judgments; amending Minnesota Statutes 1982, sections 47.20, by adding a subdivision; 559.21, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 550; proposing new law coded as Minnesota Statutes, chapter 583.

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

Bergstrom, Voss and Eken have been appointed as such committee on the part of the House.

House File No. 102 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 18, 1983

Mr. Dicklich moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 102, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 415: Messrs. Moe, D.M.; Luther; Wegscheid; Knaak and Spear.

H.F. No. 102: Messrs. Dicklich, Luther and Stumpf.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Benson introduced—

S.F. No. 1265: A bill for an act relating to dogs; requiring confinement of dogs that have or might have exposed humans to rabies; amending Minnesota Statutes 1982, section 347.08, subdivision 1.

Referred to the Committee on Health and Human Services.

Mr. Ramstad introduced—

S.F. No. 1266: A bill for an act relating to real estate; requiring storage of abstracts of title to be stored in Minnesota with certain exceptions.

Referred to the Committee on Economic Development and Commerce.

Messrs. DeCramer and Isackson introduced—

S.F. No. 1267: A bill for an act relating to utilities; pipelines; defining terms; requiring route alternatives; expanding certain notice and information requirements; authorizing the environmental quality board to require an additional fee; requiring distribution of and supplements to an information book before route approval and exercise of eminent domain power; requiring public notice and meetings; requiring public information books and meetings for interstate gas pipelines; exempting pipelines subject to certain federal regulations; providing state technical inspection assistance; authorizing staff, consultants, and cooperative agreements; authorizing promulgation of rules; authorizing power of waiver; providing for enforcement; transferring power of eminent domain from the department of natural resources to the environmental quality board with conditions; setting fees; amending Minnesota Statutes 1982, sections 1161.01, by adding subdivisions; 1161.02; 1161.03; 1161.04; 1161.05; 1161.06, subdivisions 4, 5, 6, and 7, and by adding a subdivision; 1161.10; and 117.49; proposing new law coded in Minnesota Statutes, chapter 1161.

Referred to the Committee on Public Utilities and State Regulated Industries. Mr. Merriam questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

MEMBERS EXCUSED

Mr. Johnson, D.J. was excused from the Session of today. Mr. Taylor was excused from the Session of today from 12:00 noon to 1:20 p.m. Mr. Laidig was excused from the Session of today from 12:00 noon to 2:00 p.m. Mr. Novak was excused from the Session of today at 4:30 p.m. Mr. Frank was excused from the Session of today from 4:30 to 7:00 p.m. Mr. Stumpf was excused from the Session of today from 5:15 to 6:05 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Thursday, May 19, 1983. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-SEVENTH DAY

St. Paul, Minnesota, Thursday, May 19, 1983

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Thomas M. Ploof.

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

May 19, 1983

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 883.

Sincerely,
Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 684, 845, 932, 996 and 769.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1983

Mr. President:

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

S.F. No. 87: A bill for an act relating to public welfare; requiring reporting of abuse or neglect of children; exempting determinations of eligibility for day care and foster care licenses from application of the Minnesota criminal offenders rehabilitation law; requiring arrest information and reports to be made available to the commissioner of public welfare for the purpose of investigating applicants for a day care or residential facility license; establishing the burden of proof in certain appeals; providing for appointment of guardianship of children whose parents are deceased; clarifying investigative authority of welfare agencies in making mandated investigations of physical or sexual abuse and neglect; amending Minnesota Statutes 1982, sections 245.783, subdivision 3; 245.801, subdivision 4; 260.011, subdivision 2; 260.242, subdivision 2, and by adding a subdivision; 364.09; and 626.556, subdivisions 2, 4, 7, and 10.

Senate File No. 87 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1983

Mr. Petty moved that the Senate do not concur in the amendments by the House to S.F. No. 87, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 455: A bill for an act relating to nonprofit corporations; providing for approval of certain actions by boards of directors without formal board meetings; amending Minnesota Statutes 1982, section 317.20, subdivision 12.

Senate File No. 455 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1983

Mr. Petty moved that the Senate do not concur in the amendments by the

House to S.F. No. 455, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 591: A bill for an act relating to insurance; health and accident; prohibiting provider discrimination in insurance policies covering mental health services; amending Minnesota Statutes 1982, section 62A.152, by adding a subdivision.

Senate File No. 591 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1983

Mr. Petty moved that the Senate do not concur in the amendments by the House to S.F. No. 591, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 699: A bill for an act relating to highway traffic regulations; regulating the use of materials on the windshields, side windows, and rear windows of motor vehicles; amending Minnesota Statutes 1982, section 169.71, by adding a subdivision.

Senate File No. 699 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1983

Mrs. Lantry moved that S.F. No. 699 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 723: A bill for an act relating to public welfare; providing guidelines for considering race and ethnic origin in foster care and adoption placement; requiring recruitment, periodic review, reporting, and record-keeping; providing for a voluntary task force; amending Minnesota Statutes 1982, sections 257.01; 257.071, subdivision 2, and by adding subdivisions; 259.27, subdivisions 1 and 2; 259.28; 260.181, subdivision 3; 260.191,

subdivision 1; 260.192; and 260.242, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 257 and 259.

Senate File No. 723 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1983

CONCURRENCE AND REPASSAGE

Ms. Berglin moved that the Senate concur in the amendments by the House to S.F. No. 723 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 723 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 782: A bill for an act relating to highway traffic regulations; providing a penalty for the operation of a vehicle in a manner that endangers or is likely to endanger property or persons; amending Minnesota Statutes 1982, section 169.13, subdivision 2.

Senate File No. 782 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1983

CONCURRENCE AND REPASSAGE

Mr. Wegscheid moved that the Senate concur in the amendments by the House to S.F. No. 782 and that the bill be placed on its repassage as

amended. The motion prevailed.

S.F. No. 782 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 58 and nays 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Benson, Kamrath and Knaak voted in the negative.

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 791: A bill for an act relating to natural resources; authorizing the commissioner of natural resources to convey to private persons, under certain circumstances, road easements across railroad rights-of-way acquired for trail purposes; proposing new law coded in Minnesota Statutes, chapter 84.

Senate File No. 791 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1983

CONCURRENCE AND REPASSAGE

Mr. Chmielewski moved that the Senate concur in the amendments by the House to S.F. No. 791 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 791 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 844: A bill for an act relating to crimes; changing the penalty for the theft of controlled substances; amending Minnesota Statutes 1982, section 609.52, subdivision 3.

Senate File No. 844 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1983

CONCURRENCE AND REPASSAGE

Ms. Reichgott moved that the Senate concur in the amendments by the House to S.F. No. 844 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 844 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 889: A bill for an act relating to local government; clarifying powers of municipalities and redevelopment agencies with respect to acquisition, construction, leasing, selling, loan of funds, and issuance of revenue bonds for industrial development projects; amending Minnesota Statutes 1982, sections 474.03 and 474.06.

Senate File No. 889 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1983

Mr. Kroening moved that the Senate do not concur in the amendments by the House to S.F. No. 889, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 954: A bill for an act relating to commerce; mechanics' liens; providing notice requirements for certain contractors; increasing the time periods relating to an owner's obligation to pay a contractor and the duration of the lien; providing penalties for falsely filing liens; amending Minnesota Statutes 1982, sections 514.011, subdivisions 1 and 2; 514.07; 514.08, subdivision 1, and by adding a subdivision; and 514.10.

Senate File No. 954 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1983

CONCURRENCE AND REPASSAGE

Mr. Sieloff moved that the Senate concur in the amendments by the House to S.F. No. 954 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 954: A bill for an act relating to commerce; mechanics' liens; providing notice requirements for certain contractors; increasing the time periods relating to an owner's obligation to pay a contractor and the duration of the lien; amending Minnesota Statutes 1982, sections 514.011, subdivisions 1 and 2; 514.07; and 514.08, subdivision 1.

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

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

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 964: A bill for an act relating to corporations; providing for the determination of eligibility for the indemnification of certain persons; prohibiting the use of corporate information obtained improperly; authorizing the use of protective orders and other relief to prevent the premature disclosure of certain confidential information or the use of corporate information obtained improperly; permitting the use of corporate names of corporations not filing the active status report; restricting the right of a corporation to deny cumulative voting; protecting preemptive rights of shareholders; clarifying when equitable relief is available to minority stockholders; providing for the retention of cumulative voting and preemptive rights after incorporation; amending Minnesota Statutes 1982, sections 300.083, subdivision 6; 302A.115, by adding a subdivision; 302A.215; 302A.413, by adding a subdivision; 302A.461, subdivisions 4, 6, and by adding a subdivision; 302A.521, subdivision 6; and 302A.751, subdivision 1, and by adding a subdivision.

Senate File No. 964 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1983

Mr. Petty moved that the Senate do not concur in the amendments by the House to S.F. No. 964, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following

Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1009: A bill for an act relating to transportation; defining certain terms relating to motor vehicle carriers; delineating exemptions; prescribing rules for operation of carriers; providing for investigation of carriers; providing for regulation of carriers of hazardous materials; providing for granting of certificates for operation; setting procedures for establishing rate schedules; providing for fees; providing for annual registration; requiring certificates of insurance; allowing permits to be assigned or transferred under certain conditions; providing hearing procedures regarding rate schedules; requiring shipping documents; providing for regulation of interstate carriers; authorizing suspension of operating authority under certain conditions; requiring refunds for overcharges; providing enforcement powers; providing penalties; providing for annual renewal of identification stamps; regulating local cartage carriers; assigning duties, functions, and powers to the public utilities commission until the transportation regulation board is established and appointed; amending Minnesota Statutes 1982, sections 168.013, subdivision 1e; 174.22, subdivision 2; 221.011, subdivisions 3, 9, 11, 12, 14, 15, 16, 19, 21, and 24, and by adding subdivisions; 221.021; 221.031; 221.041; 221.071; 221.111; 221.121; 221.131; 221.141, subdivision 1, and by adding a subdivision; 221.151; 221.161; 221.171; 221.181; 221.221; 221.251; 221.291; 221.296, subdivisions 2, 3, and 4; and 221.64; proposing new law coded in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1982, sections 221.011, subdivisions 4 and 22; 221.032; 221.141, subdivision 2; 221.292; 221.294; and 221.296, subdivision 1.

Senate File No. 1009 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 18, 1983

CONCURRENCE AND REPASSAGE

Mr. Novak moved that the Senate concur in the amendments by the House to S.F. No. 1009 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1009 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 58 and nays 8, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bertram
Dieterich

Kamrath
Olson

Peterson, D.L.
Ramstad

Ulland

Waldorf

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 652.

H.F. No. 652: A bill for an act relating to retirement; public plans generally; providing for the fiduciary obligation of trustees; complying with federal limits on annual benefits; providing that moneys of public pension plans are for the exclusive benefit of eligible employees and their beneficiaries; amending Minnesota Statutes 1982, sections 356.61; 354A.021, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 356.

And the House respectfully requests that a Conference Committee of five members be appointed thereon:

Sarna; Rodriguez, F.; Metzen; Clawson and Wigley have been appointed as such committee on the part of the House.

House File No. 652 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 18, 1983

Mr. Peterson, C.C. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 652, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the following change in the membership of the Conference Committee on Senate File No. 923:

The name of Halberg has been deleted.

The name of Ogren has been added.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 18, 1983

REPORTS OF COMMITTEES

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

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

H.F. No. 1188 for comparison with companion Senate File, reports the

following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
1188	1126				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1188 be amended as follows:

Page 2, line 9, before "into" insert "be conducted" and after "into" insert "the trade policies and practices of the United States government as they affect the American steel industry and"

And when so amended H.F. No. 1188 will be identical to S.F. No. 1126, and further recommends that H.F. No. 1188 be given its second reading and substituted for S.F. No. 1126, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 1031 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
1031	893				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1031 be amended as follows:

Page 2, line 14, insert:

"Sec. 3. [COORDINATOR POSITION.]

Effective July 1, 1983, the Red River watershed coordinator position (senior hydrologist) in the unclassified service of the state is transferred to the classified civil service in the department of natural resources. The incumbent in this position shall be transferred without competitive examination to probationary status in the classified service in the same classification and at the same pay step as at present. All of the employee's accrued vacation and sick leave shall be transferred to his credit."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "transferring a position to the classified service;"

And when so amended H.F. No. 1031 will be identical to S.F. No. 893, and further recommends that H.F. No. 1031 be given its second reading and substituted for S.F. No. 893, and that the Senate File be indefinitely post-

poned.

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

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

H.F. No. 549 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
549	409				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 549 be amended as follows:

Page 1, line 16, delete everything after the period

Page 1, delete lines 17 to 19

Page 2, line 8, delete "*he or she prescribes*" and insert "*prescribed*"

Page 2, line 30, delete "*is*" and insert "*must be*"

Page 2, line 31, delete everything after "*years*" and insert a period

Page 2, delete lines 32 to 36

Page 3, delete lines 1 to 3

Page 3, line 17, delete "*building*"

Page 5, line 31, strike "*116H*" and insert "*116J*"

Page 6, after line 29, insert "*The commissioner of energy, planning and development may employ persons necessary to perform the functions required by section 1. These employees shall be in the unclassified civil service.*"

Page 6, line 36, delete "*\$259,300 in*" and insert "*\$695,318*"

Page 7, line 1, delete everything before "*is*"

Page 7, line 3, delete everything after the period

Page 7, delete lines 4 to 6 and insert "*This sum is available for the fiscal year ending June 30 in the years indicated:*"

1984	1985
\$375,318	\$320,000

The commissioner may employ persons necessary to perform the functions required by section 1. These employees may be in the unclassified service. The approved complement of the department is increased by 11 positions."

Page 7, line 7, delete "*\$200,000 in fiscal*" and insert "*\$500,000*"

Page 7, line 8, delete everything before "*is*"

Page 7, line 18, delete "Any"

Page 7, delete lines 19 and 20

Page 7, line 24, before "shall" insert "upon request of the governor"

Page 7, line 26, delete "16A.66" and insert "16A.671"

And when so amended H.F. No. 549 will be identical to S.F. No. 409, and further recommends that H.F. No. 549 be given its second reading and substituted for S.F. No. 409, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 722 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
722	789				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 722 be amended as follows:

Strike all the language after the enacting clause of H.F. No. 722 and insert the language after the enacting clause of S.F. No. 789, as amended by the Committee on Public Utilities and State Regulated Industries, adopted by the Senate April 29, 1982; further, strike the title of H.F. No. 722 and insert the title of S.F. No. 789, as amended.

And when so amended H.F. No. 722 will be identical to S.F. No. 789, and further recommends that H.F. No. 722 be given its second reading and substituted for S.F. No. 789, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 720 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
720	794				

Pursuant to Rule 49, the Committee on Rules and Administration recom-

mends that H.F. No. 720 be amended as follows:

Strike all the language after the enacting clause of H.F. No. 720 and insert the language after the enacting clause of S.F. No. 794, as amended by the Committee on Finance, adopted by the Senate May 18, 1983; further, strike the title of H.F. No. 720 and insert the title of S.F. No. 794, as amended.

And when so amended H.F. No. 720 will be identical to S.F. No. 794, and further recommends that H.F. No. 720 be given its second reading and substituted for S.F. No. 794, and that the Senate File be indefinitely postponed.

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

SECOND READING OF HOUSE BILLS

H.F. Nos. 1188, 1031, 549, 722 and 720 were read the second time.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Peterson, R.W. moved that the following members be excused for a Conference Committee on S.F. No. 989:

Messrs. Peterson, R.W.; Sieloff and Merriam. The motion prevailed.

MOTIONS AND RESOLUTIONS

Mr. Dahl moved that S.F. No. 338 be taken from the table. The motion prevailed.

Mr. Dahl moved that S.F. No. 338 be laid on the table. The motion prevailed.

Mr. Peterson, C.C. moved that S.F. No. 259 be withdrawn from the Committee on Judiciary and returned to its author.

CALL OF THE SENATE

Mr. Kamrath imposed a call of the Senate for the balance of the proceedings on S.F. No. 259. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the motion of Mr. Peterson, C.C.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 39 and nays 24, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Lantry	Pehler	Schmitz
Berglin	Dieterich	Lessard	Peterson.C.C.	Spear
Bertram	Freeman	Luther	Peterson.D.C.	Stumpf
Chmielewski	Hughes	Merriam	Petty	Vega
Dahl	Johnson, D.J.	Moe, D. M.	Pogemiller	Waldorf
Davis	Jude	Moe, R. D.	Purfeerst	Wegscheid
DeCramer	Kroening	Nelson	Reichgott	Willet
Dicklich	Langseth	Novak	Samuelson	

Those who voted in the negative were:

Anderson	Frank	Kamrath	McQuaid	Renneke
Belanger	Frederick	Knaak	Mehrkens	Storm
Benson	Frederickson	Knutson	Olson	Taylor
Bernhagen	Isackson	Kronebusch	Peterson, D.L.	Ulland
Brataas	Johnson, D.E.	Laidig	Ramstad	

The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Berglin moved that S.F. No. 545 be taken from the table. The motion prevailed.

Ms. Berglin moved that the Senate do not concur in the amendments by the House to S.F. No. 545, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

S.F. No. 267 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 267

A bill for an act relating to taxation; increasing the amount of reduced valuations required to be maintained as public record; allowing the commissioner discretion in apportioning levies; increasing the amount of reduction in valuation requiring an opportunity for hearing; allowing county auditors to combine legal descriptions over section lines; classifying farm rental value data; excluding certain corporations from receiving agricultural property tax valuation; providing for continuation of open space treatment; providing for the assessment of certain class 3 property based upon its use; requiring publication of certain requirements for obtaining a homestead after the assessment date; removing special taxing districts from levy limits; allowing counties to charge for NSF checks; providing for rounding of tax amounts on tax statements; directing the use of the previous years mill rate when distributing delinquent tax proceeds; changing the date for filing list of delinquent personal property taxes; extending application of the alternate sale procedure; increasing the fee for lost deeds; changing the process for distributing mortgage registration tax proceeds; raising the fee for trip permits; requiring filing of an amended estate tax return in certain situations; clarifying the date interest accrues on estate tax amounts due; providing for department action following the filing of an amended return; requiring state's share of federal credit to not be less than state's share of the estate; providing a definition of surviving spouse for estate tax purposes; requiring filing of final account to commissioner of revenue; changing the requirement for filing a declaration of estimated gross earnings tax; imposing a penalty for failure to pay estimated gross earnings tax; extending the time allowed to claim gasoline or special fuel tax refunds; changing the requirements relating to distribution of free samples of cigarettes; imposing a penalty for failure to pay the tax on wines and spirituous liquors; conforming penalties for nonpayment of tax on beer to penalties imposed on other taxes; delaying implementation of the assessment penalty; requiring payment of current taxes before a plat is recorded; amending Minnesota Statutes 1982,

sections 270.10, subdivisions 1 and 3; 270.12, subdivision 3; 270.19; 272.46, subdivision 2; 273.11, subdivision 7; 273.111, subdivision 3; 273.112, subdivision 7, and by adding a subdivision; 273.13, subdivisions 4, and 16; 275.50, subdivision 2; 276.02; 276.04; 276.10; 277.02; 282.01, subdivision 7a; 282.33, subdivision 1; 287.08; 291.005, subdivision 1; 291.03, subdivision 1; 291.07, subdivision 1; 291.09, subdivision 3a; 291.131, subdivision 6; 291.132, subdivision 1; 291.215, subdivision 3; 295.365; 295.366, subdivision 1; 296.17, subdivisions 3 and 17; 297.03, subdivision 10; 340.485, subdivision 1, and by adding subdivisions; 340.492; 477A.04; 505.04; repealing Minnesota Statutes 1982, sections 272.022; 272.023; 272.024; 273.13, subdivision 18; 273.23; 273.24; 273.28; 273.29; 273.30; 273.31; 273.34; 273.44; 273.45; 273.52; 288.01; 288.02; 288.03; 288.04; 288.05; 291.07, subdivision 3; and 473F.04.

May 12, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 267, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate accede to the amendments of the House and that S.F. No. 267, be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 270.10, subdivision 1, is amended to read:

Subdivision 1. [IN WRITING; APPROVAL BY ATTORNEY GENERAL.] All orders and decisions of the commissioner of revenue, or any of his subordinates, respecting any tax, assessment, or other obligation, shall be in writing, filed in the offices of the department. No order or decision issued after June 30, 1983, increasing or decreasing any tax, assessment, or other obligation by a sum exceeding ~~\$500~~ \$1,000 on real or personal property, or the assessed valuation thereof, or other obligation relating thereto, the result of which is to increase or decrease the total amount payable including penalties and interest, by a sum exceeding \$1,000, and no order or decision increasing or decreasing any other tax by a sum exceeding \$1,000 exclusive of penalties and interest, shall be made without the written signature or facsimile signature of the commissioner, a deputy commissioner, assistant commissioner, division director, or acting division director in each case. Written notice of every order granting a reduction, abatement, or refundment exceeding \$5,000 of any tax exclusive of penalties and interest, shall be given within five days to the attorney general. The attorney general shall forthwith examine such order, and if he deems the same proper and legal he shall approve the same in writing, and may waive the right of appeal therefrom in behalf of the state; otherwise he shall take an appeal from the order in behalf of the state as herein provided; but written approval of the commissioner or his deputy and written notice to the attorney general, shall not be required with respect to the following orders: (1) orders reducing assessed valuation of property by reason of its classification as a homestead;

(2) orders not involving refunds which have the effect only of correcting income and franchise tax assessments to conform to the amounts shown on final returns filed as provided by section 290.42, clause (6); (3) original orders for the refundment of gasoline and special fuel taxes.

Sec. 2. Minnesota Statutes 1982, section 270.10, subdivision 3, is amended to read:

Subd. 3. [REDUCTIONS, ABATEMENTS, REFUNDMENTS; STATEMENT.] The commissioner shall maintain as a public record in the department a statement of all abatements, reductions, and refundments of assessments, taxes, or other obligations granted by the department during the biennium, which require the written approval of the commissioner or his deputy, and of which written notice to the attorney general is required, under the provisions of subdivision 1; and, all reductions of assessed valuation of more than ~~\$50,000~~ \$100,000 and all reductions, refundments, or abatements of real estate tax of more than \$1,000 shall be separately shown in such statement. Such statement shall show the names of all taxpayers or other persons concerned, the original amount of each assessment, tax, or other obligation, the amount of abatement, reduction, or refundment allowed in each case, and the totals of the respective items, notwithstanding any provisions of law requiring secrecy to the contrary. The commissioner shall include in such statement the amount of all increases of taxes or assessments made by the department, classified in such manner as he may deem proper, but not showing the names of taxpayers or other persons concerned or the amounts in individual cases.

Sec. 3. Minnesota Statutes 1982, section 270.12, subdivision 3, is amended to read:

Subd. 3. ~~For taxes levied in 1980 and 1981, when a taxing jurisdiction lies in two or more counties, and the sales ratio studies prepared by the department of revenue show that the average level of assessment in the several portions of the district in the different counties differs by more than 20 percent, the board shall order that the levy of the taxing jurisdiction be apportioned among the portions in the different counties in the same proportion as the adjusted assessed value as determined by the equalization aid review committee in each portion is to the total adjusted assessed value, as determined by the equalization aid review committee, of the taxing jurisdiction; if the studies show that the level differs by more than five percent, the board may order the apportionment of the levy.~~ For taxes levied in 1982 1983 and thereafter when a taxing jurisdiction lies in two or more counties, if the sales ratio studies prepared by the department of revenue show that the level differs average levels of assessment in the several portions of the taxing jurisdictions in the different counties differ by more than five percent, the board shall order the apportionment of the levy, unless (a) the proportion of total adjusted assessed value in one of the counties is less than ten percent of the total adjusted assessed value in the taxing jurisdiction and the average level of assessment in that portion of the taxing jurisdiction is the level which differs by more than five percent from the assessment level in any one of the other portions of the taxing jurisdiction; (b) significant changes have been made in the level of assessment in the taxing jurisdiction which have not been reflected in the sales ratio study, and those changes alter the assessment levels in the portions of the taxing jurisdiction so that the assessment level now differs by five percent or less; or (c)

commercial, industrial, mineral, or public utility property predominates in one county within the taxing jurisdiction and another class of property predominates in another county within that same taxing jurisdiction. If one or more of these factors are present, the board may order the apportionment of the levy.

If, pursuant to this subdivision, the board apportions the levy, then that levy apportionment among the portions in the different counties shall be made in the same proportion as the adjusted assessed value as determined by the equalization aid review committee in each portion is to the total adjusted assessed value of the taxing jurisdiction.

For the purposes of this section, the average level of assessment in a taxing jurisdiction or portion thereof shall be the aggregate assessment sales ratio. Assessed values as determined by the equalization aid review committee shall be the values as determined for the year preceding the year in which the levy to be apportioned is levied.

Actions pursuant to this subdivision shall be commenced subsequent to the annual meeting on August 15 of the state board of equalization, but notice of the action shall be given to the affected jurisdiction and the appropriate county auditors by the following November 15.

Apportionment of a levy pursuant to this subdivision shall be considered as a remedy to be taken after equalization pursuant to subdivision 2, and when equalization within the jurisdiction would disturb equalization within other jurisdictions of which the several portions of the jurisdiction in question are a part.

Sec. 4. Minnesota Statutes 1982, section 270.19, is amended to read:

270.19 [MUNICIPALITIES TO BE PARTY TO TAX HEARINGS.]

Any city, town, school district, or county (all of which governmental subdivisions shall be embraced in the word "municipality" as used hereinafter) may appear at and become a party to any proceedings before the commissioner of revenue held for the purpose of equalizing or assessing any real or personal property in such municipality, or reducing the assessed valuation of any such property. For that purpose any such municipality may employ counsel and disburse money for other expenses in connection with such proceedings, on duly itemized, verified claims, which shall be audited and allowed as now provided by law for the allowance of claims against a municipality. It shall be the duty of the commissioner of revenue, at the time of such hearing, to grant the municipality, at its request, such further reasonable time as may be necessary for such municipality to prepare for further hearing. Before granting any reduction in assessed valuation exceeding ~~\$50,000~~ \$100,000, it shall be the duty of the commissioner of revenue, when any taxpayer or property owner has applied to the *commissioner after June 30, 1983*, for a reduction of the assessed valuation of any real or personal property in an amount exceeding ~~\$50,000~~ \$100,000, to give written notice to the officials of the municipality wherein such property is located and to permit such municipality to have reasonable opportunity to be heard at any proceedings concerning such reduction.

Sec. 5. Minnesota Statutes 1982, section 272.03, subdivision 1, is amended to read:

Subdivision 1. [REAL PROPERTY.] (a) For the purposes of taxation, "real property" includes the land itself, rails, ties, and other track materials annexed to the land, and all buildings, structures, and improvements or other fixtures on it, and all rights and privileges belonging or appertaining to it, and all mines, minerals, quarries, fossils, and trees on or under it.

(b) A building or structure shall include the building or structure itself, together with all improvements or fixtures annexed to the building or structure, which are integrated with and of permanent benefit to the building or structure, regardless of the present use of the building, and which cannot be removed without substantial damage to itself or to the building or structure.

(c) (i) The term real property shall not include tools, implements, machinery, and equipment attached to or installed in real property for use in the business or production activity conducted thereon, regardless of size, weight or method of attachment.

(ii) The exclusion provided in clause (c) (i) shall not apply to machinery and equipment includable as real estate by clauses (a) and (b) even though such machinery and equipment is used in the business or production activity conducted on the real property if and to the extent such business or production activity consists of furnishing services or products to other buildings or structures which are subject to taxation under this chapter.

Sec. 6. Minnesota Statutes 1982, section 272.46, subdivision 2, is amended to read:

Subd. 2. [AUDITOR TO COMBINE LEGAL DESCRIPTIONS.] The county auditor, upon written application of any person, shall for property tax purposes only, combine legal descriptions, as defined in section 272.195, of contiguous parcels to which the applicants hold title.

The county auditor shall not be required to combine legal descriptions over section lines in the following situations: when the parcels to be combined are located in different school districts or different taxing jurisdictions or when a combination of legal descriptions would require the auditor's office to modify an existing record-keeping system.

Sec. 7. Minnesota Statutes 1982, section 273.11, subdivision 7, is amended to read:

Subd. 7. [AGRICULTURAL LAND.] Tillable agricultural land shall be valued at the lesser of its market value or the value which could be derived from capitalizing its free market gross rental rate as determined for that grade of land at a rate of 5.6 percent. Each county assessor shall survey the farm rental values of each grade of farmland in each township in the county and shall determine a farm rental value to be used for the assessment of each grade. The values so determined shall be presented to township boards of review at their annual meetings held pursuant to section 274.01 in the year prior to that in which those values might be used in determining tillable agricultural land values. The boards of review and any property owners may present their comments on the values, including any evidence indicating that the values are inaccurate, by December 1 of the year when the values were presented to the board. The county assessor shall make his final determination of assessed valuations for January 2 of the subsequent year based on his determinations of the farm rental values as modified by any com-

ments of board members or other property owners that he finds persuasive. Nontillable agricultural land and buildings on agricultural land shall be valued in the usual manner. *The data collected by political subdivisions relating to farm rental values shall be classified as private data pursuant to section 13.02, subdivision 12. Any data collected shall be made available to the commissioner and, upon request, to other county assessors.*

Sec. 8. Minnesota Statutes 1982, section 273.111, subdivision 3, is amended to read:

Subd. 3. Real estate consisting of ten acres or more shall be entitled to valuation and tax deferral under this section only if it is actively and exclusively devoted to agricultural use as defined in subdivision 6 and either (1) is the homestead of the owner, or of a surviving spouse, child, or sibling of the owner or is real estate which is farmed with the real estate which contains the homestead property, or (2) has been in possession of the applicant, his spouse, parent, or sibling, or any combination thereof, for a period of at least seven years prior to application for benefits under the provisions of Laws 1969, Chapter 1039, or (3) is the homestead of a shareholder in a family farm corporation as defined in section 500.24, notwithstanding the fact that legal title to the real estate may be held in the name of the family farm corporation. *Valuation of real estate under this section is limited to parcels the ownership of which is in noncorporate entities except for family farm corporations organized pursuant to section 500.24. Corporate entities who previously qualified for tax deferral pursuant to this section and who continue to otherwise qualify under subdivisions 3 and 6 for a period of at least three years following the effective date of this section will not be required to make payment of the previously deferred taxes, notwithstanding the provisions of subdivision 9. Sale of the land prior to the expiration of the three-year period shall result in payment of deferred taxes as follows: sale within the first year requires payment of payable 1980, 1981, and 1982 deferred taxes; sale during the second year requires payment of payable 1981 and 1982 taxes deferred; and sale at any time during the third year will require payment of payable 1983 taxes deferred. Deferred taxes shall be paid even if the land qualifies pursuant to subdivision 11a. Special assessments are payable at the end of the three-year period or at time of sale, whichever comes first.*

Sec. 9. Minnesota Statutes 1982, section 273.112, subdivision 7, is amended to read:

Subd. 7. When real property which is being, or has been, valued and assessed under this section is sold or no longer qualifies under subdivision 3, ~~the portion sold or the portion which no longer qualifies under subdivision 3~~ shall be subject to additional taxes, in the amount equal to the difference between the taxes determined in accordance with subdivision 4, and the amount determined under subdivision 5, provided, however, that the amount determined under subdivision 5 shall not be greater than it would have been had the actual bona fide sale price of the real property at an arms length transaction been used in lieu of the market value determined under subdivision 5. ~~Such~~ *The additional taxes shall be extended against the property on the tax list for the current year, provided, however, that no interest or penalties shall be levied on such the additional taxes if timely paid, and provided further, that such the additional taxes shall only be levied*

with respect to the last seven years that the said property has been valued and assessed under this section.

Sec. 10. Minnesota Statutes 1982, section 273.112, is amended by adding a subdivision to read:

Subd. 10. When title to real property qualifying under subdivision 3 is transferred, no additional taxes shall be extended against the property if (a) the property continues to qualify pursuant to subdivision 3 and (b) the purchaser files an application for continued deferment of taxes pursuant to subdivision 6 within 30 days after the sale.

Sec. 11. Minnesota Statutes 1982, section 273.13, subdivision 4, is amended to read:

Subd. 4. [CLASS 3.] (a) Tools, implements and machinery of an electric generating, transmission or distribution system or a pipeline system transporting or distributing water, gas, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings, which are fixtures, all agricultural land, except as provided by classes 1, 3b, 3e, ~~all buildings and structures assessed as personal property and situated upon land of the state of Minnesota or the United States government which is rural in character and devoted or adaptable to rural but not necessarily agricultural use~~ shall constitute class 3 and shall be valued and assessed at 33-1/3 percent of the market value thereof, except as provided in clause (b). *All buildings and structures assessed as personal property and situated upon land of the state of Minnesota or the United States government which is rural in character and devoted or adaptable to rural but not necessarily agricultural use shall be assessed based upon the use made of the building or structure.* Except as provided in subdivision 5a, all real property devoted to temporary and seasonal residential occupancy for recreational purposes, and which is not devoted to commercial purposes for more than 200 days in the year preceding the year of assessment, shall be class 3 property and assessed accordingly. For this purpose, property is devoted to commercial use on a specific day if it is used, or offered for use, and a fee is charged for such use. Class 3 shall also include commercial use real property used exclusively for recreational purposes in conjunction with class 3 property devoted to temporary and seasonal residential occupancy for recreational purposes, up to a total of two acres, provided the property is not devoted to commercial recreational use for more than 200 days in the year preceding the year of assessment and is located within two miles of the class 3 property with which it is used.

(b) Agricultural land which is classified as class 3 shall be assessed at 19 percent of its market value. Real property devoted to temporary and seasonal residential occupancy for recreation purposes which is classified as class 3 shall be assessed at 21 percent of its market value.

Sec. 12. Minnesota Statutes 1982, section 273.13, subdivision 16, is amended to read:

Subd. 16. [HOMESTEAD ESTABLISHED AFTER ASSESSMENT DATE.] (1) Any property which was not used for the purpose of a homestead on the assessment date, but which was used for the purpose of a homestead on June 1 of such year, shall constitute class 3b, class 3c or class

3cc, as the case may be, to the extent of one-half of the valuation which would have been includible in such class and one-half the homestead tax credit to which it would have been entitled had the property been used as a homestead on both such dates.

(2) Any taxpayer meeting the requirements of clause (1) must notify the county assessor, or the assessor who has the powers of the county assessor pursuant to section 273.063, in writing, prior to June 15 of such year in order to qualify thereunder.

The county assessor and the county auditor are hereby empowered to make the necessary changes on their assessment and tax records to provide for proper homestead classification and credit as provided in clauses (1) and (2).

(3) The owner of any property qualifying under this subdivision, which has not been accorded the benefits of this subdivision, regardless of whether or not the notification required in clause (2) has been timely filed, may be entitled to receive such benefits by proper application as provided in sections 270.07 or 375.192.

The county assessor shall cause to be published in a newspaper of general circulation within the county no later than June 1 of each year a notice to the public informing them of the requirement to file an application for homestead prior to June 15.

Sec. 13. Minnesota Statutes 1982, section 273.13, is amended by adding a subdivision to read:

Subd. 21. [LIMITATION ON HOMESTEAD CLASSIFICATION.] If the assessor has classified property as both homestead and nonhomestead, only the values attributable to the portion of the property classified as 3b, 3c, or 3cc shall be entitled to homestead treatment.

Except for buildings containing fewer than three units classified pursuant to section 273.13, subdivision 19, if the portion of a building used as the owner's homestead is separate from other dwelling units in the building, only the owner's residence plus the land attributable to the residence is to receive either the 3b, 3c, or 3cc classification.

Sec. 14. Minnesota Statutes 1982, section 275.50, subdivision 2, is amended to read:

Subd. 2. [GOVERNMENTAL SUBDIVISION.] "Governmental subdivision" means a county, home rule charter city, statutory city, or town ~~or special taxing district determined by the department of revenue~~, except a town that has a population of less than 5,000 according to the most recent federal census, provided that the population of an incorporated municipality located within the boundaries of a town is not included in the population of the town. The term does not include school districts ~~or~~, the metropolitan transit commission created pursuant to section 473.404, or special taxing districts as determined by the department of revenue.

Sec. 15. Minnesota Statutes 1982, section 276.02, is amended to read:

276.02 [TREASURER TO BE COLLECTOR.]

The county treasurer shall be the receiver and collector of all the taxes

extended upon the tax lists of the county, whether levied for state, county, city, town, school, poor, bridge, road, or other purposes and of all fines, forfeitures, or penalties received by any person or officer for the use of the county. He shall proceed to collect the same according to law and place the same when collected to the credit of the proper funds. This section shall not apply to fines and penalties accruing to municipal corporations for the violation of their ordinances which are recoverable before a city justice. *The county board may by resolution authorize the treasurer to impose a charge for any dishonored checks.*

Sec. 16. Minnesota Statutes 1982, section 276.04, is amended to read:

276.04 [NOTICE OF RATES; PROPERTY TAX STATEMENTS.]

On receiving the tax lists from the county auditor, the county treasurer shall, if directed by the county board, give three weeks' published notice in a newspaper specifying the rates of taxation for all general purposes and the amounts raised for each specific purpose. He shall, whether or not directed by the county board, cause to be printed on all tax statements, or on an attachment, a tabulated statement of the dollar amount due to each taxing authority and the amount to be paid to the state of Minnesota from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the state, county, township or municipality and school district shall be separately stated but the amounts due other taxing districts, if any, may be aggregated. *The dollar amounts may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar.* The property tax statements for class 2a property shall contain the same information that is required on the tax statements for real property. The county treasurer shall mail to taxpayers statements of their personal property taxes due, such statements to be mailed not later than February 15 (except in the case of Class 2a property), statements of the real property taxes due shall be mailed not later than January 31; provided, that the validity of the tax shall not be affected by failure of the treasurer to mail such statement. Such real and personal property tax statements shall contain the market value, as defined in section 272.03, subdivision 8, used in determining the tax. The statement shall show the amount attributable to section 124.2137 as "state paid agricultural credit" and the amount attributable to section 273.13, subdivisions 6 and 7 as "state paid homestead credit". The statement shall show the reduction attributable to the aid given pursuant to section 273.139 and shall indicate that the reduction is paid by the state of Minnesota. If so directed by the county board, the treasurer shall visit places in the county as he deems expedient for the purpose of receiving taxes and the county board is authorized to pay the expenses of such visits and of preparing duplicate tax lists.

Sec. 17. Minnesota Statutes 1982, section 276.10, is amended to read:

276.10 [APPORTIONMENT AND DISTRIBUTION OF FUNDS.]

On the settlement day in March, June, and November of each year, the county auditor and county treasurer shall distribute all undistributed funds in the treasury, apportioning them, as provided by law, and placing them to the credit of the state, town, city, school district, special district and each county fund. Within 20 days after the distribution is completed, the county auditor shall make a report of it to the state auditor in the form prescribed by

the state auditor. The county auditor shall issue his warrant for the payment of moneys in the county treasury to the credit of the state, town, city, school district, or special districts on application of the persons entitled to receive them. *The county auditor may apply the mill rate from the year previous to the year of distribution when apportioning and distributing delinquent tax proceeds, provided that the composition of the previous year's mill rate between taxing districts is not significantly different than that which existed for the year of the delinquency.*

Sec. 18. Minnesota Statutes 1982, section 277.02, is amended to read:

277.02 [DELINQUENT LIST FILED IN COURT.]

On the ~~tenth~~ last secular day of July, of each year, the county treasurer shall make a list of all personal property taxes remaining delinquent July first, and shall immediately certify to and file the same with the clerk of the district court of his county, and upon such filing the list shall be prima facie evidence that all of the provisions of law in relation to the assessment and levy of such taxes have been complied with.

Sec. 19. Minnesota Statutes 1982, section 282.01, subdivision 7a, is amended to read:

Subd. 7a. [ALTERNATE SALE PROCEDURE.] Land located in a home rule charter or statutory city, or in a town described in section 368.01, subdivision 1, which cannot be improved because of noncompliance with local ordinances regarding minimum area, shape, frontage or access may be sold by the county auditor pursuant to this subdivision if the auditor determines that a nonpublic sale will encourage the approval of sale of the land by the city or town and promote its return to the tax rolls. *If the physical characteristics of the land indicate that its highest and best use will be achieved by combining it with an adjoining parcel and the city or town has not adopted a local ordinance governing minimum area, shape, frontage, or access, the land may also be sold pursuant to this subdivision.* The sale of land pursuant to this subdivision shall be subject to any conditions imposed by the county board pursuant to section 282.03. The governing body of the city or town may recommend to the county board conditions to be imposed on the sale. The county auditor may restrict the sale to owners of lands adjoining the land to be sold. The county auditor shall conduct the sale by sealed bid or may select another means of sale. The land shall be sold to the highest bidder but in no event shall the land be sold for less than its appraised value. All owners of land adjoining the land to be sold shall be given a written notice at least 30 days prior to the sale.

This subdivision shall be liberally construed to encourage the sale and utilization of tax-forfeited land, to eliminate nuisances and dangerous conditions and to increase compliance with land use ordinances.

Sec. 20. Minnesota Statutes 1982, section 282.33, subdivision 1, is amended to read:

Subdivision 1. Whenever an unrecorded deed from the state of Minnesota conveying tax-forfeited lands shall have been lost or destroyed, an application, in form approved by the attorney general, for a new deed may be made by the grantee or his successor in interest to the commissioner of revenue. If it appears to the commissioner of revenue that the facts stated in the petition

are true, he shall issue a new deed to the original grantee, in form approved by the attorney general, with like effect as the original deed. The application shall be accompanied by a fee of \$3 \$10, payable to the commissioner of revenue, which shall be deposited with the state treasurer and credited to the general fund.

Sec. 21. Minnesota Statutes 1982, section 287.08, is amended to read:

287.08 [TAX, HOW PAYABLE; RECEIPTS.]

The tax imposed by sections 287.01 to 287.12 shall be paid to the treasurer of the county in which the mortgaged land or some part thereof is situated at or before the time of filing the mortgage for record or registration. The treasurer shall endorse his receipt on the mortgage, countersigned by the county auditor, who shall charge the amount to the treasurer and such receipt shall be recorded with the mortgage, and such receipt of the record thereof shall be conclusive proof that the tax has been paid to the amount therein stated and authorize any county recorder to record the mortgage. Its form, in substance, shall be "registration tax hereon of _____ dollars paid." If the mortgages be exempt from taxation the endorsement shall be "exempt from registration tax," to be signed in either case by the treasurer as such, and in case of payment to be countersigned by the auditor. In case the treasurer shall be unable to determine whether a claim of exemption should be allowed, the tax shall be paid to the clerk of the district court of the county to abide the order of such court made upon motion of the county attorney, or of the claimant upon notice as required by the court. When any such mortgage covers real property situate in more than one county in this state the whole of such tax shall be paid to the treasurer of the county where the mortgage is first presented for record or registration, and the payment shall be receipted and countersigned as above provided; ~~and such.~~ *When the amount of the tax is \$100 or more, the tax shall be divided and paid over by the county treasurer receiving the same, on or before the tenth day of each month after receipt thereof, to the county or counties entitled thereto in the ratio which the assessed market value of the real property covered by the mortgage in each county bears to the assessed market value of all the property described in the mortgage. In making such division and payment the county treasurer shall send therewith a statement giving the description of the property described in the mortgage and the assessed market value of the part thereof situate in each county. For the purpose aforesaid, the treasurer of any county may require the treasurer of any other county to certify to him the assessed market valuation of any tract of land in any such mortgage.*

Sec. 22. Minnesota Statutes 1982, section 291.005, subdivision 1, is amended to read:

Subdivision 1. Unless the context otherwise clearly requires, the following terms used in this chapter shall have the following meanings:

(1) "Federal gross estate" means the gross estate of a decedent as valued and otherwise determined for federal estate tax purposes by federal taxing authorities pursuant to the provisions of the Internal Revenue Code.

(2) "Minnesota gross estate" means the federal gross estate of a decedent after (a) excluding therefrom any property included therein which has its

situs outside Minnesota and (b) including therein any property omitted from the federal gross estate which is includable therein, has its situs in Minnesota, and was not disclosed to federal taxing authorities. The Minnesota gross estate shall be valued pursuant to the provisions of section 291.215, subdivision 1.

(3) "Personal representative" means the executor, administrator or other person appointed by the court to administer and dispose of the property of the decedent. If there is no executor, administrator or other person appointed, qualified, and acting within this state, then any person in actual or constructive possession of any property having a situs in this state which is included in the federal gross estate of the decedent shall be deemed to be a personal representative to the extent of the property and the Minnesota estate tax due with respect to the property.

(4) "Resident decedent" means an individual whose domicile at the time of his death was in Minnesota.

(5) "Nonresident decedent" means an individual whose domicile at the time of his death was not in Minnesota.

(6) "Situs of property" means, with respect to real property, the state or country in which it is located; with respect to tangible personal property, the state or country in which it was normally kept or located at the time of the decedent's death; and with respect to intangible personal property, the state or country in which the decedent was domiciled at death.

(7) "Commissioner" means the commissioner of revenue or any person to whom the commissioner has delegated functions under this chapter.

(8) "Internal Revenue Code" means the United States Internal Revenue Code of 1954 as amended through ~~December 31, 1981~~ *March 12, 1983*.

Sec. 23. Minnesota Statutes 1982, section 291.03, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] The tax imposed shall be an amount equal to the greater of:

(1) A tax computed by applying to the Minnesota taxable estate the following prescribed rates:

10 percent on the first \$100,000,

11 percent on the next \$500,000 or part thereof,

12 percent on the excess, or

(2) A tax equal to the ~~amount by which the maximum credit allowable under section 2011 of the Internal Revenue Code for state death taxes exceeds the aggregate amount of all estate, inheritance, legacy and succession taxes actually paid to other states of the United States in respect of any property subject to federal estate tax; provided that where the decedent is a nonresident the tax shall be in the same proportion of the maximum credit allowable under section 2011 of the Internal Revenue Code for state death taxes described herein as the Minnesota gross estate bears to the value of the federal gross estate. The tax determined under this paragraph shall not be greater than the maximum credit allowable under section 2011 of the Internal Revenue Code.~~

Sec. 24. Minnesota Statutes 1982, section 291.07, subdivision 1, is amended to read:

Subdivision 1. In determining the tax imposed by section 291.01, the following additional deductions shall be allowed:

(1) funeral expenses;

(2) reasonable legal, accounting, fiduciary and administration expenses and fees with respect to both probate and nonprobate assets, including but not limited to expenses incurred during administration in converting real and personal property held by the estate into cash;

(3) expenses of last illness unpaid at death;

(4) valid claims against and debts of the decedent, unpaid at death, which have been properly paid;

(5) ~~Minnesota and federal income taxes on "income in respect of a decedent," as computed under subdivision 3;~~

~~(6)~~ the portion of the federal estate tax allocable to Minnesota, which shall equal the amount obtained by multiplying the federal estate tax due and payable to the United States Treasury by a fraction, the numerator of which shall equal the value of the Minnesota gross estate reduced by: (a) in the case of a resident decedent, the deductions and exemptions allowed by sections 291.05, 291.051, 291.065, 291.07, subdivision 1, clauses (1), (2), (3), (4), ~~(5), (6), and (7) and (8)~~; or (b) in the case of a nonresident decedent the deductions and exemptions allowed by sections 291.05, 291.051, 291.065, 291.08, clauses (1), (2), (4) and (5), and the denominator of which shall equal the value of the federal taxable estate as defined in section 2051 of the Internal Revenue Code; provided, however, in any case where any property is included in the Minnesota gross estate but incorrectly omitted from the federal gross estate or where any property that is included in both the Minnesota gross estate and the federal gross estate is valued at a higher or lower value in determining the Minnesota gross estate than in determining the federal gross estate, the federal taxable estate shall be recomputed for purposes of this provision and shall be based on a federal gross estate including the value of such omitted property and including or excluding the difference in value of such revalued property, and further provided that the federal estate tax deduction shall not exceed the federal estate tax due and payable to the United States Treasury;

~~(7)~~ (6) real estate taxes due and payable prior to or in the year of the decedent's death with respect to real estate subject to taxation under this chapter and other taxes which have accrued and are a lien on property in the estate at the time of death;

~~(8)~~ (7) liens and mortgages on property subject to taxation under this chapter which are not deductible as claims or debts of the decedent.

Sec. 25. Minnesota Statutes 1982, section 291.09, subdivision 3a, is amended to read:

Subd. 3a. (1) The commissioner may challenge matters of valuation or taxability of any assets reported on the return, or any deductions claimed, or the computation of tax, only if within 180 days from the due date of the

return or the receipt of the return and all documents required to be filed with the return, whichever is later, the commissioner mails or delivers a written notice to the personal representative objecting to the return as filed and specifying the reasons for the objection.

(2) If the personal representative disagrees with the objection or does not wish to fully comply with the objection, he may request that the commissioner hold a hearing on the objection. Within 30 days of receipt of a request, the commissioner shall set a time and place for hearing. Unless otherwise agreed upon, the hearing date shall not be earlier than 30 days nor later than 60 days from the date of the notice setting the hearing. The notice of hearing shall set forth the rights available to the personal representative under chapter 14. Not later than 30 days after the commissioner receives the report and recommendation of the hearing examiner, or a written waiver of his hearing rights by the personal representative, the commissioner shall issue an order determining the tax. Any such determination made by the commissioner may be appealed to the tax court as provided in section 271.09.

(3) At any time together with or after the objection, the commissioner, on his own initiative, may set a time and place for a hearing in accordance with (2) above.

(4) In his objection, or at any time thereafter, the commissioner may assess any additional tax as the facts may warrant, subject to the right of the personal representative to demand a hearing under chapter 15. If the personal representative does not demand a hearing within 90 days of the date of the assessment, the tax so assessed shall be legally due and the commissioner may proceed to collect any unpaid tax after one year from the date of death. If the commissioner later finds the tax assessment to be erroneous, he may adjust the assessment prior to collection.

(5) The commissioner shall not be required to object to any subsequent original, amended or supplemental return in order to preserve his rights. The commissioner shall not be precluded from objecting to a subsequent original, amended or supplemental return even though an original return was accepted as filed. If the commissioner had accepted an original return showing no tax due and a subsequent original, amended or supplemental return discloses additional assets not disclosed on the original return, the commissioner may object to any matter of valuation, taxability, deduction or computation of tax on the original return within 180 days of receipt of the subsequent original, amended or supplemental return.

(6) Subject to the provisions of ~~section~~ sections 291.11 and 291.215, the Minnesota estate tax liability shall be considered as finally determined on the date notification of acceptance is issued to the personal representative or, if no objection is filed, on the day following 180 days from the due date of the return or the receipt of the return, together with all other documents required to be filed with the return, whichever is later.

(7) Subject to the time limits imposed elsewhere in this chapter, the commissioner may refund an overpayment of tax, penalty or interest even though the personal representative has not made an application for refund.

amended to read:

Subd. 6. The amount of tax not timely paid, including the amount of unpaid tax when the taxpayer elects to pay the tax in installments, together with any penalty provided by this section, shall bear interest at the rate specified in section 270.75 from the time such tax should have been paid *if no extension had been granted or election to pay the tax in installments had been made* until paid. All interest and penalty shall be added to the tax and collected as a part thereof.

Sec. 27. Minnesota Statutes 1982, section 291.132, subdivision 1, is amended to read:

Subdivision 1. The commissioner may extend the time for filing returns or making payment of the tax, without penalty, for a period not to exceed six months. In lieu of the six month extension, the commissioner may extend the time for payment of the tax, without penalty, for a period not to exceed two years if the payment of the tax would result in an undue hardship on the estate. The written request for the undue hardship extension shall be made to the commissioner no later than nine months after the death of the person from whom the transfer is made. The taxpayer may elect to pay the taxes in installments as specified in section 291.11, subdivision 1, provided that the period of time for the payment of the taxes shall not exceed five years from the expiration of the extension granted by the commissioner. Where an extension of time has been granted, ~~interest shall be payable at the rate specified in section 270.75 from the date when such payment should have been made, if no extension had been granted, until such tax is paid for payment, interest shall be paid at the rate specified in section 270.75 from the date when payment should have been made if no extension had been granted, until the tax is paid. When an election has been made to pay the tax in installments, interest shall be paid at the rate specified in section 270.75 from the date when payment of the tax should have been made if no election to pay the tax in installments had been made.~~

Sec. 28. Minnesota Statutes 1982, section 291.215, subdivision 3, is amended to read:

Subd. 3. The personal representative shall file an amended estate tax return within 90 days after any amended estate tax return is filed pursuant to the provisions of the United States Internal Revenue Code. If no amended federal estate tax return is filed but the federal estate tax return is changed or corrected, ~~the change or correction shall be reported to personal representative shall file an amended estate tax return with the commissioner of revenue within 90 days after the final determination of the change or correction is made. Upon receipt of an amended federal estate tax return or upon notification of any change or correction made on the federal estate tax return~~ *If the personal representative fails to file an amended estate tax return, the commissioner of revenue may reassess the estate tax.*

Sec. 29. Minnesota Statutes 1982, section 295.365, is amended to read:

295.365 [DECLARATIONS OF ESTIMATED GROSS EARNINGS TAX BY TELEGRAPH AND TELEPHONE COMPANIES.]

Every telegraph company subject to taxation pursuant to section 295.32 and every telephone company subject to taxation pursuant to section

295.34, shall make a declaration of estimated gross earnings tax for the calendar year *if the gross earnings tax can reasonably be expected to be in excess of \$1,000*. The declaration of estimated tax shall be filed on or before March 15. The amount of estimated tax with respect to which a declaration is required shall be paid in four equal installments on or before the 15th day of March, June, September, and December. An amendment of a declaration may be filed in any interval between installment dates prescribed above but only one amendment may be filed in each such interval.

If any amendment of a declaration is filed, the amount of each remaining installment shall be the amount which would have been payable if the new estimate had been made when the first estimate for the calendar year was made, increased or decreased, as the case may be, by the amount computed by dividing

(1) the difference between (A) the amount of estimated tax required to be paid before the date on which the amendment was made, and (B) the amount of estimated tax which would have been required to be paid before such date if the new estimate had been made when the first estimate was made, by

(2) the number of installments remaining to be paid on or after the date on which the amendment is made.

The commissioner of revenue may grant a reasonable extension of time for filing any declaration but such extension shall not be for more than six months.

Sec. 30. Minnesota Statutes 1982, section 295.366, subdivision 1, is amended to read:

Subdivision 1. [ADDITION TO THE TAX.] In case of any underpayment of estimated tax by a telegraph or telephone company, except as provided in subdivision 4, there shall be added to the tax for the taxable year an amount determined at the rate specified in section 270.75 upon the amount of the underpayment (determined under subdivision 2) for the period of the underpayment (determined under subdivision 3). *For taxable years beginning after December 31, 1982, the amount in lieu of interest for that taxable year shall be the amount determined in section 270.75 for January 1 on which begins the taxable year or precedes the beginning of the taxable year.*

Sec. 31. Minnesota Statutes 1982, section 296.06, subdivision 2, is amended to read:

Subd. 2. [REQUIREMENTS FOR ISSUANCE.] A distributor's license shall be issued to any responsible person qualifying as a distributor who makes application therefor, and who shall pay to the commissioner at the time thereof and annually thereafter a license fee of \$5 \$10, and who shall further comply with the following conditions:

(1) A written application shall be made in a manner approved by the commissioner, who shall require the applicant or licensee to deposit with the state treasurer securities of the United States government or the state of Minnesota or to execute and file a bond, with a corporate surety approved by the commissioner, to the state of Minnesota in an amount to be determined by the commissioner and in a form to be fixed by the commissioner and approved by the attorney general, and which shall be conditioned for the

payment when due of all excise taxes, inspection fees, penalties, and accrued interest arising in the ordinary course of business or by reason of any delinquent money which may be due the state of Minnesota; the bond shall cover all places of business within the state where petroleum products are received by the licensee; and the applicant or licensee shall designate and maintain an agent in this state upon whom service may be had for all purposes of this section.

(2) An initial applicant for a distributor's license shall furnish a bond in a minimum sum of \$3,000 for the first year;

(3) Whenever it is the opinion of the commissioner that the bond given by a licensee is inadequate in amount to fully protect the state, he shall require an additional bond in such amount as he deems sufficient;

(4) If any licensee desires to be exempt from depositing securities or furnishing such bond, as hereinbefore provided, he shall furnish an itemized financial statement showing the assets and the liabilities of the applicant and if it shall appear to the commissioner, from the financial statement or otherwise, that the applicant is financially responsible, then the commissioner may exempt such applicant from depositing such securities or furnishing such bond until the commissioner otherwise orders.

(5) The premium on any bond required under clauses (1) and (2), and on any additional bond required under clause (3), shall be paid by the commissioner out of a bond premium fund which he shall set up from an appropriation by the legislature from whatever funds are available. All of said bonds required during each license period shall be purchased by the commissioner of administration from the lowest responsible bidder after advertising for competitive bids in the manner prescribed by Laws 1939, Chapter 431, Article II, as amended. The commissioner of administration shall call for bids within a reasonable period prior to the commencement of license period.

(6) ~~After the present license period expires on May 31, 1947, the next license period shall be for one year ending May 31, 1948, the next license period shall be for 13 months ending June 30, 1949, and thereafter~~ Each license period shall be for one year ending each June 30.

(7) Upon application to the commissioner and compliance by the applicant with the provisions of this subdivision, the commissioner also shall issue a distributor's license to (a) any person engaged in this state in the bulk storage of petroleum products and the distribution thereof by tank car or tank truck or both, and (b) any person holding an unrevoked license as a distributor since January 1, 1947, and (c) any person holding a license and performing a function under the motor fuel tax law of an adjoining state equivalent to that of a distributor under this act, who desires to ship or deliver petroleum products from that state to persons in this state not licensed as distributors in this state and who agrees to assume with respect to all petroleum products so shipped or delivered the liabilities of a distributor receiving petroleum products in this state, provided, however, that any such license shall be issued only for the purpose of permitting such person to receive in this state the petroleum products so shipped or delivered. Except as herein provided, all persons licensed as distributors under this clause shall have the same rights and privileges and be subject to the same duties,

requirements and penalties as other licensed distributors.

Sec. 32. Minnesota Statutes 1982, section 296.12, subdivision 1, is amended to read:

Subdivision 1. [SPECIAL FUEL DEALERS' LICENSE REQUIREMENTS.] No person except a licensed distributor shall engage in the business of selling or delivering special fuel as a special fuel dealer unless he shall have applied for and secured from the commissioner a special fuel dealer's license. The application shall be made in a manner approved by the commissioner and shall be accompanied by the payment of \$5 \$10, which shall be the license fee. A special fuel dealer's license shall be issued to any responsible person qualifying as a special fuel dealer who makes proper application therefor. The license shall be displayed in a conspicuous manner in the place of business and shall expire annually on November 30.

If at any time a special fuel dealer discontinues, sells or disposes of his business in any manner, he shall surrender his special fuel dealer's license to the commissioner at his office in St. Paul, Minnesota.

Sec. 33. Minnesota Statutes 1982, section 296.12, subdivision 2, is amended to read:

Subd. 2. [BULK PURCHASERS' LICENSE REQUIREMENTS.] No person shall receive special fuel as a bulk purchaser unless he shall have applied for and secured from the commissioner a bulk purchaser's license. The application shall be made in a manner approved by the commissioner and shall be accompanied by the payment of \$5 \$10, which shall be the license fee. A bulk purchaser's license shall be issued to any responsible person qualifying as a bulk purchaser who makes proper application therefor. The license shall be displayed in a conspicuous manner in the place of business and shall expire annually on November 30.

If at any time a bulk purchaser discontinues, sells or disposes of his business in any manner, he shall surrender his bulk purchaser's license to the commissioner at his office in St. Paul, Minnesota.

Sec. 34. Minnesota Statutes 1982, section 296.17, subdivision 3, is amended to read:

Subd. 3. [REFUNDS ON GASOLINE AND SPECIAL FUEL USED IN OTHER STATES.] Every person regularly or habitually operating motor vehicles upon the public highways of any other state or states and using in said motor vehicles gasoline or special fuel purchased or obtained in this state, shall be allowed a credit or refund equal to the tax on said gasoline or special fuel paid to this state on the gasoline or special fuel actually used in the other state or states. No credit or refund shall be allowed under this subdivision for taxes paid to any state which imposes a tax upon gasoline or special fuel purchased or obtained in this state and used on the highways of such other state, and which does not allow a similar credit or refund for the tax paid to this state on gasoline or special fuel purchased or acquired in such other state and used on the highways of this state. Every person claiming a credit or refund under this subdivision shall file, within 30 days after the tax to such other state, or states, is paid, a report in such form as may be prescribed by the commissioner, together with such proof of the payment of the tax, and of the fact that it was paid on gasoline or special fuel purchased

or obtained within this state as the commissioner may require. *The claimant may file up to six months from the date the tax was paid to another state but any refund applied for after 30 days from date of payment shall be reduced by five percent for each 30-day period or portion thereof following the initial 30-day period.*

Sec. 35. Minnesota Statutes 1982, section 296.17, subdivision 10, is amended to read:

Subd. 10. [LICENSE.] (a) No motor carrier shall operate a commercial motor vehicle upon the highways of this state unless and until he has been issued a license pursuant to this section or has obtained a trip permit or temporary authorization as provided in this section.

(b) A license shall be issued to any responsible person qualifying as a motor carrier who makes application therefor and who shall pay to the commissioner, at the time thereof, a license fee of ~~\$10~~ \$20. Such license shall remain valid until revoked by the commissioner or until surrendered by the motor carrier. Such license, photocopy or electrostatic copy of it, shall be carried in the cab of every commercial motor vehicle while it is being operated in Minnesota by a licensed motor carrier.

Sec. 36. Minnesota Statutes 1982, section 296.17, subdivision 17, is amended to read:

Subd. 17. [TRIP PERMITS AND TEMPORARY AUTHORIZATIONS.] (a) A motor carrier may obtain a trip permit which shall authorize an unlicensed motor carrier to operate a commercial motor vehicle in Minnesota for a period of five consecutive days beginning and ending on the dates specified on the face of the permit. The fee for such permit shall be ~~\$5~~ \$15. Fees for trip permits shall be in lieu of the road tax otherwise assessable against such motor carrier on account of such commercial motor vehicle operating therewith, and no reports of mileage shall be required with respect to such vehicle.

The above permit shall be issued in lieu of license if in the course of the motor carrier's operations he operates on Minnesota highways no more than three times in any one calendar year.

(b) Whenever the commissioner is satisfied that unforeseen or uncertain circumstances have arisen which requires a motor carrier to operate in this state a commercial motor vehicle for which neither a trip permit pursuant to clause (a) of this subdivision nor a license pursuant to subdivisions 7 to 22 has yet been obtained, and if the commissioner is satisfied that prohibition of such operation would cause undue hardship, the commissioner may provide the motor carrier with temporary authorization for the operation of such vehicle. A motor carrier receiving temporary authorization pursuant to this subdivision shall perfect the same either by obtaining a trip permit or a license, as the case may be, for the vehicle at the earliest practicable time.

Sec. 37. Minnesota Statutes 1982, section 297.03, subdivision 10, is amended to read:

Subd. 10. [DISTRIBUTION OF FREE SAMPLE PACKAGES.] The commissioner may authorize distribution in Minnesota of free packages of cigarettes without affixing stamps to said packages by the following persons

provided that monthly reports and payment of a tax at the same rates prescribed by section 297.02, subdivision 1, shall be made directly to the commissioner in the manner and under the terms provided for by him the commissioner:

(1) Any manufacturer, providing such packages contain not more than ten 20 cigarettes each;

(2) Any person engaged as a common carrier in the transportation of persons, who purchases packages of cigarettes from a manufacturer for distribution without charge, provided that no such package shall contain more than ten 20 cigarettes.

All packages distributed pursuant to this section shall be marked "Complimentary - Not For Sale." The commissioner shall promulgate rules providing for the procedures to be complied with by any person distributing free sample packages.

Sec. 38. Minnesota Statutes 1982, section 340.485, subdivision 1, is amended to read:

Subdivision 1. [MANNER AND TIME OF PAYMENT; PENALTIES; DEPOSIT OF TAX PROCEEDS.] The tax on wines and spirituous liquors, on which the excise tax has not been previously paid, shall be paid to the commissioner of revenue by persons having on file with the commissioner of revenue a sufficient bond as provided in subdivision 2 on or before the tenth day of the month following the month in which the first sale is made in this state by a licensed manufacturer or wholesaler. Every such person liable for any tax on wines or spirituous liquors imposed by section 340.47 shall file with the commissioner of revenue on or before the tenth day of the month following first sale in this state by a licensed manufacturer or wholesaler a return in such form and showing such information as the commissioner of revenue shall by rule prescribe, and shall keep records and render reports as the commissioner of revenue shall by rule prescribe. ~~If the excise tax is not paid when due, there shall be added to the tax an amount equivalent to five percent per month from the date the tax became due until paid. If any person files a false or fraudulent return, there shall be added to the tax a sum equivalent to 100 percent of the amount of the tax evaded or attempted to be evaded.~~ Any person liable for any tax on wines or spirituous liquors not having on file a sufficient bond shall pay the tax within 24 hours after first sale in this state. The commissioner of revenue shall pay all moneys received in the general fund. The commissioner of revenue may certify to the commissioner of public safety any failure to pay taxes when due as a violation of a statute relating to the sale of intoxicating liquor for possible revocation or suspension of license under section 340.135.

If any person fails to pay the tax within the time specified or within 30 days after final determination of an appeal to the Minnesota tax court relating thereto, there shall be added a penalty equal to ten percent of the amount so remaining unpaid. The penalty shall be collected as part of the tax, and the amount of the tax not timely paid, together with the penalty, shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid until paid.

Sec. 39. Minnesota Statutes 1982, section 340.485, is amended by adding

a subdivision to read:

Subd. 5. [FAILURE TO FILE RETURN; PENALTY.] In case of any failure to make and file a return as required by this chapter within the time prescribed by law or prescribed by the commissioner in pursuance of law, unless it is shown that the failure is not due to wilful neglect, there shall be added to the tax in lieu of the ten percent specific penalty provided in subdivision 1: ten percent if the failure is for not more than 30 days with an additional five percent for each additional 30 days or fraction thereof during which such failure continues, not exceeding 25 percent in the aggregate. The amount added to any tax shall be collected at the same time and in the same manner and as a part of the tax, and the amount of tax together with the amount added shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid until paid unless the tax has been paid before the discovery of the neglect, in which case the amount added shall be collected in the same manner as the tax.

For the purposes of this subdivision, the amount of any taxes required to be shown on the return shall be reduced by the amount of any part of the tax which is paid on or before the date prescribed for payment of the tax and by the amount of any credit against the tax which may be claimed upon the return.

Sec. 40. Minnesota Statutes 1982, section 340.485, is amended by adding a subdivision to read:

Subd. 6. [INTENT TO EVADE TAX; FAILURE TO FILE OR FILING FALSE RETURN; PENALTY.] Where any person, with intent to evade the tax, fails to file any return required or shall with intent file a false or fraudulent return, there shall also be imposed upon the person an additional penalty equal to 50 percent of any tax (less any amount paid on the basis of the false or fraudulent return) found due for the period to which the return related. The penalty imposed by this subdivision shall be collected as part of the tax and shall be in addition to any other penalties provided by law.

Sec. 41. Minnesota Statutes 1982, section 340.492, is amended to read:

340.492 [MANNER AND TIME OF PAYMENT; PENALTIES; DEPOSIT OF TAX PROCEEDS.]

Subdivision 1. [FILING DATE; TIME OF PAYMENT.] The commissioner of revenue shall issue rules adopting the reporting method for paying and collecting the excise tax on fermented malt beverages. The rules shall require reports to be filed with and the excise tax to be paid to the commissioner on or before the fifteenth day of the month following the month in which the importation into or the first sale is made in this state, whichever first occurs. If the excise tax is not paid when due, there shall be added to the amount of the tax as penalty a sum equivalent to ten percent thereof, and in addition thereto interest on the tax and penalty at the rate of 20 percent per annum, adjusted as provided in section 270.75, from the date the tax became due until paid. The commissioner shall deposit all moneys received in the funds as provided by section 340.47, subdivision 2.

Subd. 2. [FAILURE TO FILE RETURN.] In case of any failure to make and file a return as required by this chapter within the time prescribed by law or prescribed by the commissioner in pursuance of law, unless it is shown

that the failure is not due to wilful neglect, there shall be added to the tax in lieu of the ten percent specific penalty provided in subdivision 1: ten percent if the failure is for not more than 30 days with an additional five percent for each additional 30 days or fraction thereof during which such failure continues, not exceeding 25 percent in the aggregate. The amount added to any tax shall be collected at the same time and in the same manner and as a part of the tax, and the amount of tax together with the amount added shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid until paid unless the tax has been paid before the discovery of the neglect, in which case the amount added shall be collected in the same manner as the tax.

For purposes of this subdivision, the amount of any taxes required to be shown on the return shall be reduced by the amount of any part of the tax which is paid on or before the date prescribed for payment of the tax and by the amount of any credit against the tax which may be claimed upon the return.

Subd. 3. [INTENT TO EVADE TAX; FAILURE TO FILE OR FILING FALSE RETURN.] Where any person, with intent to evade the tax, fails to file any return required or shall with such intent file a false or fraudulent return, there shall also be imposed upon the person an additional penalty equal to 50 percent of any tax (less any amount paid on the basis of the false or fraudulent return) found due for the period to which the return related. The penalty imposed by this subdivision shall be collected as part of the tax and shall be in addition to any other penalties provided by law.

Sec. 42. Minnesota Statutes 1982, section 477A.04, subdivision 2, is amended to read:

Subd. 2. Beginning in calendar year ~~1984~~ 1986 and subsequent years, an assessment district shall be penalized according to the following schedule:

(a) \$1 per capita if the coefficient of dispersion in assessments for the preceding year is more than ten percent but less than 12.5 percent;

(b) \$3 per capita if the coefficient of dispersion in assessments for the preceding year is at least 12.5 percent but no more than 15 percent;

(c) \$5 per capita if the coefficient of dispersion in assessments for the preceding year is greater than 15 percent.

Sec. 43. Minnesota Statutes 1982, section 505.04, is amended to read:

505.04 [RECORDING.]

Every plat, when duly certified, signed, and acknowledged, as provided in section 505.03, and upon presentation of a certificate from the county auditor that the current year's taxes have been paid, shall be filed and recorded in the office of the county recorder.

Sec. 44. [CITY OF MINNEAPOLIS; HRA REPLACEMENT PROPERTY.]

If approved by the governing body of the city prior to November 1, 1983, the city of Minneapolis may exempt from taxation property located within the city not exceeding one acre which has been acquired to replace property acquired by a housing and redevelopment authority under chapter 462, as

part of a redevelopment project, and which is owned and operated by a nonprofit organization whose general purpose is to sponsor and encourage activities in connection with a particular ethnic heritage; if the property is used primarily as a meeting facility, social hall, or recreational facility by the group and the property is not used for residential purposes on either a temporary or permanent basis. An exemption from taxes granted under this section shall be limited in time to 15 years. The city may require the owner of the property to pay an amount in lieu of taxes.

Sec. 45. [REPEALER.]

(a) Minnesota Statutes 1982, sections 272.022; 272.023; 272.024; 273.13, subdivision 18; 273.23; 273.24; 273.28; 273.29; 273.30; 273.31; 273.34; 273.44; 273.45; 273.52; 288.01; 288.02; 288.03; 288.04; 288.05; and 473F.04, are repealed.

(b) Minnesota Statutes 1982, section 291.07, subdivision 3, is repealed.

Sec. 46. [EFFECTIVE DATE.]

Sections 1, 2, 4, 6, 12, 15, 19, and 20 are effective July 1, 1983. Sections 3, 8 to 11, 14, and 16 are effective for taxes levied in 1983 and thereafter, payable in 1984 and thereafter. Sections 5, 7, 18, 31 to 36, 42 and 45, clause (a) are effective the day after final enactment. Section 13 is effective for assessments made in 1984 and thereafter for taxes payable in 1985 and thereafter. Section 17 is effective for settlements made after July 1, 1983. Sections 21, 30, 37, 38, 39, 40, and 41 are effective August 1, 1983. Section 22 is effective for estates of decedents dying after December 31, 1982. Sections 23, 24, 25, 26, 27, 28, and 45, clause (b) are effective for estates of decedents dying on or after July 1, 1983. Section 29 is effective January 1, 1983. Section 43 is effective for plats filed after July 1, 1983. Section 44 is effective after approval by the city council of the city of Minneapolis on the day after compliance with Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to taxation; increasing the amount of reduced valuations required to be maintained as public record; allowing the commissioner discretion in apportioning levies; increasing the amount of reduction in valuation requiring an opportunity for hearing; clarifying the definition of real property for ad valorem purposes; classifying farm rental value data; allowing county auditors to combine legal descriptions over section lines; excluding certain corporations from receiving agricultural property tax valuation; providing for continued deferred assessment of open space property after certain sales; providing for the assessment of certain class 3 property based upon its use; requiring publication of certain requirements for obtaining a homestead after the assessment date; providing for split classification of certain homestead property; removing special taxing districts from levy limits; allowing counties to charge for dishonored checks; allowing the rounding of tax amounts on tax statements; allowing the use of the previous year's mill rate in certain cases when distributing delinquent tax proceeds; changing the date for filing list of delinquent personal property taxes; extending application of the alternate sale procedure; increasing the fee for lost deeds; changing the process for distributing

mortgage registration tax proceeds; updating to the Internal Revenue Code for purposes of the estate tax; requiring filing of an amended estate tax return in certain situations; clarifying the date interest accrues on estate tax amounts due; providing for department action following the filing of an amended return; requiring state's share of federal credit to not be less than state's share of the estate; changing the requirement for filing a declaration of estimated gross earnings tax; imposing a penalty for failure to pay estimated gross earnings tax; extending the time allowed to claim gasoline or special fuel tax refunds; changing the requirements relating to distribution of free samples of cigarettes; imposing a penalty for failure to pay the tax on wines and spirituous liquors; conforming penalties for nonpayment of tax on beer to penalties imposed on other taxes; requiring payment of current taxes before a plat is recorded; delaying implementation of the assessment penalty; increasing the fee for issuance of a petroleum products distributors license; increasing the fee for issuance of special fuel dealers or bulk purchasers licenses; increasing the fee for issuance of a motor carrier license; increasing the fee for issuance of a temporary trip permit; allowing the city of Minneapolis to temporarily exempt certain property from taxation; amending Minnesota Statutes 1982, sections 270.10, subdivisions 1 and 3; 270.12, subdivision 3; 270.19; 272.03, subdivision 1; 272.46, subdivision 2; 273.11, subdivision 7; 273.111, subdivision 3; 273.112, subdivision 7, and by adding a subdivision; 273.13, subdivisions 4 and 16, and by adding a subdivision; 275.50, subdivision 2; 276.02; 276.04; 276.10; 277.02; 282.01, subdivision 7a; 282.33, subdivision 1; 287.08; 291.005, subdivision 1; 291.03, subdivision 1; 291.07, subdivision 1; 291.09, subdivision 3a; 291.131, subdivision 6; 291.132, subdivision 1; 291.215, subdivision 3; 295.365; 295.366, subdivision 1; 290.06, subdivision 2; 296.12, subdivisions 1 and 2; 296.17, subdivisions 3, 10, and 17; 297.03, subdivision 10; 340.485, subdivision 1, and by adding subdivisions; 340.492; 477A.04, subdivision 2; 505.04; repealing Minnesota Statutes 1982, sections 272.022; 272.023; 272.024; 273.13, subdivision 18; 273.23; 273.24; 273.28; 273.29; 273.30; 273.31; 273.34; 273.44; 273.45; 273.52; 288.01; 288.02; 288.03; 288.04; 288.05; 291.07, subdivision 3; and 473F.04."

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

Senate Conferees: (Signed) Lawrence J. Pogemiller, Gene Merriam

House Conferees: (Signed) Linda Scheid, Tom Osthoff, William Schreiber

Mr. Pogemiller moved that the foregoing recommendations and Conference Committee Report on S.F. No. 267 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 267 was read the third time as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 48 and nays 6, as follows:

Those who voted in the affirmative were:

Adkins	Diecklich	Knutson	Olson	Solon
Anderson	Diessner	Kroening	Pehler	Spear
Belanger	Frank	Laidig	Peterson, D.C.	Storm
Berg	Freeman	Lessard	Pogemiller	Stumpf
Bernhagen	Hughes	Luther	Purfeerst	Ulland
Bertram	Isackson	McQuaid	Ramstad	Vega
Chmielewski	Johnson, D.E.	Mehrkens	Reichgott	Wegscheid
Dahl	Johnson, D.J.	Moe, D. M.	Renneke	Willet
Davis	Jude	Moe, R. D.	Samuelson	
DeCramer	Knaak	Novak	Schmitz	

Those who voted in the negative were:

Benson	Frederickson	Kamrath	Kronebusch	Peterson, D.L.
Frederick				

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Pogemiller moved that H.F. No. 870 and the Conference Committee report thereon be taken from the table. The motion prevailed.

CONFERENCE COMMITTEE REPORT ON H.F. NO. 870

A bill for an act relating to state government; authorizing the commissioner of the department of economic security to adopt permanent or temporary rules; proposing new law coded in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1982, section 268.12, subdivision 3.

May 13, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 870, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 870 be amended as follows:

Page 1, line 11, delete "*permanent or temporary*"

Page 1, line 11, after "*rules*" insert "*, including temporary rules, in accordance with chapter 14,*"

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

House Conferees: (Signed) Peter Rodosovich, John T. Clawson, Steve Sviggum

Senate Conferees: (Signed) Lawrence J. Pogemiller, Gene Merriam, William V. Belanger, Jr.

Mr. Pogemiller moved that the foregoing recommendations and Conference Committee Report on H.F. No. 870 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were

adopted.

H.F. No. 870 was read the third time as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knutson	Pehler	Schmitz
Anderson	Diessner	Kroening	Peterson, C.C.	Solon
Belanger	Frank	Kronebusch	Peterson, D.C.	Storm
Benson	Frederick	Laidig	Peterson, D.L.	Stumpf
Berg	Frederickson	Langseth	Petty	Ulland
Bernhagen	Hughes	Luther	Pogemiller	Vega
Bertram	Isackson	McQuaid	Purfeerst	Waldorf
Chmielewski	Johnson, D.E.	Mehrrens	Ramstad	Wegscheid
Dahl	Johnson, D.J.	Moe, D. M.	Reichgott	Willet
Davis	Jude	Moe, R. D.	Renneke	
DeCramer	Kamrath	Novak	Samuelson	

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 238 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 238

A bill for an act relating to mining; including peat within the provisions of mineland reclamation laws; requiring adoption of certain reclamation rules prior to issuance of metallic mining permits; amending Minnesota Statutes 1982, sections 93.44; 93.46, subdivisions 2 and 6; and 93.481, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 93.

May 16, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 238, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 238 be amended as follows:

Page 2, after line 19, insert:

“(a) For the purposes of sections 93.46 to 93.51, “peat mining” means the removal of peat for commercial purposes, including activities associated with the removal. “Peat mining” does not include removal of peat which is incidental to the harvesting of an agricultural or horticultural crop, or to mining of a metallic mineral that is subject to a mineland reclamation rule and a permit to mine.”

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

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

Page 2, line 29, delete "2,000" and insert "1,000"

Page 2, line 31, delete "at least 90 days"

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

Senate Conferees: (Signed) A. W. "Bill" Diessner, Gene Merriam, John Bernhagen

House Conferees: (Signed) Willard M. Munger, Darby Nelson, Douglas W. Carlson

Mr. Diessner moved that the foregoing recommendations and Conference Committee Report on S.F. No. 238 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 238 was read the third time as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

Remaining on the Order of Business of Motions and Resolutions, without objection, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Kamrath, Benson, Isackson, Renneke and Anderson introduced—

S.F. No. 1268: A resolution memorializing the President and Congress of the United States to adopt a national policy of peace through strength.

Referred to the Committee on Rules and Administration.

Messrs. Pehler; Johnson, D.E.; Peterson, R.W.; Stumpf and Mehrkens introduced—

S.F. No. 1269: A bill for an act relating to education; changing the secondary vocational education categorical aid program to a general aid program; amending Minnesota Statutes 1982, section 124.155, subdivision 2, as amended; proposing new law coded in Minnesota Statutes, chapter 124; repealing Minnesota Statutes 1982, sections 124.573 and 124.574.

Referred to the Committee on Education.

Mr. Benson and Mrs. Kronebusch introduced—

S.F. No. 1270: A bill for an act relating to state government; regulating mandates to local units of government; proposing new law coded as Minnesota Statutes, chapter 256F.

Referred to the Committee on Governmental Operations.

Mr. Solon introduced—

S.F. No. 1271: A bill for an act relating to retirement; Duluth firefighters; computation of units for retirement and survivor benefit purposes; amending Laws 1965, chapter 179, section 1, as amended.

Referred to the Committee on Governmental Operations.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Petty moved that his name be stricken as a co-author to S.F. No. 283. The motion prevailed.

Mr. Solon moved that S.F. No. 616 be taken from the table. The motion prevailed.

S.F. No. 616: A bill for an act relating to the council for the handicapped; providing for appointment of members to the council; decreasing the number of council members; making the council permanent; clarifying the purposes of committees within the council; describing duties; amending Minnesota Statutes 1982, sections 256.481; and 256.482; repealing Minnesota Statutes 1982, section 256.483.

CONCURRENCE AND REPASSAGE

Mr. Solon moved that the Senate concur in the amendments by the House to S.F. No. 616 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 616 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 553: Messrs. Hughes, Storm and Ms. Peterson, D.C.

H.F. No. 435: Messrs. Peterson, R.W.; Spear; Johnson, D.E.; Ms. Reichgott and Mr. Petty.

S.F. No. 1008: Mr. Freeman, Ms. Reichgott and Mr. Sieloff.

H.F. No. 289: Messrs. Dieterich, Sieloff and Ms. Peterson, D.C.

S.F. No. 159: Messrs. Samuelson, Dahl and Anderson.

S.F. No. 218: Messrs. Freeman, Merriam and Sieloff.

S.F. No. 545: Ms. Berglin, Mr. Storm and Ms. Reichgott.

S.F. No. 591: Mr. Petty, Mrs. Lantry and Mr. Renneke.

S.F. No. 87: Messrs. Petty, Spear and Laidig.

S.F. No. 964: Messrs. Petty; Peterson, R.W. and Knaak.

S.F. No. 455: Messrs. Petty; Peterson, R.W. and Knutson.

S.F. No. 889: Messrs. Kroening, Freeman and Kamrath.

H.F. No. 652: Messrs. Peterson, C.C.; Renneke; Peterson, R.W.; Frederickson and Moe, D.M.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Dahl moved that S.F. No. 338 be taken from the table. The motion

prevailed.

S.F. No. 338: A bill for an act relating to motor vehicles; maintaining the maximum interest rate on certain loans under the Motor Vehicle Retail Installment Sales Act at the current rate; amending Minnesota Statutes 1982, section 168.72, subdivision 2.

Mr. Dahl moved that the Senate concur in the amendments by the House to S.F. No. 338 and that the bill be placed on its repassage.

Mr. Dieterich moved that the Senate do not concur in the amendments by the House to S.F. No. 338, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House.

The question was taken on the adoption of the motion of Mr. Dieterich.

The roll was called, and there were yeas 32 and nays 18, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kamrath	Merriam	Schmitz
Anderson	Dieterich	Knutson	Moe, D. M.	Storm
Benson	Frederick	Kroening	Novak	Ulland
Berg	Frederickson	Kronebusch	Olson	Waldorf
Berglin	Isackson	Lantry	Peterson,C.C.	
Bernhagen	Johnson, D.E.	McQuaid	Ramstad	
Chmielewski	Jude	Mehrkens	Renneke	

Those who voted in the negative were:

Bertram	Dicklich	Luther	Petty	Wegscheid
Dahl	Frank	Moe, R. D.	Pogemiller	Willet
Davis	Hughes	Pehler	Stumpf	
DeCramer	Johnson, D.J.	Peterson,D.C.	Vega	

The motion prevailed.

Mr. Vega moved that H.F. No. 751 be taken from the table. The motion prevailed.

H.F. No. 751: A bill for an act relating to energy; simplifying hydropower lease procedures; amending Minnesota Statutes 1982, sections 105.482, subdivisions 8 and 9; 272.02, by adding a subdivision; 273.19, by adding a subdivision; and 295.44, subdivision 1; repealing Minnesota Statutes 1982, section 295.44, subdivisions 2, 3, and 4.

Mr. Vega moved that H.F. No. 751 be referred to the Committee on Energy and Housing. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Special Orders Calendar. The motion prevailed.

SPECIAL ORDER

S.F. No. 1097: A bill for an act relating to agriculture; making certain changes in the grain buyers act; changing the place of filing of farm product liens; imposing a penalty; amending Minnesota Statutes 1982, sections 223.16, subdivisions 1, 7, 8, 11, and by adding subdivisions; 223.17;

223.18; 223.19; and 336.9-401; Laws 1982, chapter 635, section 9; proposing new law coded in Minnesota Statutes, chapter 223.

Mr. Frederickson moved to amend S.F. No. 1097 as follows:

Page 4, line 35, delete "it" and insert "the licensee"

The motion prevailed. So the amendment was adopted.

S.F. No. 1097 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 50 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Luther	Samuelson
Anderson	Dicklich	Kamrath	McQuaid	Schmitz
Belanger	Diessner	Knaak	Mehrkens	Sieloff
Benson	Frank	Knutson	Nelson	Storm
Berg	Frederick	Kroening	Olson	Stumpf
Bernhagen	Frederickson	Kronebusch	Pehler	Taylor
Bertram	Freeman	Laidig	Peterson, D.C.	Ulland
Brataas	Hughes	Langseth	Peterson, D.L.	Waldorf
Dahl	Isackson	Lantry	Purfeerst	Wegscheid
Davis	Johnson, D.E.	Lessard	Ramstad	Willet

Messrs. Merriam and Renneke voted in the negative.

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Willet moved that H.F. No. 1310 be taken from the table. The motion prevailed.

H.F. No. 1310: A bill for an act relating to capital improvements; authorizing the acquisition and betterment of public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; appropriating money; proposing new law coded in Minnesota Statutes, chapter 16.

CALL OF THE SENATE

Mr. Willet imposed a call of the Senate for the balance of the proceedings on H.F. No. 1310. The Sergeant at Arms was instructed to bring in the absent members.

H.F. No. 1310 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 45 and nays 20, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Laidig	Pehler	Schmitz
Berg	Frederick	Langseth	Peterson, C. C.	Solon
Berglin	Frederickson	Lantry	Peterson, D. C.	Spear
Bernhagen	Freeman	Lessard	Peterson, R. W.	Stumpf
Bertram	Hughes	Luther	Petty	Taylor
Chmielewski	Johnson, D. J.	Merriam	Pogemiller	Vega
Dahl	Knutson	Moe, R. D.	Reichgott	Waldorf
DeCramer	Kroening	Nelson	Renneke	Wegscheid
Dicklich	Kronebusch	Novak	Samuelson	Willet

Those who voted in the negative were:

Anderson	Davis	Johnson, D. E.	McQuaid	Ramstad
Belanger	Dieterich	Jude	Mehrrens	Sieloff
Benson	Frank	Kamrath	Moe, D. M.	Storm
Brataas	Isackson	Knaak	Peterson, D. L.	Ulland

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Willet moved that S.F. No. 1254, No. 47 on Special Orders, be stricken and laid on the table. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Peterson, R.W. moved that the following members be excused for a Conference Committee on H.F. No. 435:

Mr. Spear, Ms. Reichgott, Messrs. Petty; Johnson, D.E. and Peterson, R.W. The motion prevailed.

SPECIAL ORDER

H.F. No. 257: A bill for an act relating to motor vehicles; providing for special license plates for certain motor vehicles owned by certain members of the Minnesota national guard; imposing fees; amending Minnesota Statutes 1982, section 168.12, by adding a subdivision.

Mrs. Adkins moved that the amendment made to H.F. No. 257 by the Committee on Rules and Administration in the report adopted May 17, 1983, pursuant to Rule 49, be stricken. The motion did not prevail.

H.F. No. 257 was then progressed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Schmitz moved that S.F. No. 949, No. 44 on Special Orders, be stricken and returned to its author. The motion prevailed.

Mr. Willet moved that H.F. No. 1059 be taken from the table. The motion prevailed.

H.F. No. 1059: A resolution memorializing the President and Congress of the United States to take immediate steps to curb the sources of acid rain.

SUSPENSION OF RULES

Mr. Willet moved that an urgency be declared within the meaning of

Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1059 and that the rules of the Senate be so far suspended as to give H.F. No. 1059 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1059 was read the second time.

H.F. No. 1059 was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

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

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Moe, D. M.	Sieloff
Belanger	Diessner	Knutson	Moe, R. D.	Storm
Benson	Frank	Kroening	Olson	Stumpf
Berg	Frederick	Kronebusch	Pehler	Ulland
Bernhagen	Frederickson	Langseth	Peterson, D.C.	Waldorf
Bertram	Freeman	Lantry	Peterson, D.L.	Wegscheid
Brataas	Hughes	Lessard	Pogemiller	Willet
Chmielewski	Isackson	Luther	Purfeerst	
Dahl	Johnson, D.E.	McQuaid	Ramstad	
Davis	Jude	Mehrrens	Renneke	
DeCramer	Kamrath	Merriam	Schmitz	

So the resolution passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 744: A bill for an act relating to motor vehicles; providing for special, free license plates for recipients of the congressional medal of honor; proposing new law coded in Minnesota Statutes, chapter 168.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 48 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Mehrrens	Samuelson
Belanger	Dicklich	Kamrath	Merriam	Schmitz
Benson	Diessner	Knaak	Moe, R. D.	Sieloff
Berg	Frank	Knutson	Olson	Stumpf
Bernhagen	Frederick	Kroening	Pehler	Taylor
Bertram	Frederickson	Kronebusch	Peterson, D.C.	Waldorf
Brataas	Freeman	Lantry	Pogemiller	Wegscheid
Chmielewski	Hughes	Lessard	Purfeerst	Willet
Dahl	Isackson	Luther	Ramstad	
Davis	Johnson, D.E.	McQuaid	Renneke	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1106: A bill for an act relating to insurance; correcting certain errors; removing certain deficiencies and ambiguities; correcting certain omissions; expanding certain insurers' investment authority; providing standards for application or reporting requirements; authorizing the commissioner to adopt rules; providing for miscellaneous changes and clarifi-

cations; amending Minnesota Statutes 1982, sections 60A.11, subdivisions 9, 10, 14, 18, 20, 21, 23, and 24; 60A.111, subdivision 2, and by adding subdivisions; 61A.28, subdivisions 3, 6, and 12; 61A.29, subdivision 2; 61A.31, subdivision 3; repealing Minnesota Statutes 1982, section 60A.111, subdivision 4.

Mr. Luther moved to amend H.F. No. 1106 as follows:

Page 23, after line 11, insert:

“Sec. 17. Minnesota Statutes 1982, section 62A.32, is amended to read:

62A.32 [MEDICARE SUPPLEMENT 1 + ; COVERAGE.]

Medicare supplement 1 + must have a level of coverage so that it will be certified as a qualified plan pursuant to chapter 62E, and will provide:

(a) Coverage of part A medicare eligible expenses for hospitalization to the extent not covered by medicare to at least 50 percent of the deductible and co-payment required under medicare for the first 60 days of any medicare benefit period;

(b) Coverage of part A medicare eligible expenses for hospitalization to the extent not covered by medicare from the 61st day through the 90th day in any medicare benefit period;

(c) Coverage of part A medicare eligible expenses incurred as daily hospital charges during use of medicare's lifetime hospital inpatient reserve days to the extent not covered by medicare;

(d) Upon exhaustion of all medicare hospital inpatient coverage including the lifetime reserve days, coverage of 90 percent of all medicare part A eligible expenses for hospitalization not covered by medicare subject to a lifetime maximum benefit of an additional 365 days;

(e) Coverage of 20 percent of the amount of medicare eligible expenses under part B regardless of hospital confinement and coverage of at least 50 100 percent of the medicare calendar year part B deductible;

(f) 80 percent of charges for covered services described in section 62E.06, subdivision 1, which charges are not paid by medicare or pursuant to paragraphs (a) to (e); and

(g) ~~Shall include~~ A limitation of \$1,000 per person on total annual out-of-pocket expenses for the covered services. The coverage must be subject to a maximum lifetime benefit of not less than \$100,000.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 13, after the semicolon, insert “62A.32;”

The motion prevailed. So the amendment was adopted.

H.F. No. 1106 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 45 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Lessard	Samuelson
Anderson	DeCramer	Kamrath	Luther	Schmitz
Belanger	Frank	Knaak	Merriam	Sieloff
Benson	Frederick	Knutson	Olson	Storm
Bernhagen	Frederickson	Kroening	Pehler	Stumpf
Bertram	Freeman	Kronebusch	Peterson, D.C.	Vega
Brataas	Hughes	Laidig	Pogmiller	Waldorf
Chmielewski	Isackson	Langseth	Ramstad	Wegscheid
Dahl	Johnson, D.E.	Lantry	Renneke	Willet

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Willet moved that S.F. No. 320 be withdrawn from the Committee on Finance, given a second reading and placed on Special Orders. The motion prevailed.

S.F. No. 320 was read the second time.

Mr. Willet moved that S.F. No. 620 be withdrawn from the Committee on Finance, given a second reading and placed on Special Orders. The motion prevailed.

S.F. No. 620 was read the second time.

Mr. Stumpf moved that S.F. No. 486, No. 45 on Special Orders, be stricken and re-referred to the Committee on Agriculture and Natural Resources. The motion prevailed.

Mr. Langseth moved that S.F. No. 1031, No. 43 on Special Orders, be stricken and returned to its author. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 4:00 p.m. The motion prevailed.

The hour of 4:00 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Purfeerst moved that the following members be excused for a Conference Committee on H.F. No. 77 from 1:00 to 2:00 p.m.:

Messrs. Purfeerst, Frank, Lessard, Knaak and Spear. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Knaak moved that the following members be

excused for a Conference Committee on S.F. No. 61 from 2:00 to 3:30 p.m.:

Messrs. Knaak, Luther and Pogemiller. The motion prevailed.

SPECIAL ORDER

S.F. No. 628: A bill for an act relating to agriculture; providing for the prevention of economic waste in the marketing of certain agricultural crops produced in Minnesota by establishing minimum prices; providing for supply management and orderly marketing, administration, and enforcement; imposing a penalty; proposing new law coded in Minnesota Statutes, chapter 17.

Mr. Davis moved to amend S.F. No. 628 as follows:

Page 5, line 31, delete "establish" and insert "include establishment of"

The motion prevailed. So the amendment was adopted.

Mr. Davis then moved to amend S.F. No. 628 as follows:

Page 2, line 32, delete "7" and insert "8"

Page 5, line 29, after the comma, insert "and with the council on agricultural commodity pricing,"

Page 9, after line 21, insert:

"Sec. 8. [17.709] [COUNCIL ON AGRICULTURAL COMMODITY PRICING.]

The council on agricultural commodity pricing is created and shall consist of four members of the senate appointed by the senate committee on rules and administration, four members of the house of representatives appointed by the speaker of the house, and four residents of the state appointed by the commissioner representing farm organizations with a diverse, statewide membership of producers of agricultural commodities. Legislative members shall be appointed at the commencement of the first year of each regular session for a two year term beginning on January 16 of that year. Vacancies may be filled in the same manner as the original appointment. One member from each house of the legislature shall be a minority member of that body. The provisions of section 15.059, subdivisions 2, 3, and 4, apply to the nonlegislative members of the council. The council may elect a chairman from among its members.

The council shall review and make recommendations concerning the implementation of sections 2 to 7, advise the commissioner of agriculture concerning agricultural commodity pricing and marketing, and submit any recommended legislative changes to the appropriate standing committees of the legislature. The council shall provide a forum for advice and comment from a broad spectrum of individuals and organizations involved in agriculture."

Renumber the sections in sequence

The motion prevailed. So the amendment was adopted.

Mr. Bertram moved to amend S.F. No. 628 as follows:

Page 6, line 2, after the period, insert "The commissioner shall consider

the impact that procedures adopted under this section may have on producers of livestock."

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Mr. Davis imposed a call of the Senate for the balance of the proceedings on S.F. No. 628. The Sergeant at Arms was instructed to bring in the absent members.

S.F. No. 628 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 36 and nays 28, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Lessard	Peterson, C.C.	Solon
Berglin	Frank	Luther	Peterson, D.C.	Spear
Bertram	Freeman	Merriam	Peterson, R.W.	Vega
Chmielewski	Hughes	Moe, D. M.	Petty	Willet
Dahl	Johnson, D.J.	Moe, R. D.	Pogemiller	
Davis	Jude	Nelson	Purfeerst	
DeCramer	Kroening	Novak	Samuelson	
Dicklich	Lantry	Pehler	Schmitz	

Those who voted in the negative were:

Anderson	Dieterich	Knaak	Mehrkens	Storm
Belanger	Frederick	Knutson	Olson	Stumpf
Benson	Frederickson	Kronebusch	Peterson, D.L.	Taylor
Berg	Isackson	Laidig	Ramstad	Ulland
Bernhagen	Johnson, D.E.	Langseth	Renneke	
Brataas	Kamurath	McQuaid	Sieloff	

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

SPECIAL ORDER

H.F. No. 916: A bill for an act relating to economic development; creating a preference for Minnesota residents in the awarding of public contracts; creating a preference for Minnesota labor and materials; proposing new law coded in Minnesota Statutes, chapter 16.

Mr. Vega moved that the amendment made to H.F. No. 916 by the Committee on Rules and Administration in the report adopted May 10, 1983, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

Mr. Benson moved to amend H.F. No. 916 as follows:

Page 1, line 16, after "board," insert "and"

Page 1, line 17, delete " , and all municipalities"

CALL OF THE SENATE

Mr. Vega imposed a call of the Senate for the balance of the proceedings

on H.F. No. 916. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the Benson amendment.

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

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

Those who voted in the affirmative were:

Anderson	Frederick	Kronebusch	Moe, D. M.	Spear
Belanger	Frederickson	Laidig	Olson	Storm
Benson	Isackson	Langseth	Peterson, D.L.	Stumpf
Berg	Johnson, D.E.	Lessard	Ramstad	Taylor
Bernhagen	Kamrath	McQuaid	Renneke	Ulland
Bertram	Knaak	Mehrkens	Schmitz	Vega
Dieterich	Knutson	Merriam	Sieloff	Waldorf

Those who voted in the negative were:

Adkins	Diessner	Kroening	Peterson, C.C.	Samuelson
Berglin	Frank	Lantry	Peterson, D.C.	Wegscheid
Dahl	Freeman	Luther	Peterson, R.W.	Willet
Davis	Hughes	Nelson	Petty	
DeCramer	Johnson, D.J.	Novak	Pogemiller	
Dicklich	Jude	Pehler	Reichgott	

The motion prevailed. So the amendment was adopted.

Mr. Vega moved that H.F. No. 916 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mrs. Lantry moved that S.F. No. 699 be taken from the table. The motion prevailed.

S.F. No. 699: A bill for an act relating to highway traffic regulations; regulating the use of materials on the windshields, side windows, and rear windows of motor vehicles; amending Minnesota Statutes 1982, section 169.71, by adding a subdivision.

Mrs. Lantry moved that the Senate do not concur in the amendments by the House to S.F. No. 699, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

RECONSIDERATION

Having voted on the prevailing side, Mrs. Lantry moved that the vote whereby the motion to not concur in the amendments by the House to S.F.No. 699 and appoint a Conference Committee passed on May 19, 1983, be now reconsidered. The motion prevailed.

Mrs. Lantry withdrew her motion to appoint a Conference Committee.

CONCURRENCE AND REPASSAGE

Mrs. Lantry moved that the Senate concur in the amendments by the

House to S.F. No. 699 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 699 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 41 and nays 15, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kronebusch	Peterson, D.C.	Taylor
Anderson	Frank	Laidig	Petty	Ulland
Belanger	Freeman	Langseth	Reichgott	Vega
Berglin	Hughes	Lantry	Samuelson	Waldorf
Bertram	Isackson	Lessard	Schmitz	Willet
Dahl	Johnson, D.E.	Luther	Sieloff	
Davis	Jude	McQuaid	Spear	
DeCramer	Knaak	Olson	Storm	
Dicklich	Kroening	Pehler	Stumpf	

Those who voted in the negative were:

Benson	Frederick	Knutson	Moe, D. M.	Pogemiller
Berg	Frederickson	Mehrkens	Moe, R. D.	Ramstad
Bernhagen	Kamrath	Merriam	Peterson, D.L.	Renneke

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

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Reports of Committees and Second Reading of House Bills. The motion prevailed.

REPORTS OF COMMITTEES

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

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

H.F. No. 274: A bill for an act relating to the legislature; providing for the majority leader of the senate rather than the president of the senate to serve as chairman of the legislative coordinating commission; changing the term of the chairman of the commission from one year to two years; amending Minnesota Statutes 1982, section 3.303, subdivision 3.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 79.251, is amended to read:

79.251 [ADMINISTRATION OF ASSIGNED RISK PLAN.]

Subdivision 1. [ASSIGNED RISK PLAN REVIEW BOARD.] (1) An assigned risk plan review board is created for the purposes of review of the operation of sections ~~79.24 to 79.27~~ 2 and 79.251. The board shall have all the usual powers and authorities necessary for the discharge of its duties

under this section and may contract with individuals in discharge of those duties.

(2) The board shall consist of ~~five~~ six members to be appointed by the commissioner of insurance. ~~Two~~ Three members shall be insureds holding policies or contracts of coverage issued pursuant to ~~section 79.25 subdivision 4~~. Two members shall be ~~members of the association~~ insurers licensed pursuant to ~~section 60A.06, subdivision 1, clause (5), paragraph (b)~~. The commissioner shall be the ~~fifth~~ sixth member and shall vote.

Initial appointments shall be made by September 1, 1981, and terms shall be for three years duration. Removal, the filling of vacancies and compensation of the members other than the commissioner shall be as provided in section 15.059.

(3) The assigned risk plan review board shall audit the reserves established by ~~insurers~~ (a) for individual cases arising under policies and contracts of coverage issued under ~~section 79.25 subdivision 4~~ and (b) for the total book of business issued under ~~section 79.25 subdivision 4~~.

(4) The assigned risk plan review board shall monitor the operations of sections ~~79.24 to 79.27 2 and 79.251~~ and shall periodically make recommendations to the commissioner, and to the governor and legislature when appropriate, for improvement in the operation of those sections.

(5) All ~~members of the association~~ insurers and self-insurance administrators issuing policies or contracts under ~~section 79.25 subdivision 4~~ shall pay and the commissioner shall receive and disburse, on behalf of the board, a .25 percent assessment on premiums for policies and contracts of coverage issued under ~~section 79.25 subdivision 4~~ for the purpose of defraying the costs of the assigned risk plan review board.

(6) *The assigned risk plan and the assigned risk plan review board shall not be deemed a state agency.*

Subd. 2. [APPROPRIATE MERIT RATING PLAN.] The commissioner shall develop an appropriate merit rating plan which shall be applicable to all insureds holding policies or contracts of coverage issued pursuant to ~~section 79.25 whose premium is less than the amount necessary to qualify for experience rating subdivision 4~~ and to the insurers or self-insurance administrators issuing those policies or contracts. The plan shall provide a maximum merit ~~payment adjustment~~ equal to ten percent of earned premium. The actual ~~payment adjustment~~ may vary with insured's loss experience.

Subd. 3. [RATES.] *Insureds served by the assigned risk plan shall be charged premiums based upon a rating plan, including a merit rating plan adopted by the commissioner by rule. The commissioner shall annually, not later than January 1 of each year, establish the schedule of rates applicable to assigned risk plan business. Assigned risk premiums shall not be lower than rates generally charged by insurers for the business. The commissioner shall fix the compensation received by the agent of record. The establishment of the assigned risk plan rates and agent fees are not subject to chapter 14.*

Subd. 4. [ADMINISTRATION.] *The commissioner shall enter into service contracts as necessary or beneficial for accomplishing the purposes of the assigned risk plan. Services related to the administration of policies or con-*

tracts of coverage shall be performed by one or more qualified insurance companies licensed pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b), or self-insurance administrators licensed pursuant to section 176.181, subdivision 2, clause (2), paragraph (a). A qualified insurer or self-insurance administrator shall possess sufficient financial, professional, administrative, and personnel resources to provide the services contemplated in the contract. Services related to assignments, data management, assessment collection, and other services shall be performed by a licensed data service organization. The cost of those services is an obligation of the assigned risk plan.

Subd. 5. [ASSESSMENTS.] The commissioner shall assess all insurers licensed pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b) an amount sufficient to fully fund the obligations of the assigned risk plan, if the commissioner determines that the assets of the assigned risk plan are insufficient to meet its obligations. The assessment of each insurer shall be in a proportion equal to the proportion which the amount of compensation insurance written in this state during the preceding calendar year by that insurer bears to the total compensation insurance written in this state during the preceding calendar year by all licensed insurers.

Sec. 2. [79.252] [ASSIGNED RISK PLAN.]

Subdivision 1. [PURPOSE.] The purpose of the assigned risk plan is to provide workers' compensation coverage to employers rejected by a licensed insurance company, pursuant to subdivision 2.

Subd. 2. [REJECTED RISKS.] An insurer that refuses to write insurance for an employer shall furnish the employer a written notice of refusal. The employer shall file a copy of the notice of refusal with the data service organization under contract with the commissioner pursuant to section 79.251, subdivision 4.

Subd. 3. [COVERAGE.] Policies and contracts of coverage issued pursuant to section 79.251, subdivision 4, shall contain the usual and customary provisions of workers' compensation insurance policies, and shall be deemed to meet the mandatory workers' compensation insurance requirements of section 176.181, subdivision 2.

Subd. 4. [RESPONSIBILITIES.] Assigned risk policies and contracts of coverage shall be subject to premium tax pursuant to section 60A.15, and special compensation fund assessments pursuant to section 176.131, subdivision 10. The assigned risk plan shall be a member of the reinsurance association for the purposes of sections 79.34 to 79.40 and shall be deemed to have selected the higher retention limit provided in section 79.34, subdivision 2.

Subd. 5. [RULES.] The commissioner may adopt rules, including temporary rules, as may be necessary to implement sections 2 and 79.251.

Sec. 3. [REPEALER.]

Minnesota Statutes 1982, section 79.63, is repealed.

Sec. 4. [EFFECTIVE DATE.]

This act is effective July 1, 1983."

Delete the title and insert:

“A bill for an act relating to workers’ compensation; regulating the assigned risk plan; amending Minnesota Statutes 1982, section 79.251; proposing new law coded in Minnesota Statutes, chapter 79; repealing Minnesota Statutes 1982, section 79.63.”

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

SECOND READING OF HOUSE BILLS

H.F. No. 274 was read the second time.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 338: Messrs. Dahl, Petty and Isackson.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Mr. Berg was excused from the Session of today from 12:00 noon to 1:00 p.m. Mr. Frederick was excused from the Session of today from 12:00 noon to 12:30 p.m. Mrs. Kronebusch was excused from the Session of today from 12:30 to 1:00 p.m. Messrs. Knaak and Pogemiller were excused from the Session of today from 1:30 to 2:00 p.m. Ms. Reichgott was excused from the Session of today from 2:00 to 6:00 p.m. Mr. Dieterich was excused from the Session of today from 2:10 to 4:00 p.m. Messrs. Johnson, D.J.; Peterson, C.C.; Novak; Dieterich and Ms. Berglin were excused from the Session of today at 2:00 p.m. Messrs. Purfeerst and Solon were excused from the Session of today at 6:00 p.m. Mr. Wegscheid was excused from the Session of today from 4:45 to 6:20 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Friday, May 20, 1983. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-EIGHTH DAY

St. Paul, Minnesota, Friday, May 20, 1983

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Arnold H. Heumann.

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

May 17, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1983 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1983	Date Filed 1983
44		144	May 17	May 17
568		145	May 17	May 17
705		146	May 17	May 17
843		147	May 17	May 17
900		148	May 17	May 17
	171	149	May 17	May 17
	360	150	May 17	May 17
	490	151	May 17	May 17
	530	152	May 17	May 17
	588	153	May 17	May 17
	608	154	May 17	May 17
	694	155	May 17	May 17
	758	156	May 17	May 17
	958	157	May 17	May 17

Sincerely,

Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 863: A resolution memorializing the President and Secretary of State of the United States to protest discrimination against Soviet Jews and seek an end to restrictions on their emigration.

Senate File No. 863 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1983

CONCURRENCE AND REPASSAGE

Mr. Spear moved that the Senate concur in the amendments by the House to S.F. No. 863 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 863 was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.E.	Mehrkens	Storm
Anderson	Dieklich	Johnson, D.J.	Moe, R. D.	Stumpf
Belanger	Diessner	Jude	Peterson, D.C.	Ulland
Benson	Dieterich	Kamrath	Peterson, D.L.	Vega
Bernhagen	Frank	Knaak	Pogemiller	Willet
Bertram	Frederick	Kronebusch	Ramstad	
Chmielewski	Freeman	Laidig	Schmitz	
Dahl	Hughes	Lantry	Sieloff	
Davis	Isackson	Luther	Spear	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to the following House File:

H.F. No. 1310: A bill for an act relating to capital improvements; authorizing the acquisition and betterment of public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; appropriating money; proposing new law coded in Minnesota Statutes, chapter 16.

And the House respectfully requests that a Conference Committee of five members be appointed thereon:

Rice; Carlson, L.; Vanasek; Munger and Rose have been appointed as such committee on the part of the House.

House File No. 1310 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1983

Mr. Willet moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1310, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 911: A bill for an act relating to utilities; specifying the commission's authority over the availability of submetering; amending Minnesota Statutes 1982, section 216B.02, subdivision 4, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 216B.

Senate File No. 911 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1983

Mr. Frank moved that the Senate do not concur in the amendments by the

House to S.F. No. 911, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 87: A bill for an act relating to public welfare; requiring reporting of abuse or neglect of children; exempting determinations of eligibility for day care and foster care licenses from application of the Minnesota criminal offenders rehabilitation law; requiring arrest information and reports to be made available to the commissioner of public welfare for the purpose of investigating applicants for a day care or residential facility license; establishing the burden of proof in certain appeals; providing for appointment of guardianship of children whose parents are deceased; clarifying investigative authority of welfare agencies in making mandated investigations of physical or sexual abuse and neglect; amending Minnesota Statutes 1982, sections 245.783, subdivision 3; 245.801, subdivision 4; 260.011, subdivision 2; 260.242, subdivision 2, and by adding a subdivision; 364.09; and 626.556, subdivisions 2, 4, 7, and 10.

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

Wynia; Clark, J. and Levi.

Senate File No. 87 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1983

Mr. President:

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

S.F. No. 159: A bill for an act relating to occupations and professions; regulating chiropractic practice; providing rulemaking authority for the board of chiropractic examiners; creating a legislative study commission; amending Minnesota Statutes 1982, sections 148.01; 148.06; and 148.08, and by adding a subdivision.

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

Ogren, Valan and McEachern.

Senate File No. 159 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1983

Mr. President:

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

S.F. No. 218: A bill for an act relating to commitment of persons who are mentally ill, mentally retarded, or mentally ill and dangerous; requiring mental commitment proceedings for persons acquitted of a criminal charge pursuant to a verdict of not guilty by reason of mental illness or not guilty by reason of mental deficiency to be held in the court in which acquittal took place; modifying the burden of going forward with the evidence on the issues of mental illness, mental retardation, and mental illness and dangerousness in certain cases; amending Minnesota Statutes 1982, sections 253B.02, subdivision 4, and by adding subdivisions; 253B.07, subdivisions 1, 2, 3, and 7, and by adding a subdivision; 253B.08, subdivision 7; 253B.12, subdivision 4; 253B.18, subdivision 1; 253B.19, subdivision 1; 253B.21, subdivision 5; and 253B.23, subdivision 7.

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

Kelly, Long and McKasy.

Senate File No. 218 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1983

Mr. President:

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

S.F. No. 415: A bill for an act relating to state government; providing for salaries for constitutional officers, agency heads, metropolitan agency heads, and certain judicial positions; providing an expense allowance; establishing a compensation council; limiting local government salaries; prohibiting cash payments for accumulated vacation pay; expanding the authority of the commissioner of employee relations to set salaries; requiring the governor to recommend certain salaries; removing salary setting authority of certain state agencies; removing additional compensation for the career executive service; requiring the percentage of women in the career executive service to be increased; ratifying state and University of Minnesota labor agreements, compensation plans, and plans for early retirement incentives; amending Minnesota Statutes 1982, sections 3.855, subdivision 3; 3.922, subdivision 5; 15A.081, subdivisions 1, 6, and 7, and by adding a subdivision; 15A.083, subdivisions 1, 2, and 4; 43A.17, by adding subdivisions; 43A.18, subdivisions 3, 4, and 5; 43A.21, by adding a subdivision; 105.71, subdivision 2; 136.034; 136A.03; 179.741, subdivision 1; 244.09, subdivision 10; 256.482, subdivision 2; 298.22, subdivision 1; 326.241, subdivision 2; 352.03, subdivision 4; 354.06, subdivision 2; 484.68, subdivision 6; and Laws 1980, chapter 564, article XII, section 1, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 15A; repealing Minnesota Statutes 1982, sections 16A.16; 136.063; and

136A.035.

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

Simoneau, Vanasek, Sparby, Bishop and McKasy.

Senate File No. 415 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1983

Mr. President:

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

S.F. No. 455: A bill for an act relating to nonprofit corporations; providing for approval of certain actions by boards of directors without formal board meetings; amending Minnesota Statutes 1982, section 317.20, subdivision 12.

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

Riveness, Quinn and Knuth.

Senate File No. 455 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1983

Mr. President:

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

S.F. No. 545: A bill for an act relating to welfare; changing laws relating to child support enforcement; providing for determination of paternity; providing for determination and modification of child support; amending Minnesota Statutes 1982, sections 256.74, by adding a subdivision; 256.87; 257.55, subdivision 1; 257.58; 257.59, subdivision 1; 257.60; 257.62, subdivision 1, and by adding subdivisions; 257.64, subdivision 1; 257.66, subdivisions 3 and 4; 257.69, subdivision 2; 518.10; 518.17, by adding a subdivision; 518.551, subdivisions 1, 5, and 6, and by adding subdivisions; 518.611; 518.64, subdivisions 2 and 5, and by adding a subdivision; 518.645; 518B.01, subdivisions 2 and 6; 518C.17, subdivision 1; 518C.33, subdivision 1; and 548.09; proposing new law coded in Minnesota Statutes, chapters 257, 518, and 543; repealing Minnesota Statutes 1982, sections 256.87, subdivision 2; 256.872; 256.873; 256.876; and 518.551, subdivisions 2, 3, and 4.

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

Brandl, Quist and Rodosovich.

Senate File No. 545 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1983

Mr. President:

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

S.F. No. 591: A bill for an act relating to insurance; health and accident; prohibiting provider discrimination in insurance policies covering mental health services; amending Minnesota Statutes 1982, section 62A.152, by adding a subdivision.

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

Skoglund, Burger and Ellingson.

Senate File No. 591 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1983

Mr. President:

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

S.F. No. 889: A bill for an act relating to local government; clarifying powers of municipalities and redevelopment agencies with respect to acquisition, construction, leasing, selling, loan of funds, and issuance of revenue bonds for industrial development projects; amending Minnesota Statutes 1982, sections 474.03 and 474.06.

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

Berkelman, Price and Schreiber.

Senate File No. 889 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1983

Mr. President:

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

S.F. No. 964: A bill for an act relating to corporations; providing for the determination of eligibility for the indemnification of certain persons; prohibiting the use of corporate information obtained improperly; authorizing the use of protective orders and other relief to prevent the premature disclosure of certain confidential information or the use of corporate information obtained improperly; permitting the use of corporate names of corporations

not filing the active status report; restricting the right of a corporation to deny cumulative voting; protecting preemptive rights of shareholders; clarifying when equitable relief is available to minority stockholders; providing for the retention of cumulative voting and preemptive rights after incorporation; amending Minnesota Statutes 1982, sections 300.083, subdivision 6; 302A.115, by adding a subdivision; 302A.215; 302A.413, by adding a subdivision; 302A.461, subdivisions 4, 6, and by adding a subdivision; 302A.521, subdivision 6; and 302A.751, subdivision 1, and by adding a subdivision.

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

Ellingson, Greenfield and Heap.

Senate File No. 964 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 238 and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 238: A bill for an act relating to mining; including peat within the provisions of mineland reclamation laws; requiring adoption of certain reclamation rules prior to issuance of metallic mining permits; amending Minnesota Statutes 1982, sections 93.44; 93.46, subdivisions 2 and 6; and 93.481, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 93.

Senate File No. 238 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 267 and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 267: A bill for an act relating to taxation; increasing the amount of reduced valuations required to be maintained as public record; allowing the commissioner discretion in apportioning levies; increasing the amount of reduction in valuation requiring an opportunity for hearing; allowing county auditors to combine legal descriptions over section lines; classifying farm rental value data; excluding certain corporations from receiving agricultural property tax valuation; providing for continuation of open space treatment; providing for the assessment of certain class 3 property based upon its use; requiring publication of certain requirements for obtaining a homestead after the assessment date; removing special taxing districts from levy limits; allowing counties to charge for NSF checks; providing for rounding of tax amounts on tax statements; directing the use of the previous

years mill rate when distributing delinquent tax proceeds; changing the date for filing list of delinquent personal property taxes; extending application of the alternate sale procedure; increasing the fee for lost deeds; changing the process for distributing mortgage registration tax proceeds; raising the fee for trip permits; requiring filing of an amended estate tax return in certain situations; clarifying the date interest accrues on estate tax amounts due; providing for department action following the filing of an amended return; requiring state's share of federal credit to not be less than state's share of the estate; providing a definition of surviving spouse for estate tax purposes; requiring filing of final account to commissioner of revenue; changing the requirement for filing a declaration of estimated gross earnings tax; imposing a penalty for failure to pay estimated gross earnings tax; extending the time allowed to claim gasoline or special fuel tax refunds; changing the requirements relating to distribution of free samples of cigarettes; imposing a penalty for failure to pay the tax on wines and spirituous liquors; conforming penalties for non-payment of tax on beer to penalties imposed on other taxes; delaying implementation of the assessment penalty; requiring payment of current taxes before a plat is recorded; amending Minnesota Statutes 1982, sections 270.10, subdivisions 1 and 3; 270.12, subdivision 3; 270.19; 272.46, subdivision 2; 273.11, subdivision 7; 273.111, subdivision 3; 273.112, subdivision 7, and by adding a subdivision; 273.13, subdivisions 4, and 16; 275.50, subdivision 2; 276.02; 276.04; 276.10; 277.02; 282.01, subdivision 7a; 282.33, subdivision 1; 287.08; 291.005, subdivision 1; 291.03, subdivision 1; 291.07, subdivision 1; 291.09, subdivision 3a; 291.131, subdivision 6; 291.132, subdivision 1; 291.215, subdivision 3; 295.365; 295.366, subdivision 1; 296.17, subdivisions 3 and 17; 297.03, subdivision 10; 340.485, subdivision 1, and by adding subdivisions; 340.492; 477A.04; 505.04; repealing Minnesota Statutes 1982, sections 272.022; 272.023; 272.024; 273.13, subdivision 18; 273.23; 273.24; 273.28; 273.29; 273.30; 273.31; 273.34; 273.44; 273.45; 273.52; 288.01; 288.02; 288.03; 288.04; 288.05; 291.07, subdivision 3; and 473F.04.

Senate File No. 267 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1983

Mr. President:

I have the honor to announce the following change in the membership of the Conference Committee on House File No. 380:

The name of Halberg has been deleted.

The name of Quinn has been added.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 149, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 149 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 149

A bill for an act relating to natural resources; clarifying the hunting of certain animals with dogs; amending Minnesota Statutes 1982; section 98.46, subdivision 2.

May 18, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 149, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 149 be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 98.46, subdivision 2, is amended to read:

Subd. 2. Fees for the following licenses, to be issued to residents only, shall be:

- (1) To take small game, \$7;
- (2) To take deer with firearms, \$15;
- (3) To take deer with bow and arrow, \$15;
- (4) To take fish by angling, \$6.50;
- (5) Combination husband and wife, to take fish by angling, \$10.50;
- (6) To take moose, \$140 for an individual or for a party of not to exceed four persons;
- (7) To take bear only, \$15;
- (8) To take turkeys, \$10, in addition to a small game license.
- ~~(9) To take raccoon, bobcat, coyote or fox with the aid of dogs, \$7.50, in addition to a small game license.~~

Sec. 2. Minnesota Statutes 1982, section 98.48, subdivision 3, is amended to read:

Subd. 3. The commissioner may issue special permits, without fee, to take, possess and transport wild animals in such manner and under such conditions as he may prescribe for scientific, educational or exhibition purposes, or for use as pets, provided no wild or native deer may be taken or possessed for propagation, or exhibition or pet purposes, except those now lawfully possessed for such purposes. *The commissioner shall establish cri-*

teria for issuing special permits to persons for the purpose of possessing wild and native deer as pets, pursuant to his authority under section 97.53, subdivision 2. All animals possessed under authority of this provision, as well as deer now contained on game farms, private and public parks and zoos, and their progeny, or possessed as pets, may be disposed of only as prescribed by the commissioner."

Delete the title and insert:

"A bill for an act relating to game and fish; eliminating the separate license for hunting certain animals with dogs; authorizing special permits to possess deer as pets; amending Minnesota Statutes 1982, sections 98.46, subdivision 2; and 98.48, subdivision 3."

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

House Conferees: (Signed) Steve Sviggum, Phyllis Kahn, Patrick W. Beard

Senate Conferees: (Signed) Lyle G. Mehrkens, Bob Lessard, Mel Frederick

Mr. Mehrkens moved that the foregoing recommendations and Conference Committee Report on H.F. No. 149 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 149 was read the third time as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 521, and repassed said bill in accordance with the report of the Committee, so

adopted.

House File No. 521 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 521

A bill for an act relating to financial institutions; providing for the payment of hearing costs on contested applications; including credit union share insurance corporations and industrial loan and thrift guarantee issuers in the group of organizations permitted to receive examination reports; removing the requirement that a financial institution's board of directors hold qualifying shares; clarifying limitations on junior mortgage loans by banks; establishing application fees; removing a certain filing requirement; reducing the number of savings association incorporators; clarifying the notice requirements for savings association conversions; clarifying the industrial loan and thrift company lending limit and increasing the capital to deposit limitation; providing first installment requirements for regulated lenders and motor vehicle sales finance companies; providing credit insurance disclosure requirements for regulated lenders; clarifying financial corporation organizational requirements; amending Minnesota Statutes 1982, sections 45.04, subdivision 1; 46.07, subdivision 2; 47.54, subdivision 1; 48.06; 48.19, subdivision 1; 48.68; 49.36, subdivision 1; 49.37; 51A.03, subdivisions 1 and 4; 51A.065, subdivision 4; 51A.13, subdivisions 2 and 2a; 51A.23, subdivisions 6 and 7; 51A.51, subdivisions 2 and 3a; 52.203; 53.01; 53.03, subdivisions 1, 5, and 6; 53.04, subdivision 3a; 53.05; 53.06; 56.001, subdivision 3; 56.131, subdivision 1; 56.155, subdivision 1; 168.72, subdivision 1; 300.025; and 300.20; proposing new law coded in Minnesota Statutes, chapter 47.

May 18, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 521, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 521 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 45.04, subdivision 1, is amended to read:

Subdivision 1. [FILING; FEE; HEARING.] The incorporators of ~~any~~ a bank proposed to be organized under the laws of this state shall execute and acknowledge ~~on a written application, in writing,~~ in the form prescribed by the department of commerce, ~~and shall file the same in its office, which.~~ The application ~~shall~~ *must* be signed by two or more of the incorporators; ~~requesting and request~~ a certificate authorizing the proposed bank to transact

business at the place and in the name stated in the application. ~~At the time of filing the application~~ The applicant shall ~~pay~~ *file the application with the department with a \$1,000 filing fee of \$1,000, which shall be paid into the state treasury and credited to the general fund and shall pay to the commissioner of banks the sum of and a \$500 as a investigation fee for investigating the application which shall*. ~~The fees must be turned over by him to the state treasurer and credited by the treasurer to the general fund of the state.~~ Thereupon the commission shall fix a time, within 60 days after the filing of the application, for a hearing ~~at its office at the state capitol, at which hearing it shall~~ to decide whether or not the application ~~shall~~ *will* be granted. A notice of the hearing ~~shall~~ *must* be published in the form prescribed by the commission in ~~some~~ a newspaper published in the municipality in which the proposed bank is to be located, and if there ~~be~~ *is* no such newspaper, then at the county-seat of the county in which the bank is proposed to be located. The notice ~~shall~~ *must* be published once, at the expense of the applicants, not less than 30 days prior to the date of the hearing. At the hearing the commission shall consider the application and hear the applicants and ~~such~~ witnesses ~~as~~ *that* may appear in favor of or against the granting of the application of the proposed bank. *If an application is contested, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the state treasurer and credited by the treasurer to the general fund, must be paid by the applicant and 50 percent equally by the intervening parties.*

Sec. 2. Minnesota Statutes 1982, section 46.07, subdivision 2, is amended to read:

Subd. 2. [CONFIDENTIAL RECORDS.] The commissioner shall divulge facts and information obtained in the course of examining financial institutions under his supervision only when and to the extent that he is required or permitted by law to report upon or take special action regarding the affairs of an institution, or to testify in a criminal proceeding or in a court of justice, except that he may, in his discretion, furnish information as to matters of mutual interest to an official or examiner of the federal reserve system, the federal deposit insurance corporation, ~~or the federal savings and loan insurance corporation,~~ the national credit union administration, *a legally constituted state credit union share insurance corporation approved under section 52.24, or the issuer of a commitment for insurance or guarantee of the certificates of an industrial loan and thrift company approved under section 53.10.* The commissioner shall not be required to disclose the name of a debtor of a financial institution under his supervision, or anything relative to the private accounts, ownership, or transactions of an institution, or any fact obtained in the course of an examination thereof, except as herein provided. These records are classified confidential for purposes of the Minnesota government data practices act and their destruction, as prescribed in section 46.21, ~~shall be~~ *is* exempt from the provisions of chapter 138 and Laws 1971, Chapter 529, so far as their deposit with the state archives.

Sec. 3. Minnesota Statutes 1982, section 47.54, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] Any bank desiring to establish a detached facility shall execute and acknowledge ~~an~~ *a* written application, ~~in writing,~~ in the form prescribed by the commissioner, and shall file the application in the commissioner's office, ~~together~~ with a fee of \$500, ~~and~~. If an application is contested, *50 percent of an additional fee equal to the actual costs incurred by the commissioner in approving or disapproving the appli-*

cation, payable to the state treasurer and credited by the treasurer to the general fund, *shall be paid by the applicant and 50 percent equally by the intervening parties.* Thereupon the applicant shall publish a notice of the filing of the application in a newspaper published in the municipality in which the proposed detached facility is to be located, and if there is no such newspaper, then at the county seat of the county in which the facility is proposed to be located. The notice ~~shall~~ *must* be in the form prescribed by the commissioner and, in addition to the publication, the applicant ~~shall~~ *must* mail a copy of the notice by certified mail to every bank located within three miles of the proposed location of the detached facility, measured in the manner ~~as provided above~~ *in section 47.52.*

Sec. 4. Minnesota Statutes 1982, section 47.64, subdivision 6, is amended to read:

Subd. 6. ~~The person establishing and maintaining an electronic financial terminal, exclusive of any supporting equipment, structure, or system, shall limit its use in the performance of financial transactions to transactions for customers of Minnesota financial institutions and for customers of financial institutions located within 20 miles of Minnesota in an adjoining state. A customer of a bank, savings bank, savings and loan association, or credit union located outside Minnesota may, with the consent of the person establishing an electronic financial terminal, use the terminal for the withdrawal of funds and for the inquiry as to the balance in that customer's accounts maintained with that institution. Nothing in sections 47.61 to 47.74 shall be construed to authorize any person, other than a financial institution, to engage in business which is only legally authorized to be engaged in by financial institutions.~~

Sec. 5. Minnesota Statutes 1982, section 48.06, is amended to read:

48.06 [DIRECTORS; QUALIFICATIONS.]

If the number of directors exceeds nine, they may designate, semi-annually, by resolution, nine of their number, a majority of whom ~~shall constitute~~ *constitutes* a quorum for the transaction of business. Every director of a bank ~~shall actually own at least \$1,000 par value of the bank's common, fully paid stock, or an equivalent interest, as determined by the commissioner, in a company which has control over a bank within the meaning of section 2 of the Bank Holding Company Act of 1956, 12 U.S.C. 1841, and shall take and subscribe an oath that he is the owner in good faith of that amount of stock, that the stock is not in any way pledged for any loan or debt, and that he will faithfully perform his official duties, and not knowingly violate, or permit to be violated, any provision of law. The taking of this oath shall must be duly certified in the minutes of the records of the bank.~~

Sec. 6. Minnesota Statutes 1982, section 48.19, subdivision 1, is amended to read:

Subdivision 1. [RESTRICTIONS; EXCEPTION.] No bank or trust company shall make any loan upon the security of real estate unless it is a first lien thereon, except that a bank or trust company may take a junior lien: (a) upon real estate to secure a loan previously contracted; (b) upon farm real estate to secure a loan made to a farmer who resides in a county which due to weather conditions is a declared federal disaster area at the time the loan

contract is signed; or (c) upon real estate to secure a loan if the total unpaid aggregate of all outstanding liens against the same real estate does not exceed 80 percent of its appraised value. *This limitation applies notwithstanding the provisions of sections 47.20, subdivision 1 and 47.21 as to loans, advances of credit, or participations in loans eligible for purchase in whole or in part by the federal national mortgage association or the federal home loan mortgage corporation or which are authorized by the federal home loan bank board or office of the comptroller of the currency. Before any such these loans are made the value of the real estate shall must be determined by an appraisal made by a committee appointed by the board of directors, which appraisal shall be made a matter of record; except that but the board may accept an appraisal made by or for an agency of the United States government when such if the agency is guaranteeing or insuring the loan or any part thereof. The appraisal must be made a matter of record.*

A bank may take additional liens on the same security and. These shall be liens are considered to be part of the same mortgage lien thereon providing if it has been established that there are no intervening liens.

Loans in which the small business administration cooperates through agreements to participate on an immediate or deferred basis under the federal small business act or loans or obligations secured or guaranteed by the United States or any department, bureau, board, commission, or establishment of the United States, including any corporation wholly owned directly or indirectly by the United States, shall are not be subject to the restrictions or limitations of this section imposed upon loans secured by real estate.

Sec. 7. Minnesota Statutes 1982, section 48.68, is amended to read:

48.68 [DIRECTORS; QUALIFICATIONS; VACANCIES, HOW FILLED.]

Each director of a trust company shall own at least \$1,000 par value of its capital stock or equivalent interest as prescribed in section 48.06, and A majority of them shall the directors of a trust company must be residents of this state. Each shall take and subscribe an oath that he will diligently and honestly perform his official duties and will not knowingly violate, or permit to be violated, any provision of law relating to trust companies and that he is the owner in good faith of the stock above specified standing in his name; The taking of this oath to must be noted on the minutes of the records of the corporation and filed with the commissioner. Failure of any person selected as director to qualify shall create creates a vacancy in the board, and all vacancies in the board shall must be filled by the qualified members; provided, that. However, not more than one-third of the membership of the board may be so filled in any one year.

Sec. 8. [47.016] [DISPOSITION OF CREDIT INSURANCE INCOME.]

Subdivision 1. [DEFINITIONS.] (a) For the purpose of this section, the following terms have the meanings given them.

(b) "Credit insurance" means credit life and accident and health insurance as defined in section 62B.02.

(c) "Officer", "director", "employee", and "shareholder" include the spouse and minor children of the officer, director, employee, or share-

holder.

(d) "Interest" includes ownership through a spouse or minor children; ownership through a broker, nominee, or agent; and ownership through a corporation, partnership, association, joint venture, or proprietorship.

(e) "Financial institution" means any person who lends money and sells credit insurance to the borrower.

Subd. 2. [SCOPE AND PURPOSE.] This section applies to sales of credit insurance by employees, officers, directors, and shareholders of a financial institution and by corporations, partnerships, associations, and other entities in which these persons have an interest. The purposes of this section are (1) to prohibit employees, officers, directors, members, and shareholders of financial institutions from benefiting personally on the sale of credit insurance to loan customers and (2) to encourage marketing of credit insurance through the use of financial facilities only under arrangements which assure that employees, officers, directors, and shareholders do not receive benefits not shared with all stockholders or members of the financial institution.

Subd. 3. [DISTRIBUTION OF CREDIT INSURANCE INCOME.] No employee, officer, director, or shareholder of a financial institution, nor a corporation, partnership, association, or other entity in which these persons have an interest, may retain commissions or other income from the sale of credit insurance in connection with a loan made by the financial institution. All such income received by these persons or by a corporation, partnership, association, or other entity in which these persons have an interest, must be turned over to the financial institution. Nothing in this section prohibits a financial institution from receiving the income directly in the form of commissions or as compensation for use of its premises, personnel, and good will.

Sec. 9. Minnesota Statutes 1982, section 49.36, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] This consolidation agreement and certified copy of the proceedings of the meetings of the respective boards of directors, at which the making of the agreement was authorized, ~~shall~~ must be submitted to the commissioner of banks for approval; ~~and it shall with a fee of \$250 payable to the commissioner of banks. The fee must be paid in equal parts by the parties to the agreement. The consolidation is not be effective until so approved by the commissioner. The commissioner shall take action after the documents are submitted, and shall be entitled to further information from the consolidated corporation as may be requested, by request or as may be obtained upon a hearing directed by the commissioner.~~

Sec. 10. Minnesota Statutes 1982, section 49.37, is amended to read:

49.37 [STOCKHOLDERS TO APPROVE; CERTIFICATE OF CONSOLIDATION.]

Either before or after the consolidation agreement has been approved by the commissioner of banks, it ~~shall~~ must be submitted to the stockholders of each corporation at a meeting thereof called for that purpose, and it ~~shall~~ does not become binding upon the corporation until it ~~shall~~ have been approved at each of the meetings by the vote or ballot of the stockholders,

holding at least a majority of the amount of stock of the respective corporations. Proof of the holding of these meetings and the results thereof ~~shall must~~ be submitted to the commissioner of banks. After the consolidation agreement ~~shall have~~ *has* been so approved by the stockholders of the respective corporations and by the commissioner of banks, the latter shall issue a certificate reciting that these corporations have complied with the provisions of sections 49.34 to 49.41, ~~and;~~ *and* declaring the consolidation of these corporations; *and stating* the name of the consolidated corporation, the amount of capital stock thereof, and the names of the first board of directors, and the place of business of the consolidated corporation, which ~~shall must~~ be within the city where any one of the constituent corporations ~~shall have~~ *has* been previously authorized to have its place of business. Upon the issuing of this certificate and the filing thereof for record in the office of the secretary of state, ~~and also in the office of the county recorder within and for the county in which the consolidated corporation is authorized to have its principal place of business;~~ this incorporation ~~shall be~~ *is* deemed to be complete, and the consolidated corporation shall, from the date of this certificate, have ~~such the~~ term of corporate existence as ~~may be~~ *is* therein specified, not exceeding the longest unexpired term of any constituent corporation. The certificate of the commissioner of banks ~~shall be~~ *is* prima facie evidence that all of the provisions of sections 49.34 to 49.41 have been complied with, and ~~shall be~~ *is* conclusive evidence of the existence of the consolidated corporation.

Sec. 11. Minnesota Statutes 1982, section 51A.03, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION FOR CERTIFICATE OF INCORPORATION.] At any time hereafter any ~~five~~ *three* or more individuals, citizens of this state, may apply to form a mutual association or capital stock association to promote thrift and home financing subject to approval as ~~hereinafter~~ provided in sections 51A.01 to 51A.57. ~~Five~~ *Three* of the individual applicants shall be incorporators and sign and acknowledge before an officer competent to take acknowledgments of deeds, two copies of an application for a certificate of incorporation in the form prescribed by the commerce commission, and of the bylaws in the form set out in this section or in a form approved by the commissioner, which shall be filed with the commissioner, accompanied by the incorporation fee. The applicants shall submit with their application statements, exhibits, map, and other data which the commissioner may require, ~~which.~~ *The data shall must* be sufficiently detailed and comprehensive to enable the commerce commission to pass upon the application as to the criteria set out in subdivision 3.

Sec. 12. Minnesota Statutes 1982, section 51A.03, subdivision 4, is amended to read:

Subd. 4. [PROCEDURE; FILING OF ARTICLES.] The procedure for processing the application, conducting the hearing, and other matters pertinent thereto, ~~shall must~~ be established by rules ~~promulgated~~ *adopted* by the commissioner. After approval, if approved, the commissioner shall issue a certificate of approval and the articles of incorporation ~~shall must~~ then be filed with the secretary of state, who shall record ~~same them~~ and certify the fact; thereon. ~~The certificate and articles shall be filed with the county recorder of the county of the principal place of business, as specified in the certificate.~~

Sec. 13. Minnesota Statutes 1982, section 51A.065, subdivision 4, is amended to read:

Subd. 4. [SUBMISSION TO MEMBERS OR STOCKHOLDERS.] If the commissioner or other appropriate supervisory authority ~~shall approve~~ *approves* a plan of conversion in accordance with subdivision 3, the plan ~~shall~~ *must* be submitted for adoption to the members or stockholders of the converting applicant by vote at a meeting called to consider the action. *Except in the case of a conversion of a state association to a federally chartered association of like corporate form, or vice versa pursuant to subdivision 7 and* in addition to any notice of annual or special meeting required by Laws 1981, Chapter 276 and at least three weeks prior to the meeting, a copy of the plan, together with an accurate summary plan description explaining the operation of the plan and the rights, duties, obligations, liabilities, conditions, and requirements which may be imposed upon the members or stockholders and the converted applicant as a result of the adoption of the plan, ~~shall~~ *must* be mailed to each member or stockholder eligible to vote at the meeting. The plan of conversion may be approved by not less than a majority of the total number of votes eligible to be cast at the meeting. If the plan is ~~so~~ approved, action ~~shall~~ *must* be taken to obtain a charter, articles of incorporation, articles of association or similar instrument, adopt bylaws, elect directors and officers and take other action prescribed or appropriate for the type of corporation into which the converting applicant will be converted. A certified report of the proceedings at the meeting ~~shall~~ *must* be filed promptly with the commissioner or other appropriate supervisory authority.

Sec. 14. Minnesota Statutes 1982, section 51A.13, subdivision 2, is amended to read:

Subd. 2. [QUALIFICATIONS REQUIRED OF DIRECTORS OF MUTUAL ASSOCIATIONS.] ~~In order to qualify as a director, a member of a mutual association must hold individually, or jointly with his spouse, a savings account, the withdrawal value of which is at least \$500; provided that, if the assets of the association exceed \$5 million, the withdrawal value of the account must be at least \$1,000.~~ Except with the written consent of the commissioner, no member shall be eligible for election or shall serve as a director or officer of an association who has been adjudicated a bankrupt or convicted of a criminal offense involving dishonesty or a breach of trust. A director shall automatically cease to be a director when he ceases to be a member, or when he is adjudicated a bankrupt or is convicted of a criminal offense as herein provided, ~~or when the net equity above loans of all savings accounts in the association held by him aggregates less than the minimum required to be eligible for election as a director,~~ but no action of the board of directors shall be invalidated through the participation of the director in the action; ~~provided, that.~~ *However,* if a director becomes ineligible under the terms of this subdivision by reason of the exercise by the association of the right of redemption of savings accounts provided for in section 51A.34, he shall remain validly in office until the expiration of his term or until he otherwise becomes ineligible, resigns, or is removed, whichever may occur first.

Sec. 15. Minnesota Statutes 1982, section 51A.13, subdivision 2a, is amended to read:

Subd. 2a. [QUALIFICATIONS REQUIRED OF DIRECTORS OF STOCK

ASSOCIATIONS.] In order to qualify as a director of a capital stock association each director shall own and hold shares of voting capital stock of the association unencumbered with a par or stated value of not less than \$500; provided that, if the total assets of the association exceed \$5,000,000, a director must own and hold shares of not less than \$1,000. Except with the written consent of the commissioner, no person shall be eligible for election or shall serve as director or officer of an association who has been adjudicated a bankrupt or convicted of a criminal offense involving dishonesty or a breach of trust. A director shall automatically cease to be a director when he is adjudicated a bankrupt or is convicted of a criminal offense as herein provided or when the par or stated value of the shares of voting capital stock of the association held by him aggregates less than the minimum required to be eligible for election as a director.

Sec. 16. Minnesota Statutes 1982, section 51A.51, subdivision 2, is amended to read:

Subd. 2. [INCORPORATION FEE.] At the time of filing the application for a certificate of incorporation, the incorporators shall pay a \$1,000 filing fee of ~~\$1,000~~ which shall be paid into the state treasury and credited to the general fund, and shall pay to the banking department the sum of a \$500 as an investigation fee for investigating the application. If an application is contested, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the state treasurer and credited by the treasurer to the general fund, shall be paid by applicant and 50 percent equally by the intervening parties.

Sec. 17. Minnesota Statutes 1982, section 51A.51, subdivision 3a, is amended to read:

Subd. 3a. [FEE FOR ESTABLISHMENT OF OTHER THAN PRINCIPAL OFFICE.] There shall accompany each application to the commissioner for establishment of other than the principal office a \$1,000 filing fee of ~~\$1,000~~ payable to the state treasury and \$500 payable to the banking department. If an application is contested, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the state treasurer and credited by the treasurer to the general fund, shall be paid by applicant and 50 percent equally by the intervening parties.

Sec. 18. Minnesota Statutes 1982, section 52.203, is amended to read:

52.203 [MERGER.]

Any credit union chartered by this state may merge with and be absorbed by any other state or federal credit union, and any credit union chartered by this or any other state or any federal credit union may be merged into a successor credit union chartered by this state, upon approval of all regulatory agencies concerned, and upon compliance with this section as regards the credit union chartered by this state. At the time of filing with the commissioner of any proposed merger or consolidation plan, the credit unions proposing to merge or consolidate shall submit a fee of \$100 payable to the commissioner of banks. The fee shall be paid in equal parts by the credit unions' party to the proposal.

A credit union may be absorbed after two-thirds of its members present and entitled to vote ~~shall~~ have voted in favor of the merger at a special meeting called by a majority of the board of directors for that purpose, upon ~~fourteen~~ 14-days mailed written notice to each member at his last known address clearly stating the purpose of the special meeting, or at any regular meeting after like notice of the purpose has been given. Thereafter, the board of directors ~~shall have authority to~~ may execute an agreement of merger with the successor credit union, subject to approval of ~~such~~ the agreement by the commissioner of banks. The commissioner shall approve or disapprove of ~~said~~ the agreement within 60 days of the date the agreement is submitted to him. ~~Such~~ The approved agreement ~~shall~~ must be filed with the county recorder in the county where ~~such~~ the credit union is located.

If the successor credit union which absorbs one or more credit unions is chartered by this state it ~~shall have authority to~~ may execute an agreement of merger upon approval of ~~such~~ the agreement by the commissioner of banks and by the board of directors of the credit union. The commissioner of banks shall approve the merger agreement if it is in the best interest of the credit unions involved. In any event, the commissioner of banks shall approve or disapprove of the merger agreement within 60 days of the date the agreement is submitted to him. Members of, and persons eligible for membership in, the credit union being absorbed ~~shall~~ have all rights of membership in the successor credit union.

The charter and license and all other rights and property of the credit union being absorbed ~~shall be~~ is deemed to be transferred to and invested in the successor credit union upon ~~such~~ execution and approval of the merger agreement without further action. Any pending action or other judicial proceeding to which the credit union being absorbed is a party at the date of merger ~~shall~~ does not abate by reason of the merger. If the credit union being absorbed is chartered by this state, its corporate existence ~~shall cease~~ ceases upon ~~such~~ the execution and approval of the merger agreement without further action.

Sec. 19. Minnesota Statutes 1982, section 53.01, is amended to read:

53.01 [ORGANIZATION.]

It is lawful for three or more persons, who desire to form a corporation for the purpose of carrying on primarily the business of loaning money to persons within the conditions set forth in this chapter, to organize, under this chapter, an industrial loan and thrift company, by filing with the secretary of state and the county recorder in the county in which the place of business of the corporation is located, a certificate of incorporation, and upon paying the fees prescribed by sections 301.07 and 301.071 or chapter 302A and upon compliance with the procedure provided for the organization and government of ordinary corporations under the laws of this state, and upon compliance with the additional requirements of this chapter prior to receiving authorization to do business.

Sec. 20. Minnesota Statutes 1982, section 53.03, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION, FEE, NOTICE.] Any corporation hereafter organized as an industrial loan and thrift company, shall, after

compliance with the requirements set forth in sections 53.01 and 53.02, ~~cause an file a written application, in writing, to be made to with the department of commerce for a certificate of authorization. The application, in triplicate, shall must be in the form prescribed by the department of commerce and filed in its office.~~ The application shall must be made in the name of the corporation, executed and acknowledged by two of its officers designated by the board of directors of the corporation for that purpose, requesting a certificate authorizing the corporation to transact business as an industrial loan and thrift company, at the place and in the name stated in the application. At the time of filing the application the applicant shall pay a \$1,000 filing fee of \$500, ~~to be paid into the state treasury and credited to the general fund and also shall pay to the commissioner of banks the sum of \$250 and a \$500 as a investigation fee for investigating the application, which fee shall.~~ *The fees must be turned over by the commissioner to the state treasurer and credited to the general fund of the state, and. The applicant shall also submit a copy of the bylaws of the corporation, its articles of incorporation and all amendments thereto at that time.* If the application is contested, ~~the applicant shall pay 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the state treasurer and credited to the general fund of the state shall be paid by the applicant and 50 percent equally by the intervening parties.~~ A notice of the filing of the application shall must be published once within 30 days of the receipt of the form prescribed by the department of commerce, at the expense of the applicant, in a newspaper published in the municipality in which the proposed industrial loan and thrift company is to be located, or, if there be none, in a newspaper published at the county seat of the county in which the company is proposed to be located. If the department of commerce receives a written objection to the application from any person within 20 days of the notice having been fully published a contested case hearing shall must be conducted on the application. The department of commerce may without cause order a contested case hearing on the application. Notice of a hearing in connection with this section shall must be published once in the form prescribed by the department of commerce, at the expense of the applicant, in the same manner as a notice of application.

Sec. 21. Minnesota Statutes 1982, section 53.03, subdivision 5, is amended to read:

Subd. 5. [PLACE OF BUSINESS.] Not more than one place of business shall may be maintained under any certificate of authorization issued subsequent to the enactment of Laws 1943, Chapter 67, pursuant to the provisions of this chapter, but the department of commerce may issue more than one certificate of authorization to the same corporation upon compliance with all the provisions of this chapter governing an original issuance of a certificate of authorization. ~~Where~~ *The filing fee for a branch application shall be \$500 and the investigation fee \$250.* If a corporation has been issued more than one certificate of authorization, ~~such the~~ corporation shall allocate a portion of contributed capital to each office for which ~~such the~~ certificate has been issued, in order to comply with the capital requirements of section 53.02 and section 53.05, clauses (2) and (3) which sections shall be are applicable to each ~~such~~ office and the capital allocated thereto in the same manner as if each certificate had been issued to a separate corporation. Each additional certificate of authorization issued pursuant to the provisions of this subdivision shall must be filed with the secretary of state and the county recorder of the county in which the corporation is authorized to do

business thereunder. ~~Any such~~ *The corporation may change one or more of its locations upon the written approval of the commissioner of banks. A fee of \$100 must accompany each application to the commissioner for approval to change the location of an established office.*

Sec. 22. Minnesota Statutes 1982, section 53.03, subdivision 6, is amended to read:

Subd. 6. [AMENDED CERTIFICATES, THRIFT CERTIFICATES FOR INVESTMENT, APPLICATION, FEE, NOTICE.] Upon approval by the commissioner of banks of a commitment for insurance or guarantee of certificates to be held for investment as required in section 53.10, subdivision 3, an industrial loan and thrift company may apply to the department of commerce for an amended certificate of authorization and consent to sell and issue thrift certificates for investment.

The application, in triplicate, ~~shall~~ *must* be in the form prescribed by the department of commerce and filed in its office. At the time of filing the application, the applicant shall pay a filing fee of \$500 and if an application is contested, *50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the state treasurer and credited by the treasurer to the general fund shall, must* be paid by applicant *and 50 percent equally by the intervening parties.* A notice of the filing of the application ~~shall~~ *must* be published once within 30 days of the receipt of the form prescribed by the department of commerce, at the expense of the applicant, in a newspaper published in the municipality in which the place of business under the application is located, or if there is none, in a newspaper published at the county seat of the county in which the place of business is located. Not more than one place of business maintained under a certificate of authorization ~~shall~~ *may* be the subject of an application.

Sec. 23. Minnesota Statutes 1982, section 53.04, subdivision 3a, is amended to read:

Subd. 3a. (a) The right to make loans, secured or unsecured, at the rates and on the terms and other conditions permitted licensees under chapter 56. *Loans made under the authority of chapter 56 must be in amounts in compliance with section 53.05, clause (3), or 56.131, subdivision 1, paragraph (a), whichever is less.* The right to extend credit or lend money and to collect and receive charges therefor as provided by chapter 334, or in lieu thereof to charge, collect, and receive interest at the rate of 21.75 percent per annum. The provisions of sections 47.20 and 47.21 do not apply to loans made under this section, except as specifically provided in this subdivision. Nothing in this subdivision ~~shall be~~ *is* deemed to supersede, repeal, or amend any provision of section 53.05. A licensee making a loan under this chapter secured by a lien on real estate shall comply with the requirements of section 47.20, subdivision 8.

(b) Loans made under this section at a rate of interest not in excess of that provided for in paragraph (a) may be secured by real or personal property, or both. If the proceeds of a loan made after August 1, 1984 are used in whole or in part to satisfy the balance owed on a contract for deed, the rate of interest charged on the loan ~~shall~~ *must* not exceed the rate provided in section 47.20, subdivision 4a. If the proceeds of a loan secured by a first lien on

the borrower's primary residence are used to finance the purchase of the borrower's primary residence, the loan must comply with the provisions of section 47.20.

Sec. 24. Minnesota Statutes 1982, section 53.05, is amended to read:

53.05 [POWERS, LIMITATION.]

No industrial loan and thrift company ~~shall have power to~~ may do any of the following:

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

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

(3) ~~To~~ lend money in excess of ten percent of its contributed capital and appropriated reserves to any person primarily liable; ~~provided,~~ however, if a loan has been made to any one person primarily liable and payments have been made on the certificate of indebtedness securing it, the amount of ~~such~~ the payments may be added to the limitation stated in this clause for the purpose of determining whether additional loans may be made to that person;

(4) ~~To~~ accept trusts or act as guardian, administrator, or judicial trustee in any form; ~~or~~

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

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

(7) ~~To~~ take any instrument in which blanks are left to be filled in after execution.

Sec. 25. Minnesota Statutes 1982, section 53.06, is amended to read:

53.06 [DIRECTORS, RESIDENCE.]

At least three-fourths of the directors of any industrial loan and thrift company ~~shall~~ *must* be residents of the county in which the industrial loan and thrift company maintains its principal place of business, an adjacent county or any county in which the industrial loan and thrift company maintains a place of business pursuant to this chapter. ~~Each director shall own and hold shares of common stock of the industrial loan and thrift company, unen-~~

umbered, with a par value of not less than \$500.

Sec. 26. Minnesota Statutes 1982, section 56.001, subdivision 3, is amended to read:

Subd. 3. [APPLICABLE CHARGE.] "Applicable charge" means the amount of interest attributable to each monthly installment period of the loan contract. The applicable charge is computed as if each installment period were one month and any charge for extending the first installment period beyond one month, *or reduction in charge for a first installment less than one month*, is ignored. The applicable charge for any installment period is that which would have been made for the period had the loan been made on an interest-bearing basis at the single annual percentage rate permitted by section 56.131, subdivision 1, based upon the assumption that all payments were made according to schedule. For convenience in computation, the licensee may round the single annual rate to the nearest one quarter of one percent.

Sec. 27. Minnesota Statutes 1982, section 56.131, subdivision 1, is amended to read:

Subdivision 1. [INTEREST RATES AND CHARGES.] (a) On any loan in the principal amount of \$35,000 or less, a licensee may contract for and receive interest, calculated according to the actuarial method, not exceeding the equivalent of the greater of any of the following:

(1) the total of: (i) 33 percent per year on that part of the unpaid balance of the principal amount not exceeding \$350; and (ii) 19 percent per year on that part of the unpaid balance of the principal amount exceeding \$350; or

(2) 21.75 percent per year on the unpaid balance of the principal amount.

(b) On any loan where interest has been calculated according to the method provided for in paragraph (a), clause (1), interest ~~shall~~ *must* be contracted for and earned as provided in that provision or at the single annual percentage rate computed to the nearest one hundredth of one percent that would earn the same total interest at maturity of the contract as would be earned by the application of the graduated rates provided in paragraph (a), clause (1), when the debt is paid according to the agreed terms and the calculations are made according to the actuarial method.

(c) Loans may be interest-bearing or precomputed.

(d) To compute time on interest-bearing and precomputed loans, including, but not limited to the calculation of interest, a day ~~shall be~~ *is* considered 1/30 of a month when calculation is made for a fraction of a calendar month. A year ~~shall be~~ *is* 12 calendar months. A calendar month ~~shall be~~ *is* that period from a given date in one month to the same numbered date in the following month, and if there is no same numbered date, to the last day of the following month.

(e) With respect to interest-bearing loans:

(1) Interest ~~shall~~ *must* be computed on unpaid principal balances outstanding from time to time, for the time outstanding. Each payment ~~shall~~ *must* be applied first to the accumulated interest and the remainder of the payment applied to the unpaid principal balance; provided however, that if

the amount of the payment is insufficient to pay the accumulated interest, the unpaid interest continues to accumulate to be paid from the proceeds of subsequent payments and is not added to the principal balance.

(2) Interest ~~shall~~ *must* not be payable in advance or compounded. However, if part or all of the consideration for a new loan contract is the unpaid principal balance of a prior loan, then the principal amount payable under the new loan contract may include any unpaid interest which has accrued. The unpaid principal balance of a precomputed loan is the balance due after refund or credit of unearned interest as provided in paragraph (f), clause (3). The resulting loan contract ~~shall be~~ *is* deemed a new and separate loan transaction for all purposes.

(f) With respect to precomputed loans:

(1) Loans ~~shall~~ *must* be repayable in substantially equal and consecutive monthly installments of principal and interest combined, except that the first installment period may be ~~longer~~ *more or less* than one month by not more than 15 days, and the first installment payment amount may be larger than the remaining payments by the amount of interest charged for the extra days *and must be reduced by the amount of interest for the number of days less than one month to the first installment payment*; and ~~provided further that~~ monthly installment payment dates may be omitted to accommodate borrowers with seasonal income.

(2) Payments may be applied to the combined total of principal and precomputed interest until the loan is fully paid. Payments ~~shall~~ *must* be applied in the order in which they become due.

(3) When any loan contract is paid in full by cash, renewal or refinancing, or a new loan, one month or more before the final installment due date, a licensee shall refund or credit the borrower with the total of the applicable charges for all fully unexpired installment periods, as originally scheduled or as deferred, which follow the day of prepayment; if the prepayment is made other than on a scheduled payment date, the nearest scheduled installment payment date ~~shall~~ *must* be used in the computation; provided further, if the prepayment occurs prior to the first installment due date, the licensee may retain 1/30 of the applicable charge for a first installment period of one month for each day from the date of the loan to the date of prepayment, and shall refund or credit the borrower with the balance of the total interest contracted for. If the maturity of the loan is accelerated for any reason and judgment is entered, the licensee shall credit the borrower with the same refund as if prepayment in full had been made on the date the judgment is entered.

(4) If an installment, other than the final installment, is not paid in full within ten days of its scheduled due date, a licensee may contract for and receive a default charge not exceeding five percent of the amount of the installment, but not less than \$2.

(5) If the parties agree in writing, either in the loan contract or in a subsequent agreement, to a deferment of wholly unpaid installments, a licensee may grant a deferment and may collect a deferment charge as provided in this section. A deferment postpones the scheduled due date of the earliest unpaid installment and all subsequent installments as originally scheduled.

or as previously deferred, for a period equal to the deferment period. The deferment period is that period during which no installment is scheduled to be paid by reason of the deferment. The deferment charge for a one-month period may not exceed the applicable charge for the installment period immediately following the due date of the last undeferred payment. A proportionate charge may be made for deferment for periods of more or less than one month. A deferment charge is earned pro rata during the deferment period and is fully earned on the last day of the deferment period. Should a loan be prepaid in full during a deferment period, the licensee shall make or credit to the borrower a refund of the unearned deferment charge in addition to any other refund or credit made for prepayment of the loan in full.

(6) If two or more installments are delinquent one full month or more on any due date, and if the contract so provides, the licensee may reduce the unpaid balance by the refund credit which would be required for prepayment in full on the due date of the most recent maturing installment in default. Thereafter, and in lieu of any other default or deferment charges, the single annual percentage rate permitted by this subdivision may be charged on the unpaid balance until fully paid.

(7) Following the final installment as originally scheduled or deferred, the licensee, for any loan contract which has not previously been converted to interest-bearing under paragraph (f), clause (6), may charge interest on any balance remaining unpaid, including unpaid default or deferment charges, at the single annual percentage rate permitted by this subdivision until fully paid.

Sec. 28. Minnesota Statutes 1982, section 56.155, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] No licensee shall, directly or indirectly, sell or offer for sale any insurance in connection with any loan made under this chapter except as and to the extent authorized by this section. The sale of credit life and credit accident and health insurance ~~shall be~~ *is* subject to the provisions of chapter 62B, except that the term of the insurance may exceed 60 months if the term of the loan exceeds 60 months. Life, accident, and health insurance, or any of them, may be written upon or in connection with any loan but ~~shall~~ *must* not be required as additional security for the indebtedness. If the debtor chooses to procure credit life insurance or credit accident and health insurance as security for the indebtedness, he shall have the option of furnishing this security through existing policies of insurance owned or controlled by him or of furnishing the coverage through any insurer authorized to transact business in this state. A statement in substantially the following form *must be made orally and provided in writing* in bold face type of a minimum size of 12 points ~~shall be provided~~ to the borrower before the transaction is completed *for each credit life and accident and health insurance coverage sold*:

CREDIT LIFE INSURANCE AND CREDIT DISABILITY INSURANCE ARE NOT REQUIRED TO OBTAIN CREDIT. YOU MAY BUY ANY INSURANCE FROM ANYONE YOU CHOOSE OR YOU MAY USE EXISTING INSURANCE. THE CREDIT LIFE INSURANCE AND CREDIT DISABILITY INSURANCE AVAILABLE THROUGH THIS

LENDER HAD AN ACTUAL LOSS RATIO DURING THE CALENDAR YEAR LAST REPORTED TO THE DEPARTMENT OF COMMERCE OF _____ PERCENT. THIS MEANS THAT, ON THE AVERAGE, \$_____ OF EVERY \$100 IN PREMIUMS PAID TO THE INSURANCE COMPANY WERE RETURNED AS BENEFITS TO POLICY-HOLDERS DURING THAT YEAR.

The licensee shall have 30 days after the insurance company submits its report of losses to the department of commerce for the previous calendar year to change its disclosure to reflect the current loss ratio.

The licensee shall disclose whether or not the benefits shall commence as of the first day of disability and shall further disclose the number of days that an insured obligor must be disabled, as defined in the policy, before benefits, whether retroactive or nonretroactive, shall commence. In case there are multiple obligors under a transaction subject to this chapter, no policy or certificate of insurance providing credit accident and health benefits shall may be procured by or through a licensee upon more than one of the obligors. In case there are multiple obligors under a transaction subject to this chapter, no policy or certificate of insurance providing credit life insurance shall may be procured by or through a licensee upon more than two of the obligors in which case they shall be insured jointly. The premium or identifiable charge for the insurance shall must not exceed that filed by the insurer with the insurance division of the department of commerce. The charge, computed at the time the loan is made for a period not to exceed the full term of the loan contract on an amount not to exceed the total amount required to pay principal and charges, may be deducted from the proceeds or may be included as part of the principal of any loan. If a borrower procures insurance by or through a licensee, the statement required by section 56.14 shall must disclose the cost to the borrower and the type of insurance, and the licensee shall cause to be delivered to the borrower a copy of the policy, certificate, or other evidence thereof, within a reasonable time. No licensee shall decline new or existing insurance which meets the standards set out in this section nor prevent any obligor from obtaining such this insurance coverage from other sources. Notwithstanding any other provision of this chapter, any gain or advantage to the licensee or to any employee, affiliate, or associate of the licensee from such this insurance or the sale or provision thereof shall not be deemed to be is not an additional or further charges charge in connection with the loan; nor shall are any of the provisions pertaining to insurance contained in this section be deemed prohibited by any other provision of this chapter.

Sec. 29. Minnesota Statutes 1982, section 168.72, subdivision 1, is amended to read:

Subdivision 1. (a) The time price differential authorized by sections 168.66 to 168.77 in a retail installment sale shall may not exceed the following rates:

Class 1. Any motor vehicle designated by the manufacturer by a year model of the same or not more than one year prior to the year in which the sale is made — \$8 per \$100 per year.

Class 2. Any motor vehicle designated by the manufacturer by a year model of two or three years prior to the year in which the sale is made — \$11 per \$100 per year.

Class 3. Any motor vehicle not in Class 1 or Class 2 — \$13 per \$100 per year plus a flat charge of \$3 for each retail installment sale.

(b) The time price differential ~~shall~~ *must* be computed on the principal balance as determined under section 168.71, clause (b) and ~~shall~~ *must* be computed at the rate indicated on contracts payable in successive monthly installment payments substantially equal in amount extending for a period of one year. *For purposes of this subdivision and section 168.73, contracts payable in successive monthly installment payments include those where the first installment is scheduled for not less than 15 days nor more than one month and 15 days from the date of the contract.* On contracts providing for installment payments extending for a period less than or greater than one year, the time price differential ~~shall~~ *must* be computed proportionately.

(c) When a retail installment contract provides for unequal or irregular installment payments, the time price differential is at the effective rate provided in clause (a) hereof, having due regard for the irregular schedule of payment.

(d) The time price differential is inclusive of all charges incident to investigating and making the contract, and for the extension of the credit provided for in the contract and no fee, commission, expense or other charge whatsoever ~~shall~~ *may* be taken, received, reserved or contracted for except as provided in sections 168.66 to 168.77.

Sec. 30. Minnesota Statutes 1982, section 300.025, is amended to read:

300.025 [ORGANIZATION, CERTIFICATE.]

Any three or more persons may form a corporation for any of the purposes specified in section 47.12 by *applying to the department of commerce and complying with the all applicable organizational requirements and the conditions hereinafter prescribed; provided however, no corporation shall may* be formed under this section which might be formed under the Minnesota business corporation act. ~~They shall~~ *The incorporators must* subscribe and acknowledge a certificate specifying:

(1) The name, the general nature of its business, and the principal place of ~~transacting the same business.~~ The name ~~shall~~ *must* distinguish it from all other corporations, domestic or foreign, authorized to do business in this state; and shall contain the word "company," "corporation," "bank," "association," or "incorporated."

(2) The period of its duration, if limited.

(3) The names and places of residence of the incorporators.

(4) In what board its management ~~shall~~ *will* be vested, the date of the annual meeting at which it ~~shall~~ *will* be elected, and the names and addresses of those composing the board until the first election, a majority of whom shall always be residents of this state.

(5) The amount of capital stock, if any, how ~~the same~~ *it* is to be paid in, the number of shares into which it is to be divided, and the par value of each

share; and, if there is to be more than one class, a description and the terms of issue of each; and the method of voting thereon.

(6) The highest amount of indebtedness or liability to which the corporation shall *will* at any time be subject.

It may contain any other lawful provision defining and regulating the powers and business of the corporation, its officers, directors, trustees, members, and stockholders ~~provided that~~. *However*, corporations subject to provisions of ~~section~~ *sections 48.27 and 51A.22, subdivision 2*, may show their highest amount of indebtedness to be 30 times the amount of its capital and actual surplus.

Sec. 31. Minnesota Statutes 1982, section 300.20, is amended to read:

300.20 [BOARD OF DIRECTORS, ELECTION; VACANCY, HOW FILLED.]

The business of ~~every such~~ *the* corporation, ~~except savings banks, shall must~~ be managed by a board of at least three directors, *unless a greater number is otherwise required by law*, elected by ballot by ~~and from~~ the stockholders or members. Any board of directors of a financial institution referred to in section 47.12 which has less than five members may be increased to not more than five members by order of the commissioner of banks. ~~When~~ *If* the certificate of incorporation or the bylaws so provides, a vacancy in the board of directors may be filled by the remaining directors. Not more than one-third of the members of the board may be so filled in any one year. The business of ~~a savings banks shall bank must~~ be managed by a board of at least seven trustees, residents of this state, each of whom, before being authorized to act, shall file a written acceptance of the trust. A majority of the directors or trustees shall constitute a quorum for the transaction of business. Any action which might be taken at a meeting of the board of directors, trustees, or managers may be taken without a meeting if done in writing signed by all of the directors, trustees, or managers.

Sec. 32. [EFFECTIVE DATE.]

Sections 1 to 31 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to financial institutions; providing for the payment of hearing costs on contested applications; including credit union share insurance corporations and industrial loan and thrift guarantee issuers in the group of organizations permitted to receive examination reports; removing the requirement that a financial institution's board of directors hold qualifying shares; clarifying limitations on junior mortgage loans by banks; establishing application fees; removing a certain filing requirement; reducing the number of savings association incorporators; clarifying the notice requirements for savings association conversions; clarifying the industrial loan and thrift company lending limit and increasing the capital to deposit limitation; providing first installment requirements for regulated lenders and motor vehicle sales finance companies; providing credit insurance disclosure requirements for regulated lenders; clarifying financial corporation organizational requirements; providing that no employee, officer, director, or shareholder of a financial institution, or a corporation, partnership, or asso-

ciation in which these persons have an interest, may retain income from the sale of credit insurance in connection with a loan made by the financial institution; providing that the income must be turned over to the financial institution; regulating the use of terminals by financial institutions located outside the state; amending Minnesota Statutes 1982, sections 45.04, subdivision 1; 46.07, subdivision 2; 47.54, subdivision 1; 47.64, subdivision 6; 48.06; 48.19, subdivision 1; 48.68; 49.36, subdivision 1; 49.37; 51A.03, subdivisions 1 and 4; 51A.065, subdivision 4; 51A.13, subdivisions 2 and 2a; 51A.51, subdivisions 2 and 3a; 52.203; 53.01; 53.03, subdivisions 1, 5, and 6; 53.04, subdivision 3a; 53.05; 53.06; 56.001, subdivision 3; 56.131, subdivision 1; 56.155, subdivision 1; 168.72, subdivision 1; 300.025; and 300.20; proposing new law coded in Minnesota Statutes, chapter 47."

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

House Conferees: (Signed) Thomas R. Berkelman, Ann Wynia, Adolph L. Kvam

Senate Conferees: (Signed) Sam G. Solon, Gary W. Laidig, Michael O. Freeman

Mr. Solon moved that the foregoing recommendations and Conference Committee Report on H.F. No. 521 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 521 was read the third time as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 667, and repassed said bill in accordance with the report of the Committee, so adopted.

H.F. No. 667 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 667

A bill for an act relating to employment; providing leaves of absence for adoptive parents; proposing new law coded in Minnesota Statutes, chapter 181.

May 17, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 667, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 667 be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [181.92] [LEAVES FOR ADOPTIVE PARENTS.]

An employer who permits paternity or maternity time off to a biological father or mother shall, upon request, grant time off, with or without pay, to an adoptive father or mother. The minimum period of this time off shall be four weeks, or, if the employer has an established policy of time off for a biological parent which sets a period of time off of less than four weeks, that period of time shall be the minimum period for an adoptive parent. The period of time off shall, at the direction of the adoptive parent, begin before, or at the time of, the child's placement in the adoptive parent's home, and shall be for the purpose of arranging the child's placement or caring for the child after placement. An employer shall not penalize an employee for requesting or obtaining time off according to this section.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.”

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

House Conferees: (Signed) Kathleen Blatz, Leonard Price, Rick Krueger

Senate Conferees: (Signed) Duane D. Benson, Patricia Louise Kronebusch, Ember D. Reichgott

Mr. Benson moved that the foregoing recommendations and Conference Committee Report on H.F. No. 667 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 667 was read the third time as amended by the Conference Committee, and placed on its repassage.

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

Conference Committee.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 654, 1169, 1216, 1231 and 796.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1983

FIRST READING OF HOUSE BILLS

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

H.F. No. 654: A bill for an act relating to outdoor recreation; requiring a user fee for cross country skiers; creating a cross country ski trail grant-in-aid program; imposing a penalty; appropriating money for recreational purposes; proposing new law coded in Minnesota Statutes, chapter 85.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 912, now on Special Orders.

H.F. No. 1169: A bill for an act relating to taxation; property; changing the meeting dates for local boards of review and the state board of equalization; changing other miscellaneous dates; modifying the appeal process in certain situations; amending Minnesota Statutes 1982, sections 270.11, subdivisions 1 and 2; 270.12, subdivisions 2, 3, and by adding a subdivision; 270.13; 270.87; 271.01, subdivision 5; 271.21, subdivision 4; 273.33, subdivision 2; 273.37, subdivision 2; 274.01, subdivision 1; 274.14; 274.16; and 275.07, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 1216: A bill for an act relating to taxation; exempting petroleum products used in certain improvements to agricultural land for purposes of the sales tax; prohibiting certain retroactive imposition of tax, penalty, and

interest; amending Minnesota Statutes 1982, section 297A.25, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 1231: A bill for an act relating to property taxation; providing for the taxation of certain condominium property; amending Minnesota Statutes 1982, sections 273.11, subdivision 1, and by adding a subdivision; and 515A.1-105.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 796: A bill for an act relating to parks, open space and recreation; authorizing the issuance of state bonds and expenditure of the proceeds to acquire and better regional recreation open space lands by the metropolitan council and metropolitan area local governmental units; authorizing expenditures for acquisition and betterment of state parks, recreation areas, trails, forests, fishing management lands, wildlife management areas, natural and scientific areas, wild, scenic, and recreational rivers, canoe and boating routes, and public water access; appropriating money; amending Minnesota Statutes 1982, sections 85.015, by adding a subdivision; and 473.147, subdivision 1.

Referred to the Committee on Finance.

MOTIONS AND RESOLUTIONS

Mr. Benson moved that the name of Mrs. Kronebusch be added as a co-author to S.F. No. 1265. The motion prevailed.

Mr. Pehler moved that H.F. No. 720, No. 46 on Special Orders, be stricken and re-referred to the Committee on Education. The motion prevailed.

Mr. Bertram introduced—

Senate Resolution No. 59: A Senate resolution honoring the Gene Peichowski family for their heroic action to save the Gary Rand family from their burning home.

Referred to the Committee on Rules and Administration.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Nelson moved that the following members be excused for a Conference Committee on H.F. No. 92 at 1:00 p.m.:

Messrs. Peterson, R.W.; Merriam; Peterson, D.L.; Pehler and Nelson. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Willet moved that the following members be excused for a Conference Committee on H.F. No. 1290 at 1:00 p.m.:

Messrs. Willet, Kroening, Luther, Dahl and Solon. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Dieterich moved that the following members be

excused for a Conference Committee on H.F. No. 289 at 2:00 p.m.:

Messrs. Dieterich, Sieloff and Ms. Peterson, D.C. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 92 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 92

A bill for an act relating to towns, cities, and counties; requiring other government units to give notice to towns, cities, and counties of actions that affect land use or taxation; proposing new law coded in Minnesota Statutes, chapter 471.

May 19, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 92, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 92 be amended as follows:

Page 1, lines 11 and 12, delete "*excluding the metropolitan area as defined by section 473.121, subdivision 2,*"

Page 1, line 14, after "*days*" insert "*prior*"

Page 1, line 14, after "*action*" insert "*by the state or political subdivision*"

Page 1, line 14, after "*will*" insert "*directly*"

Page 1, line 15, delete "*taxable status or*"

Page 1, line 16, delete "*provisions for*"

Page 1, line 19, after "*or*" insert "*boundary*"

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

Senate Conferees: (Signed) Joe Bertram, Earl W. Renneke, Lawrence J. Pogemiller

House Conferees: (Signed) Stephen G. Wenzel, Connie Levi, Wally Sparby

Mr. Bertram moved that the foregoing recommendations and Conference Committee Report on S.F. No. 92 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 92 was read the third time as amended by the Conference Committee, and placed on its repassage.

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

Conference Committee.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 639 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 639

A bill for an act relating to energy; changing a cross-reference for non-public data reporting; amending the definition of "earth sheltered"; changing the due date of biennial energy reports; amending Minnesota Statutes 1982, sections 13.68, subdivision 1; 116J.06, subdivision 2; and 116J.18, subdivision 1.

May 12, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 639, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate accede to the amendments of the House of Representatives.

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

Senate Conferees: (Signed) Phyllis W. McQuaid, Don Frank, Gen Olson

House Conferees: (Signed) Pat Piper, Gordon O. Voss, Bob Waltman

Mr. Frank moved that the foregoing recommendations and Conference Committee Report on S.F. No. 639 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 639 was read the third time as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 398 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 398

A bill for an act relating to vulnerable adults; refining the Vulnerable Adults Reporting Act; specifying reporting requirements; specifying access to reports; preventing record destruction; amending Minnesota Statutes 1982, section 626.557, subdivisions 2, 3, 4, 10, 12, 14, and by adding a subdivision; repealing Minnesota Statutes 1982, section 626.557, subdivision 12a.

May 13, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 398, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 398 be amended as follows:

Page 4, line 10, before "Except" insert "(a) Where federal law specifically prohibits a person from disclosing patient identifying information in connection with a report of suspected abuse or neglect under this act, that person need not make a required report unless the vulnerable adult, or his guardian, conservator, or legal representative, has consented to disclosure in a manner which conforms to federal requirements. Facilities whose patients or residents are covered by such a federal law shall seek consent to the disclosure or suspected abuse or neglect from each patient or resident, or his guardian, conservator, or legal representative, upon his admission to the

facility. Persons who are prohibited by federal law from reporting an incident of suspected abuse or neglect shall promptly seek consent to make a report.

(b)''

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

Senate Conferees: (Signed) Allan H. Spear, Randolph W. Peterson, Fritz Knaak

House Conferees: (Signed) John T. Clawson, Lee Greenfield, Kathleen Blatz

Mr. Spear moved that the foregoing recommendations and Conference Committee Report on S.F. No. 398 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 398 was read the third time as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 72 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 72

A bill for an act relating to occupations and professions; authorizing the commissioner of public safety to provide administrative support services to the board of peace officer standards and training; amending Minnesota Statutes 1982, sections 214.04, subdivision 1; 626.843, subdivision 1; 626.845, subdivision 1; and 626.849.

May 18, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 72, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate accedes to the House amendment and that S.F. No. 72 be further amended as follows:

Page 2, after line 16, insert:

"Sec. 2. Minnesota Statutes 1982, section 624.713, subdivision 1, is amended to read:

Subdivision 1. [INELIGIBLE PERSONS.] The following persons shall not be entitled to possess a pistol:

(a) A person under the age of 18 years except that a person under 18 may carry or possess a pistol (i) in the actual presence or under the direct supervision of his parent or guardian, (ii) for the purpose of military drill under the auspices of a legally recognized military organization and under competent supervision, (iii) for the purpose of instruction, competition, or target practice on a firing range approved by the chief of police or county sheriff in whose jurisdiction the range is located and under direct supervision; or (iv) if the person has successfully completed a course designed to teach marksmanship and safety with a pistol and approved by the commissioner of natural resources;

(b) A person who has been convicted in this state or elsewhere of a crime of violence unless ten years have elapsed since the person has been restored his civil rights or the sentence has expired, whichever occurs first, and during that time he has not been convicted of any other crime of violence. For purposes of this section, crime of violence includes crimes in other states or jurisdictions which would have been crimes of violence as herein defined if they had been committed in this state;

(c) A person who is or has ever been confined or committed in Minnesota or elsewhere as a "mentally ill," "mentally deficient retarded," or "mentally ill and dangerous to the public" person as ~~those terms are~~ defined in section ~~253A.02~~ 253B.02, to a ~~hospital, mental institution or sanitarium~~ treatment facility, unless he possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof that he is no longer suffering from this disability;

(d) A person who has been convicted in Minnesota or elsewhere for the unlawful use, possession, or sale of a controlled substance other than conviction for possession of a small amount of marijuana, as defined in section 152.01, subdivision 16, or a person who is or has ever been hospitalized or committed for treatment for the habitual use of a controlled substance or marijuana, as defined in sections 152.01 and 152.02, unless he possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that he has not abused a controlled substance or marijuana during the previous two years; ~~or~~

(e) A person who has been confined or committed to a ~~hospital, mental institution or sanitarium~~ treatment facility in Minnesota or elsewhere as ~~an~~ "inebriate person" "chemically dependent" as ~~that term is~~ defined in section

~~253A.02~~ 253B.02, or for alcoholic problems, unless he possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that he has not abused alcohol during the previous two years; or

(f) *A peace officer who is informally admitted to a treatment facility pursuant to section 253B.04 for chemical dependency, unless he possesses a certificate from the head of the treatment facility that he has been discharged or provisionally discharged from the treatment facility.*

A person who issues a certificate pursuant to this subdivision in good faith shall not be liable for damages in an action arising out of the issuance."

Page 6, line 17, after the period, insert "Section 2 applies to all releases or discharges occurring before, on, or after that date."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "authorizing certain peace officers to carry pistols;"

Page 1, line 6, after the semicolon, insert "624.713, subdivision 1;"

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

Senate Conferees: (Signed) Darril Wegscheid, Lawrence J. Pogemiller

House Conferees: (Signed) Janet Clark, Joseph R. Begich, Bert J. McKasy

Mr. Wegscheid moved that the foregoing recommendations and Conference Committee Report on S.F. No. 72 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 72 was read the third time as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 652 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 652

A bill for an act relating to agriculture; adopting recommended federal rules relating to milk quality for manufacturing purposes; providing for phase in of inspections and compliance; proposing new law coded in Minnesota Statutes, chapter 32.

May 19, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 652, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 652 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [32.415] [MILK FOR MANUFACTURING; QUALITY STANDARDS.]

In order to provide uniform quality standards, producers of milk used for manufacturing purposes shall conform to the standards contained in Subparts D and F of the United States Department of Agriculture Consumer and Marketing Service Recommended Requirements for Milk for Manufacturing Purposes and its Production and Processing, Vol. 37 Federal Register, No. 68, Part II, April 7, 1972, with the following exceptions:

- (a) Inspections of producers shall begin not later than January 1, 1984;*
- (b) Producers shall comply with the standards not later than July 1, 1985, except as otherwise allowed under the standards; and*
- (c) The commissioner shall develop methods by which producers can comply with the standards without violation of religious beliefs. The commissioner may adopt rules, including temporary rules, for the purpose of this clause.*

The commissioner of agriculture shall perform or contract for the performance of the inspections necessary to implement this section or shall certify dairy industry personnel to perform the inspections.

The commissioner and other employees of the department shall make every reasonable effort to assist producers in achieving the milk quality standards at minimum cost and to use the experience and expertise of the University of Minnesota and the agricultural extension service to assist producers in achieving the milk quality standards in the most cost-effective manner.

The commissioner of agriculture shall consult with producers, processors, and others involved in the dairy industry in order to prepare for the imple-

mentation of this section including development of informational and educational materials, meetings, and other methods of informing producers about the implementation of standards under this section.

Sec. 2. [32.417] [INVESTMENT REIMBURSEMENTS TO MANUFACTURED MILK PRODUCERS.]

An operator of a dairy farm that produces milk for sale in cans may apply for a reimbursement in the amount of \$100 for the first \$500 or fraction thereof, and ten percent of the next \$2,000, of the net expenditures by the operator for any capital improvements or equipment installed primarily for the purpose of conforming to the standards adopted in section 1. No reimbursement may be made to an applicant unless:

(a) the applicant provides receipts for the expenditures;

(b) a dairy inspector authorized by the commissioner certifies that the applicant's dairy operation complies with the standards adopted in section 1 as a result of the installation of the improvements or equipment; and

(c) the expenditures for the improvements and equipment were made on or after the effective date of this section but before July 1, 1985.

The commissioner shall provide an application form for the reimbursement program. By January 1, 1984, the commissioner shall adopt temporary rules under sections 14.29 to 14.36 which provide reimbursement application and payment procedures, and eligibility criteria based on an applicant's need for a reimbursement. Notwithstanding the provisions of section 14.35, the rules shall be effective until July 1, 1985. No reimbursement application may be approved after June 30, 1985.

Sec. 3. [APPROPRIATIONS.]

Subdivision 1. [INVESTMENT REIMBURSEMENT.] \$300,000 is appropriated from the general fund to the commissioner of agriculture for the biennium ending June 30, 1985 for reimbursements under section 2.

Subd. 2. [ADMINISTRATION.] \$30,800 is appropriated from the general fund to the commissioner of agriculture for the fiscal year ending June 30, 1984, for administrative expenses incurred to implement the provisions of this act. The approved complement of the department is increased by one full-time unclassified position.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment. Section 3 is effective July 1, 1983."

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "authorizing reimbursements to certain dairy producers for expenditures to comply with the rules; appropriating money;"

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

Senate Conferees: (Signed) Darril Wegscheid, Gene Merriam, Charles R. Davis, Charles A. Berg, Gary M. DeCramer

House Conferees: (Signed) Paul Anders Ogren, Stephen G. Wenzel,

Henry J. Kalis, Wally Sparby, Sylvester Uphus

Mr. Wegscheid moved that the foregoing recommendations and Conference Committee Report on S.F. No. 652 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 652 was read the third time as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 51 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kamrath	Peterson,C.C.	Storm
Anderson	Dieterich	Kronebusch	Petty	Stumpf
Belanger	Frank	Laidig	Pogemiller	Taylor
Berg	Frederick	Langseth	Purfeerst	Ulland
Bernhagen	Frederickson	Lessard	Ramstad	Vega
Bertram	Freeman	Luther	Reichgott	Wegscheid
Chmielewski	Hughes	McQuaid	Renneke	Willet
Dahl	Isackson	Mehrkens	Samuelson	
Davis	Johnson, D.E.	Moe, R. D.	Schmitz	
DeCramer	Johnson, D.J.	Novak	Sieloff	
Dicklich	Jude	Olson	Spear	

Ms. Berglin, Mr. Kroening, Mrs. Lantry and Mr. Waldorf voted in the negative.

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 923 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 923

A bill for an act relating to libraries; prohibiting the theft or damage of library materials; restricting tort liability for public libraries; prescribing a penalty; amending Minnesota Statutes 1982, section 466.01, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 609.

May 19, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 923, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 923 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [134.40] [PROTECTION OF LIBRARY MATERIAL.]

Section 3 describes misuse of library materials and prescribes penalties for intentional removal of, damage to, and detention of library materials.

Sec. 2. Minnesota Statutes 1982, section 466.01, subdivision 1, is amended to read:

Subdivision 1. [MUNICIPALITY.] For the purposes of sections 466.01 to 466.15, “municipality” means any city, whether organized under home rule charter or otherwise, any county, town, public authority, public corporation, special district, school district, however organized, county agricultural society organized pursuant to chapter 38, *public library, regional public library system, multi-county multi-type library system*, or other political subdivision.

Sec. 3. [609.541] [PROTECTION OF LIBRARY PROPERTY.]

Subdivision 1. [DAMAGE TO LIBRARY MATERIALS.] A person who intentionally, and without permission from library personnel damages any books, maps, pictures, manuscripts, films, or other property of any public library or library belonging to the state or to any political subdivision is guilty of a petty misdemeanor.

Subd. 2. [REMOVAL OF LIBRARY PROPERTY.] A person who intentionally, and without permission from library personnel removes any books, maps, pictures, manuscripts, films, or other property of any public library or library belonging to the state or to any political subdivision is guilty of a misdemeanor.

Subd. 3. [DETENTION OF LIBRARY MATERIALS.] A person who detains a book, periodical, pamphlet, film, or other property belonging to any public library, or to a library belonging to the state or any political subdivision, for more than 60 days after notice in writing to return it, given after the expiration of the library's stated loan period for the material, is guilty of a petty misdemeanor. The written notice shall be sent by mail to the last known address of the person detaining the material. The notice shall state the type of material borrowed, the title of the material, the author's name, the library from which the material was borrowed, and the date by which the material was to have been returned to the library. The notice shall include a statement indicating that if the material is not returned within 60 days after the written notice the borrower will be in violation of this section.

Subd. 4. [RESPONSIBILITY FOR PROSECUTION FOR REGIONAL LIBRARIES.] For regional libraries the county attorney for the county in which the offense occurred shall prosecute violations of subdivisions 1 to 3.”

Amend the title as follows:

Page 1, line 2, after the semicolon insert “defining misuse of library materials;”

Page 1, line 6, delete “chapter” and insert “chapters 134 and”

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

Senate Conferees: (Signed) Darril Wegscheid, Michael O. Freeman, Fritz Knaak

House Conferees: (Signed) Buzz Anderson, Joe Quinn

Mr. Wegscheid moved that the foregoing recommendations and Conference Committee Report on S.F. No. 923 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 923 was read the third time as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.J.	Olson	Spear
Anderson	Dicklich	Jude	Peterson, C.C.	Storm
Belanger	Diessner	Kamrath	Petty	Stumpf
Benson	Dieterich	Kroening	Pogemiller	Taylor
Berg	Frank	Langseth	Purfeerst	Ulland
Berglin	Frederick	Lantry	Ramstad	Vega
Bernhagen	Frederickson	Lessard	Reichgott	Waldorf
Bertram	Freeman	Luther	Renneke	Wegscheid
Chmielewski	Hughes	McQuaid	Samuelson	Willet
Dahl	Isackson	Mehrkens	Sicliff	
Davis	Johnson, D.E.	Novak	Solon	

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1003 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1003

A bill for an act relating to public welfare; establishing a medical assistance social health maintenance organization demonstration project; proposing new law coded in Minnesota Statutes, chapter 256B.

May 17, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1003, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 1003 be amended as follows:

Page 1, line 17, delete "*case manager*" and insert "*participating provider*,"

Page 1, line 25, delete "*the projects*" and insert "*a project*"

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

Senate Conferees: (Signed) Eric D. Petty, Linda Berglin, Howard A. Knutson

House Conferees: (Signed) John E. Brandl, Tony Onnen, Lee Greenfield

Mr. Petty moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1003 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1003 was read the third time as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Adkins	Dicklich	Kroening	Pogemiller	Stumpf
Anderson	Dieterich	Laidig	Purteerst	Taylor
Benson	Frank	Langseth	Ramstad	Ulland
Berg	Frederick	Lantry	Reichgott	Vega
Berglin	Frederickson	Lessard	Renneke	Waldorf
Bernhagen	Hughes	Luther	Samuelson	Wegscheid
Bertram	Isackson	McQuaid	Schmitz	Willet
Chmielewski	Johnson, D.E.	Mehrkens	Sieloff	
Dahl	Johnson, D.J.	Novak	Solon	
Davis	Jude	Peterson, C.C.	Spear	
DeCramer	Kamrath	Petty	Storm	

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1233 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1233

A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and for other agencies with certain conditions; fixing and limiting fees; providing for adjustments of responsibilities of the department of agriculture for soil and water conservation; allowing limited donation of accumulated vacation time by certain law enforcement employees to their union representative; providing for deposit of proceeds of assessment by the assigned risk review board; regulating financial assistance to public transit systems; limiting certain hearing functions of the transportation regulation board; transferring certain rules authority to the transportation regulation board; reducing membership and establishing terms of members of the public utilities commission; defining enforcement powers of the hazardous material specialists and transportation representatives of the department of transportation; defining terms and requirements for building movers; crediting certain receipts of the commissioner of transportation to the trunk highway fund; providing for certain costs to be paid from the trunk highway fund; author-

izing the commissioner of transportation to enforce certain carrier regulations; extending retirement coverage of certain employees of the department of transportation from age 60 to age 62 and providing for disability benefits; transferring and renaming the air transportation revolving account; instructing the commissioner of transportation to charge users of certain air transportation services for certain costs; limiting fare increases by the metropolitan transit commission; basing taxing for the metropolitan transit taxing district upon the level of transit service provided; providing for the disposition of proceeds of certain trunk highway bonds; reducing the amount appropriated from the bridge construction account in the trunk highway fund to the department of transportation; amending Minnesota Statutes 1982, sections 12.14; 17A.04, subdivision 5; 18.51, subdivision 2; 18.52, subdivision 5; 18.53; 18.54; 18A.22, subdivisions 5 and 7; 18A.26; 27.041, subdivision 2; 28A.08; 28A.09; 32.075; 32.59; 34.02; 34.05, subdivision 1; 40.03, subdivision 2, as amended; 43A.04, by adding a subdivision; 79.251, subdivision 1; 155A.07, subdivision 7; 155A.08, subdivision 5; 169.81, subdivision 3b; 169.86, subdivision 5; 169.862; 170.23; 171.26; 171.29, subdivision 2; 173.07, subdivision 2; 173.08, subdivision 1; 173.13, subdivision 4; 174.24, subdivision 3; 174A.02, subdivision 2; 174A.06; 216A.03, subdivision 1; 221.061; 221.071; 221.131; 221.221; 221.296, subdivision 5; 221.64; 221.81; 296.17, subdivisions 10, 17, and 20; 296.25, subdivision 1; 299C.46, subdivision 3; 352.86, subdivisions 1, 2, and by adding a subdivision; 360.018, subdivision 1; 360.63; 473.408, subdivision 3 and by adding a subdivision; 473.446, subdivision 1, as amended; 500.221, subdivision 4; 626.88, subdivision 2; Laws 1975, chapter 235, section 2; Laws 1977, chapter 277, sections 1 and 3, subdivision 1; and Laws 1983, chapter 17, section 12; proposing new law coded in Minnesota Statutes, chapters 10A; 221; 299C; and 360; repealing Minnesota Statutes 1982, sections 24.24; 24.25; 24.26; 24.27; 24.28; 24.29; 24.30; 24.31; 160.26, subdivision 3; 174.265; and 174A.07.

May 18, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1233, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 1233 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [TRANSPORTATION AND OTHER AGENCIES; APPROPRIATIONS.] The sums set forth in the columns designated “APPROPRIATIONS” are appropriated from the general fund, or any other fund designated, to the agencies and for the purposes specified in the following sections of this act, to be available for the fiscal years indicated for each purpose. The figures “1983”, “1984”, and “1985”, wherever used in this act, mean that the appropriation or appropriations listed thereunder are available for the year ending June 30, 1983, June 30, 1984, or June 30, 1985, respectively.

SUMMARY BY FUND

	1983	1984	1985	TOTAL
General	\$10,000	\$82,717,500	\$80,685,200	\$163,412,700
Special		335,500	372,700	708,200
Airports		9,356,900	10,335,400	19,712,300
M.S.A.S.		51,500,000	54,100,000	105,600,000
C.S.A.H.		154,900,000	163,400,000	318,300,000
Tr. Hwy.		603,211,800	598,162,700	1,201,374,500
Hwy. User		7,618,100	7,477,700	15,095,800
TOTAL	\$10,000	\$909,639,800	\$914,553,700	\$1,824,203,500

APPROPRIATIONS
 Available for the Year
 Ending June 30
 1984 1985

Sec. 2. TRANSPORTATION

Subdivision 1. Total Department Appropriation		\$798,913,700	\$804,853,200
Approved Complement - 4425			
General - 16			
State Airports - 37			
Trunk Highway - 4371			
Federal - 1			

The appropriations in this section are from the trunk highway fund, except where another fund is designated.

Of this appropriation, \$24,862,800 the first year and \$23,933,800 the second year is from the general fund; \$9,311,900 the first year and \$10,310,400 the second year is from the state airports fund; \$51,500,000 the first year and \$54,100,000 the second year is from the municipal state aid street fund; \$154,900,000 the first year and \$163,400,000 the second year is from the county state aid highway fund; \$558,339,000 the first year and \$553,109,000 the second year is from the trunk highway fund.

Subd. 2. Highway Development	566,923,700	573,418,700
Trunk Highway Development		

1984	1985
\$342,824,000	\$335,308,700

It is estimated that this appropriation will be funded as follows:

Federal Highway Aid		
\$212,500,000	\$204,000,000	
Highway User Taxes		
\$ 95,323,700	\$ 91,308,700	
Bond Proceeds		
\$ 35,000,000	\$ 40,000,000	

1984 1985

\$ \$

The bond proceeds in this appropriation are the same as those appropriated by Laws 1977, chapter 277, section 1, and Laws 1983, chapter 17, section 12, both as amended by this act.

The commissioner of transportation shall notify the chairman of the senate finance committee and chairman of the house appropriations committee promptly of any events that should cause these estimates to change.

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways. This includes the cost of actual payment to land owners for lands acquired for highway right of way, payment to lessees, interest subsidies, and relocation expenses.

County State Aids

\$154,900,000 \$163,400,000

This appropriation is from the county state-aid highway fund and is available until expended.

Municipal State Aids

\$ 51,500,000 \$ 54,100,000

This appropriation is from the municipal state-aid street fund and is available until expended.

Of the above appropriation, \$155,000 the first year and \$163,500 the second year shall be allocated to those communities where the population fell below 5,000 according to the 1980 federal census.

If an appropriation for either county state aids or municipal state aids is insufficient to exhaust the balance in the fund from which it is made in the year for which it is made, the commissioner of finance, upon request of the commissioner of transportation, shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the remainder and shall then add that amount to the appropriation. The amount added is appropriated for the purposes of county state aids or municipal state aids, as appropriate.

Highway Debt Service

\$ 17,700,000 \$ 20,610,000

For transfer to the state bond fund.

If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance shall no-

	1984	1985
	\$	\$

tify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the deficiency and shall then transfer that amount pursuant to the statutory open appropriation.

Any excess appropriation shall be canceled to the trunk highway fund.

Subd. 3. Highway Operations	144,188,200	145,306,300
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The amounts that may be expended from this appropriation for each activity are as follows:

Maintenance
 \$ 99,572,600 \$100,685,400

Maintenance Preservation
 \$ 7,503,000 \$ 7,501,000

Construction Support
 \$ 37,112,600 \$ 37,119,900

Subd. 4. Technical Services	28,573,600	28,158,500
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The amounts that may be expended from this appropriation for each activity are as follows:

Engineering Services
 \$ 18,024,800 \$ 17,629,100

This appropriation includes \$1,400,000 each year for the purpose of delivery of an expanded highway development program. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Engineering Development
 \$ 6,890,400 \$ 6,872,600

\$75,000 the first year and \$75,000 the second year is for a transportation research contingent account to finance research projects that are reimbursable from the federal government or from other sources. Expenditures from this account are subject to the approval of the commissioner of finance. Reimbursements shall be deposited in the trunk highway fund. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

State Aid Technical Assistance
 \$ 656,000 \$ 656,000

The variance committee shall be continued during the biennium ending June 30, 1985.

Electronic Communications
 \$ 1,796,400 \$ 1,794,900

	1984	1985
Environmental Services	\$	\$
\$ 1,206,000	\$ 1,205,900	
For the fiscal biennium ending June 30, 1985, the commissioner shall spend no money to acquire or condemn outdoor advertising devices as defined in Minnesota Statutes, chapter 173.		
Subd. 5. Public Transportation Assistance	23,352,600	22,452,600

The appropriations in this subdivision are from the general fund.

Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

The amounts that may be expended from these appropriations for each activity are as follows:

(a) Rail Service Improvements

 \$ 400,000 \$ 400,000

This appropriation is for the purpose of supporting AMTRAK operation of the Northstar line between Minneapolis-St. Paul and Duluth.

(b) Metro Mobility

 \$ 5,000,000 \$ 5,000,000

The commissioner of transportation shall evaluate the financial benefits and service consequences of seeking competitive bids for the provision of services for metro mobility. If the commissioner concludes that competitive bidding may reduce the cost of providing service, he should pursue the use of competitive bidding where appropriate during the biennium ending June 30, 1985.

(c) Private Operators

 \$ 965,100 \$ 965,100

(d) Non-MTC Assistance Statewide

 \$ 5,434,200 \$ 5,434,200

(e) Metropolitan Transit Commission

 \$ 11,553,300 \$ 10,653,300

\$6,565,800 the first year and \$5,665,800 the second year is for state operating assistance grants.

Of this appropriation, \$200,000 the second year is available to the metropolitan transit commission only upon certification to the commissioner of transportation that the additional allocation will be used for the purpose of reducing the overall peak or off-peak fare rates

	1984	1985
	\$	\$

below the level existing on June 30, 1983. This restriction shall not prevent the metropolitan transit commission from certifying to the commissioner the necessity of this additional allocation in fiscal year 1985 due to reductions in the overall peak or off-peak fare rates occurring after June 30, 1983 and before July 1, 1984. In the event that less than \$200,000 is required, the commissior shall transfer only the amount certified.

\$4,987,500 the first year and \$4,987,500 the second year is for social fare reimbursement grants.

For the fiscal biennium ending June 30, 1985, the metropolitan transit commission may continue the existing \$.15 surcharge on fares during the peak hours. The metropolitan transit commission shall not increase its base fare beyond the level existing on June 30, 1983.

During the biennium ending June 30, 1985, the chairman of the metropolitan transit commission may appoint five persons in the unclassified service, not to exceed any other statutory complement limitation.

Subd. 6. Program Management	5,774,200	5,766,500
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The amounts that may be expended from this appropriation for each activity are as follows:

Highway Programs
 \$ 1,355,300 \$ 1,355,300

Of this amount \$175,000 the first year and \$175,000 the second year is available for grants to regional development commissions outside the seven-county metropolitan area for transportation studies to identify critical concerns, problems, and issues.

Motor Carrier Safety and Compliance
 \$ 902,200 \$ 869,300

This appropriation is from the general fund.

Railroads and Waterways
 \$ 749,400 \$ 749,700

\$223,100 the first year and \$223,300 the second year is from the general fund.

Transit Administration
 \$ 543,400 \$ 543,400

\$345,300 the first year and \$345,300 the second year is from the general fund.

	1984	1985
Transportation Information and Support	\$	\$
\$ 2,223,900		\$ 2,248,800
Subd. 7. General Support	20,851,800	19,500,700

The amounts that may be expended from this appropriation for each activity are as follows:

Finance and Administration
 \$ 8,051,500 \$ 8,054,700

General Services
 \$ 3,635,900 \$ 3,939,000

\$36,100 the first year and \$37,900 the second year is from the general fund.

\$56,200 the first year and \$58,600 the second year is from the state airports fund.

If an appropriation in this section for data processing development for either year is insufficient, the appropriation for the other year is available for it.

Equipment
 \$ 8,273,400 \$ 6,566,800

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

\$3,500 the first year and \$5,400 the second year is from the general fund.

\$6,100 the first year and \$1,900 the second year is from the state airports fund.

Legal Services
 \$ 891,000 \$ 940,200

This appropriation is for the purchase of legal services from or through the attorney general.

Subd. 8. Aeronautics	9,249,600	10,249,900
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The appropriations in this subdivision are from the state airports fund.

The amounts that may be expended from this appropriation for each activity are as follows:

Aeronautics Operations
 \$ 439,600 \$ 447,300

During the biennium ending June 30, 1985, the commissioner shall not require the registration of personal use airports except for those within five miles of a public airport, whether privately or publicly owned.

Aeronautics Development and Assistance
 \$ 8,479,700 \$ 9,660,100

1984

1985

\$

\$

\$971,500 the first year and \$1,014,200 the second year is for navigational aids.

\$5,092,300 the first year and \$6,269,400 the second year is for airport construction grants.

\$1,400,000 the first year and \$1,400,000 the second year is for airport maintenance grants.

If the appropriation for either year for navigational aids, airport construction grants, or airport maintenance grants is insufficient, the appropriation for the other year is available for it. These appropriations shall be expended only for grant-in-aid programs for airports that are not state owned.

These appropriations are to be expended in accordance with Minnesota Statutes, section 360.305, subdivision 4, clauses (1), (2), (4), and (5).

The commissioner of transportation may transfer unencumbered balances among these appropriations with the approval of the governor after consultation with the legislative advisory commission.

\$16,900 the first year and \$7,500 the second year is for maintenance of the Pine Creek Airport.

Air Transportation Services

\$ 330,300 \$ 142,500

The commissioner of transportation shall expend no money for pilot uniforms.

During the biennium ending June 30, 1985, the commissioner of transportation shall establish the position of state air dispatcher.

Subd. 9. Transfers

The commissioner of transportation with the approval of the commissioner of finance may transfer unencumbered balances among the appropriations from the trunk highway fund made in this section. No transfer shall be made from the appropriation for trunk highway development. No transfer shall be made from the appropriations for debt service to any other appropriation. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Subd. 10. Contingent Appropriations

1984 1985

\$ \$

(a) The commissioner of transportation, with the approval of the governor after consultation with the legislative advisory commission, may transfer all or part of the unappropriated balance in the state airports fund to an appropriation for state airports purposes in order to meet an emergency or to take advantage of an unanticipated receipt of income to the state airports fund. The amount transferred is appropriated for the purpose of the account to which it is transferred.

(b) The commissioner of transportation, with the approval of the governor after consultation with the legislative advisory commission, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation for trunk highway purposes in order to meet an emergency or to take advantage of an unanticipated receipt of income to the trunk highway fund. The amount transferred is appropriated for the purpose of the account to which it is transferred.

Sec. 3. TRANSPORTATION

REGULATION BOARD	375,200	375,200
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Approved Complement - 8

Four support positions, with their incumbents, are transferred from the public utilities commission to the transportation regulation board.

One support position and its incumbent are transferred from the department of transportation to the transportation regulation board.

This appropriation is from the trunk highway fund.

Sec. 4. PUBLIC SAFETY

Subdivision 1. General Operations and Management

	68,134,000	68,181,700
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	1984	1985
Approved Complement -	1,631.9	1,630.8
General -	385.0	385.0
Special -	.5	.5
Trunk Highway -	1,039.3	1,039.3
Highway User -	174.6	174.6
Federal -	32.5	31.4

The above approved complement includes 511 for state funded unclassified patrol officers and supervisors of the highway patrol.

	1984	1985
	\$	\$

Nothing in this provision is intended to limit the authority of the commissioner of public safety to transfer personnel, with the approval of the commissioner of finance, among the various units and divisions within this section provided that the above complement shall be reduced accordingly.

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

The commissioner of public safety, in cooperation with the departments of revenue and transportation, shall submit a report to the legislature outlining the costs and benefits of establishing ports of entry on Minnesota trunk highways. The study shall include, but is not necessarily limited to, an evaluation of the financial requirements for establishing ports of entry, the feasibility of ports of entry, the optimum location of ports of entry, and the impact ports of entry might have on the revenues collected for road and street purposes in Minnesota. The report shall be submitted to the chairman of the house appropriations committee and the chairman of the senate finance committee by November 1, 1983.

Of this appropriation, \$17,274,400 the first year and \$17,281,200 the second year is from the general fund; \$45,000 the first year and \$45,000 the second year is from the state airports fund; \$43,446,900 for the first year and \$43,627,800 the second year is from the trunk highway fund; and \$7,368,100 the first year and \$7,227,700 the second year is from the highway user tax distribution fund.

The amounts that may be expended from this appropriation for each program are specified in the following subdivisions of this section.

Subd. 2. Administration and Related Services

\$ 2,715,000	\$ 2,739,800
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\$2,581,600 the first year and \$2,603,000 the second year is from the trunk highway fund.

\$133,400 the first year and \$136,800 the second year is from the highway user tax distribution fund.

Subd. 3. Emergency Services

\$ 878,800	\$ 784,900
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	1984	1985
	\$	\$
Subd. 4. Criminal Apprehension		
\$ 10,022,000	\$ 9,816,600	

The commissioner may use this appropriation for the purpose of matching private donations for conducting research on driver impairment.

Of this appropriation, \$1,060,100 the first year and \$735,000 the second year is from the trunk highway fund for blood alcohol analysis.

\$212,700 the first year and \$219,100 the second year is for use by the bureau of criminal apprehension for the purpose of investigating cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$59,500 the first year and \$59,700 the second year is for the bureau of criminal apprehension to continue to provide in-service training for peace officers on a regional basis.

\$171,000 the first year and \$171,000 the second year is for grants to local officials for the cooperative investigation of cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$38,000 the first year and \$38,000 the second year is for reimbursing political subdivisions for training peace officers and firefighters in the conduct of arson investigations.

Any unliquidated balance of data processing development money remaining in the first year does not cancel but is available for the second year of the biennium.

Subd. 5. Fire Safety		
\$ 1,474,500	\$ 1,484,300	

\$11,700 the first year and \$12,200 the second year is for reimbursing political subdivisions who enter into agreements to perform uniform fire code inspections.

Subd. 6. State Patrol		
\$ 29,538,800	\$ 29,914,800	

Except for \$330,600 the first year and \$345,800 the second year from the general fund for executive protection, this appropriation is from the trunk highway fund.

	1984	1985
	\$	\$

The commissioner may assign up to 11 pilots to the air patrolling of highways.

This appropriation provides sufficient money to operate the mobile truck weighing program on a 12 month basis.

No more than five positions in the state patrol support activity shall be filled by state troopers.

The commissioner may not require the use of gasohol in the operation of state patrol vehicles.

Subd. 7. Capitol Security

\$	728,500	\$	722,300
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Subd. 8. Driver and Vehicle Licensing

\$	21,234,600	\$	21,435,000
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Of this appropriation, \$10,459,900 the first year and \$10,583,700 the second year is from the trunk highway fund, and \$7,090,900 the first year and \$7,234,700 the second year is from the highway user tax distribution fund.

\$500,000 the first year and \$500,000 the second year is for alcohol assessment reimbursements to counties.

Any unliquidated balance of data processing development money remaining in the first year does not cancel but is available for the second year of the biennium.

Subd. 9. Liquor Licensing

\$	506,000	\$	506,200
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During the biennium ending June 30, 1985, the liquor control program shall concentrate its activities along the border areas of Minnesota.

Subd. 10. Ancillary Services

\$	892,400	\$	921,600
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\$137,100 the first year and \$137,100 the second year is from the trunk highway fund for traffic safety and research.

\$654,000 the first year and \$683,100 the second year is for the crime victims reparations board. Any unencumbered balance remaining the first year does not cancel but is available for the second year of the biennium.

\$45,000 the first year and \$45,000 the second year is from the state airports fund for the civil air patrol.

	\$	1984	\$	1985
<p>\$56,300 the first year and \$56,400 the second year is for the expenses of the Private Detective and Protective Agency Licensing Board.</p>				

Subd. 11. Transfers

The commissioner of public safety with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs within funds. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Subd. 12. Reimbursements

(a) The sums of \$382,500 for the first year and \$385,900 for the second year are appropriated from the general fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1984 and January 1, 1985 respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for general fund purposes in the administration and related services program.

(b) The sums of \$384,400 for the first year and \$411,300 for the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the general fund on January 1, 1984 and January 1, 1985 respectively, in order to reimburse the general fund for expenses not related to the fund. These represent amounts appropriated out of the general fund for operation of the criminal justice data network related to driver and motor vehicle licensing.

(c) The sums of \$333,200 for the first year and \$329,400 for the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1984 and January 1, 1985 respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for highway user fund purposes in the administration and related services program.

Sec. 5. AGRICULTURE

General Operations and Management	14,760,600	13,734,700
Approved Complement - 453.8		

	1984	1985
	\$	\$
General - 222.3		
Special/Revolving - 216.5		
Federal - 15		

Of this appropriation, \$14,610,400 the first year and \$13,556,000 the second year is from the general fund; and \$150,200 the first year and \$178,700 the second year is from the special revenue fund.

The amounts that may be expended from this appropriation for each program are as follows:

Agricultural Protection Service

\$ 3,441,200	\$ 3,461,300
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Notwithstanding Laws 1981, chapter 356, section 23, the commissioner of agriculture need transfer from the grain inspection account to the general fund by June 30, 1983 only the amount of the unobligated balance in the account not needed to provide working capital during the fiscal year ending June 30, 1984, as determined by the commissioner of finance. Any amounts due under Laws 1981, chapter 356, section 23 and not transferred to the general fund by June 30, 1983 shall be transferred to the general fund by June 30, 1984. It is estimated that this delay will reduce general fund transfers from other funds by \$250,000 for fiscal year 1983.

The commissioner of agriculture shall not initiate any new weigh stations until the recommendations of a select committee on livestock weighing have been received by the legislature. The committee shall be made up of three members of the house agriculture committee appointed by the speaker and three members of the senate agriculture and natural resources committee appointed by the subcommittee on committees of the committee on rules and administration. The committee shall report no later than January 30, 1984.

There is appropriated to the Department of Agriculture \$10,000 for fiscal year 1983 for the purpose of implementing a gypsy moth control program. These funds are available until expended.

Agricultural Promotion Service

\$ 5,771,600	\$ 4,632,000
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\$150,200 the first year and \$178,700 the second year is from the commodities research and

	1984	1985
promotion account in the special revenue fund.	\$	\$

\$500,000 the first year and \$500,000 the second year is for the agriculture development grant program to be expended in accordance with Minnesota Statutes, section 17.101. The commissioner shall submit a work program and semi-annual progress reports to the chairman of the senate finance committee and the chairman of the house appropriations committee.

For the biennium ending June 30, 1985, the commissioner of agriculture may provide money to assist in the implementation of research and promotional orders pursuant to Minnesota Statutes, sections 17.51 to 17.69 from the appropriation provided for agriculture development grants. This money shall be provided in accordance with Minnesota Statutes, section 17.101.

No more than \$15,000 may be spent for implementing a barley research and promotion order.

No more than \$30,000 may be spent for implementing a corn research and promotion order.

\$1,500,000 the first year is for transfer to the special family farm security program account created by Minnesota Statutes, section 41.61, subdivision 1, for the purpose of paying lenders for defaulted loans.

\$2,846,200 the first year and \$3,164,600 the second year is for family farm security interest payment adjustments. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Administration and Financial Aids Service

\$ 2,512,400		\$ 2,553,200
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The appropriation for administration and financial aids service includes the following amounts for grants to agricultural societies and associations:

(a) For aid to the northeastern Minnesota junior livestock show association

\$ 1,200		\$ 1,200
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(b) For aid to Minnesota livestock breeders association

\$ 14,200		\$ 14,200
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	\$	1984	\$	1985
(c) For aid to northern sheep growers associations	\$	1,000	\$	1,000
(d) For aid to southern sheep growers associations	\$	400	\$	400
(e) For Red River valley livestock associations	\$	6,000	\$	6,000

The amount appropriated by clause (e) shall be disbursed pursuant to provisions of Minnesota Statutes, section 38.02.

(f) For the Red River Valley Dairymen's Association, Inc., for the purpose of promoting better dairying

\$	1,200	\$	1,200
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Clauses (b), (c), (d), (e), and (f) shall be expended under provisions of Minnesota Statutes, section 17.07.

(g) Aid to county and district agricultural societies

\$	260,200	\$	257,600
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Of this amount, \$2,600 in fiscal year 1984 is for reimbursing Morrison County for costs incurred in fiscal year 1982;

Of the amount appropriated by clause (g), \$3,800 each year is for livestock premiums to county fair associations for carrying on boys' and girls' club work. The amount appropriated by clause (g) shall be disbursed according to Minnesota Statutes, section 38.02.

Of the amounts appropriated by clause (g), \$900 each year shall be available for agricultural aid to the Red Lake Band of Chippewa Indians, to be expended as may be directed by the Indian council for the purpose of encouraging activities and arts that will advance the economic and social interest of their people and particularly to promote a program of agricultural development that will utilize to the greatest possible extent the lands and forest owned by them. This appropriation may be used to help maintain an agricultural extension service, to promote 4-H club work, or for premiums for the competitive display of exhibits at any fair or exposition that may be arranged under the direction of the council.

	1984	1985
(h) For aid in payment of premiums at exhibitions of poultry for the poultry associations	\$ 2,800	\$ 2,800

Out of the amounts appropriated by clause (h) the amount of \$827 shall be allotted each fiscal year to aid the Minnesota state poultry association in the payment of premiums and other necessary expenses, exclusive of salaries or wages of any kind, at its annual exhibition.

\$8,800 the first year and \$9,200 the second year is for payment of claims relating to live-stock damaged by endangered animal species.

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

The commissioner of agriculture shall submit a report to the chairman of the house appropriations committee and the chairman of the senate finance committee by January 15, 1984 outlining the costs and benefits of continuing the building lease beyond October 30, 1984.

Soil and Water Conservation Board

\$ 3,035,400	\$ 3,088,200
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\$420,700 the first year and \$420,700 the second year is for general purpose grants in aid to soil and water conservation districts.

\$99,200 the first year and \$152,300 the second year is for grants to districts for technical assistance, education, and demonstrations of conservation tillage.

\$198,500 the first year and \$198,500 the second year is for grants to watershed districts and other local units of government in the southern Minnesota river basin study area 2 for flood plain management.

\$1,541,400 the first year and \$1,541,400 the second year is for grants to soil and water conservation districts for cost-sharing contracts for erosion control and water quality management.

\$158,700 the first year and \$158,700 the second year is for grants in aid to soil and water conservation districts and local units of government to assist them in solving sediment and erosion control problems. Grants shall not exceed 50 percent of total project costs or 50 percent of the local share if federal money is

	1984	1985
	\$	\$

used. Priority shall be given to projects designed to solve lakeshore, stream bank, and roadside erosion and to projects eligible for federal matching money.

\$12,400 the first year and \$12,400 the second year is for grants to soil and water conservation districts for review and comment on water permits.

The commissioner of agriculture with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 6. BOARD OF ANIMAL HEALTH

General Operations and Management	1,237,600	1,198,000
Approved Complement - 35		

This appropriation includes \$40,000 the first year and \$40,000 the second year for payment of indemnities. If the appropriation for indemnities for either year is insufficient, the appropriation for the other year is available for it. Indemnities of less than \$1 shall not be paid.

For the biennium ending June 30, 1985, the board of animal health may request additional funding from the legislative advisory commission for the purpose of implementing the provisions of a bill known as H.F. 512, tentatively coded as Minnesota Statutes, section 35.255.

Sec. 7. COMMERCE

General Operations and Management	7,501,900	7,530,300
Approved Complement - 220		
General - 217		
Special - 3		

Of this appropriation, \$7,316,600 the first year and \$7,336,300 the second year are from the general fund; and \$185,300 the first year and \$194,000 the second year are from the special revenue fund.

The amounts that may be expended from this appropriation for each program are as follows:

Supervision of State-Chartered Financial Institutions	\$ 2,599,100	\$ 2,612,000
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	1984	1985
During the biennium ending June 30, 1985, the commissioner of banks shall cooperate with the state treasurer in the conduct of audits relating to unclaimed property.	\$	\$

Investment Protection

	\$ 1,127,600	\$ 1,135,900
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\$185,300 the first year and \$194,000 the second year is from the real estate education, research and recovery account in the special revenue fund for the purpose of Minnesota Statutes, section 82.34, subdivision 6. If the appropriation from the special revenue fund for either year is insufficient, the appropriation for the other year is available for it.

Consumer Services

	\$ 1,043,300	\$ 1,050,600
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Regulation of Insurance Companies

	\$ 2,042,900	\$ 2,042,900
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This appropriation includes \$35,000 the first year and \$35,000 the second year for costs associated with the assigned risk plan review board.

During the biennium ending June 30, 1985, the commissioner of insurance shall cooperate with the state treasurer to improve procedures for notifying beneficiaries of the death of life insurance policyholders.

General Support

	\$ 689,000	\$ 688,900
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The commission with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 8. [NON-HEALTH RELATED BOARDS.]

Subdivision 1. Total for this section	2,665,100	2,644,100
Subd. 2. Board of Abstractors	3,800	3,700
Subd. 3 Board of Accountancy	238,500	218,200

If the department of administration has not approved purchase of a microcomputer and re-

	1984	1985
	\$	\$
lated software by July 1, 1983, the board of accountancy, notwithstanding any other law to the contrary, may purchase a microcomputer and related software.		
Approved Complement - 4		
Subd. 4. Board of Architecture, Engineering and Land Surveying	257,600	256,800
Approved Complement - 5		
Subd. 5. Board of Barber Examiners	106,200	106,200
Approved Complement - 3		
Subd. 6. Board of Boxing	25,600	25,700
Approved Complement - 1		
Subd. 7. Board of Electricity	677,300	677,500
Approved Complement - 18		
Subd. 8. Board of Peace Officer Standards and Training		
General Operations and Management	1,356,100	1,356,000
Approved Complement - 9		
\$1,000,000 the first year and \$1,000,000 the second year is for peace officers training pursuant to Minnesota Statutes, section 626.86.		
Sec. 9. PUBLIC UTILITIES COMMISSION	1,122,400	1,120,500
Approved Complement - 27		
Sec. 10. PUBLIC SERVICE		
General Operations and Management	3,267,300	3,272,900
Approved Complement - 86		

The amounts that may be expended from this appropriation for each program are as follows:

Utility Regulation	\$ 1,259,700	\$ 1,265,700
Weights and Measures	\$ 1,572,600	\$ 1,572,400
Administrative Services	\$ 435,000	\$ 434,800

The public service department with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations in the house of

	1984	1985
	\$	\$
representatives.		
Sec. 11. ETHICAL PRACTICES BOARD	172,100	171,900
Approved Complement - 5		
Sec. 12. MINNESOTA MUNICIPAL BOARD	192,200	200,700
Approved Complement - 4		
Sec. 13. MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION	65,800	67,600
Sec. 14. UNIFORM LAWS COMMISSION	12,300	11,600
Sec. 15. VOYAGEURS NATIONAL PARK CITIZENS COMMITTEE	53,700	50,800
Sec. 16. SOUTHERN MINNESOTA RIVERS BASIN BOARD	52,400	52,300
Sec. 17. MINNESOTA HISTORICAL SOCIETY	7,341,200	7,294,600

The amounts that may be expended from this appropriation for each program are as follows:

(a) Minnesota Historical Society Operations
 \$ 6,898,800 \$ 6,891,400

This appropriation includes money for a seven-day-a-week tour program in the capitol and historical buildings. The historical building shall remain open for public use on Saturdays and, if necessary, adjustments in the remainder of the weekday schedule may be effected by the Minnesota historical society.

Any unencumbered balance remaining at the end of the first year shall be returned to the state treasury and credited to the general fund.

The appropriation in this subdivision includes no money for compensation increases. The Minnesota historical society will draw on the salary supplement appropriation for that purpose. Employees of the Minnesota historical society will be paid in accordance with the appropriate pay plan.

(b) Historic Grant-In-Aid
 \$ 246,200 \$ 246,200

For historic site grants to encourage local historic preservation projects.

To be eligible for a grant, a county or local project group must provide a 50 percent

	\$	1984	\$	1985
match, in accordance with the historical society's guidelines.				

(c) Fiscal Agent

\$	196,200	\$	157,000
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\$51,100 the first year and \$51,900 the second year is for the Sibley House Association.

This appropriation is available for operation and maintenance of the Sibley House and related buildings on the Old Mendota state historic site owned by the Sibley House association.

The historical society should seek an agreement with the Sibley House association whereby the historical society will make payments to the association for this purpose and will provide the association with technical assistance in applying for federal grants.

Notwithstanding any laws to the contrary, the Sibley House association may purchase fire, wind, hail, and vandalism insurance, and insurance coverage for fine art objects from this appropriation.

\$55,000 the first year and \$55,000 the second year is for the Government Learning Center.

\$32,100 the first year and \$32,100 the second year is for the Minnesota Humanities Commission.

\$18,000 the first year and \$18,000 the second year is for the Minnesota International Center.

\$40,000 in the first year is for the purpose of maintaining Minnesota military history museums at Fort Snelling and Camp Ripley.

Any unencumbered balance remaining in (b) or (c) the first year does not cancel but is available for the second year of the biennium.

Sec. 18. BOARD OF THE ARTS	2,020,600	2,068,900
Approved Complement - 11		
General - 8		
Federal - 3		

The amounts that may be expended from this appropriation for each program are as follows:

(a) Administrative Services

\$	232,200	\$	232,200
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	1984	1985
	\$	\$
(b) Subsidies and Grants		
\$ 1,788,400 \$ 1,836,700		
<p>\$75,000 the first year and \$75,000 the second year is for individual artist grants.</p> <p>The board of the arts shall report to the chairman of the senate finance committee and the chairman of the house appropriations committee by January 1, 1984 concerning its success at obtaining money from federal, private, and other sources to match state money appropriated for individual artists grants.</p> <p>\$50,000 the first year and \$50,000 the second year is for arts in education.</p> <p>\$688,800 the first year and \$737,100 the second year is for the support of regional arts councils throughout the state.</p> <p>Any unencumbered balance remaining in (a) or (b) the first year does not cancel but is available for the second year of the biennium.</p>		
Sec. 19. MINNESOTA HUMANE SOCIETY	43,800	
<p>No state money shall be expended for the care, feeding, housing, or disposal of animals.</p> <p>Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.</p>		
Sec. 20. MINNESOTA HORTICULTURAL SOCIETY	67,900	67,900
Sec. 21. MINNESOTA ACADEMY OF SCIENCE	20,400	20,500
Sec. 22. SCIENCE MUSEUM OF MINNESOTA	273,400	290,500
Sec. 23. MINNESOTA SAFETY COUNCIL	50,700	50,700
<p>This appropriation is from the trunk highway fund.</p>		
Sec. 24. DISABLED AMERICAN VETERANS	20,100	20,100
<p>For salaries, supplies, and expenses to be expended as provided by Laws 1941, chapter 425.</p>		
Sec. 25. VETERANS OF FOREIGN WARS	25,000	25,000
<p>For carrying out the provisions of Laws 1945.</p>		

	1984	1985
	\$	\$
chapter 455.		
Sec. 26. GENERAL CONTINGENT ACCOUNTS	650,000	650,000

The appropriations in this section shall be expended with the approval of the governor after consultation with the legislative advisory commission pursuant to Minnesota Statutes, section 3.30.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it. This appropriation for each purpose are more specifically described in the following subdivisions of this section.

Trunk Highway Fund		
\$	400,000	\$ 400,000
Highway User Tax Distribution Fund		
\$	250,000	\$ 250,000

Sec. 27. TORT CLAIMS	600,000	600,000
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To be disbursed by the commissioner of finance.

This appropriation is from the trunk highway fund.

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

Sec. 28. Minnesota Statutes 1982, section 12.14, is amended to read:

12.14 [ASSESSMENT FOR NUCLEAR SAFETY PREPAREDNESS ACT.]

Any person, firm, corporation or association in the business of owning or operating a nuclear fission electrical generating plant located in Minnesota, shall pay an assessment of ~~\$250,000 per plant~~ to cover the ~~initial~~ cost of ~~upgrading~~ nuclear power plant emergency response plans and other programs necessary to deal with incidents resulting from the operation of nuclear fission electrical generating plants. ~~This assessment shall be paid to the state for deposit in the general fund within 90 days of April 25, 1980. Thereafter,~~ An assessment of ~~\$75,000~~ ~~\$100,000~~ per plant shall be paid ~~annually~~ on July 1 of each year, ~~beginning with July 1, 1981, to cover ongoing costs related to the emergency response plan.~~

Sec. 29. Minnesota Statutes 1982, section 17.101, is amended to read:

17.101 [PROMOTIONAL ACTIVITIES.]

Subdivision 1. [DEPARTMENTAL DUTIES.] For the purposes of expanding, improving, and developing the markets for products of Minnesota agriculture, the commissioner of agriculture shall encourage and promote the marketing of these products by means of ~~promotional~~ activities such as

advertising and other appropriate activities:

- (a) advertising Minnesota agricultural products;
- (b) assisting state agricultural commodity organizations;
- (c) developing methods to increase processing and marketing of agricultural commodities including commodities not being produced in Minnesota on a commercial scale, but which may have economic potential in national and international markets;
- (d) investigating and identifying new marketing technology and methods to enhance the competitive position of Minnesota agricultural products;
- (e) evaluating livestock marketing opportunities;
- (f) assessing and developing national and international markets for Minnesota agricultural products;
- (g) studying the conversion of raw agricultural products to manufactured products including ethanol;
- (h) hosting the visits of foreign trade teams to Minnesota and defraying the teams' expenses;
- (i) assisting Minnesota agricultural businesses desiring to sell their products in national and international markets; and
- (j) other activities the commissioner deems appropriate to promote Minnesota agricultural products in national and international markets.

Subd. 2. [AGRICULTURAL DEVELOPMENT GRANTS.] In order to carry out the duties in subdivision 1, the commissioner, in addition to whatever other resources the department may commit, shall make grants and enter into contracts to fulfill the obligations of subdivision 1. The commissioner may contract with, among others, agricultural commodity organizations and agriculture related businesses to fulfill the duties. The commissioner shall make permanent or temporary rules for the administration of these grants and contracts. The rules shall specify at a minimum:

- (a) eligibility criteria;
- (b) application procedures;
- (c) provisions for application review and project approval;
- (d) provisions for program monitoring and review for all approved grants and contracts; and
- (e) other provisions the commissioner finds necessary.

Contracts entered into by the commissioner pursuant to this subdivision shall not exceed 75 percent of the cost of the project supported by the commissioner's grant. In any biennium, no organization shall receive more than \$70,000 in grants from the commissioner.

Subd. 3. [AUDITS.] The books, records, documents, and accounting procedures and practices of any organization receiving a grant from the commissioner under the provisions of subdivision 2 shall be subject to examination by the department. The commissioner may prescribe uniform methods of accounting to be used by grant recipients.

Subd. 4. [ADVISORY GROUP.] The commissioner may establish an ad hoc advisory group to assist him in evaluating grant requests made pursuant to subdivision 2.

Sec. 30. Minnesota Statutes 1982, section 17A.04, subdivision 5, is amended to read:

Subd. 5. [LICENSE FEE.] The applicant shall submit to the commissioner the following applicable fee ~~or fees and penalties for late renewal~~:

~~(1) \$120 (a) \$150 for each livestock market agency and public stockyard license, penalty \$38; (2) \$42 for each livestock dealer license; and (3) \$24 for each agent license~~

(b) \$50 for each livestock dealer license, penalty \$13;

(c) \$30 for each agent of a livestock dealer license, penalty \$10;

(d) \$50 for each meat packing company license, penalty \$13;

(e) \$30 for each agent of a meat packing company license, penalty \$10.

Sec. 31. Minnesota Statutes 1982, section 18.51, subdivision 2, is amended to read:

Subd. 2. [FEES; PENALTY.] ~~Each~~ A nurseryman shall be required to pay an annual fee before the commissioner shall issue a certificate of inspection. This fee shall be based on the area of all of his nurseries as follows:

Nurseries:

- | | |
|---|---------------------------------------|
| (1) 1/2 acre or less | \$25 \$30 per nurseryman |
| (2) Over 1/2 acre to and including 2 acres | \$35 \$50 per nurseryman |
| (3) Over 2 acres to and including 10 acres | \$60 \$100 per nurseryman |
| (4) Over 10 acres to and including 50 acres | \$160 \$300 per nurseryman |
| (5) Over 50 acres | \$400 \$600 per nurseryman |

In addition to the above fees, a minimum penalty of \$10 or 25 percent of the fee due, whichever is greater, shall be charged for any application for renewal not received by January 1 of the year following expiration of a certificate.

Sec. 32. Minnesota Statutes 1982, section 18.52, subdivision 5, is amended to read:

Subd. 5. [FEES; PENALTY.] ~~Each~~ A dealer is required to *shall* pay an annual fee. ~~The fee charged shall be based on the dealer's gross sales of the dealer during the preceding certificate year. In the case of A dealer operating for the first year, will pay the minimum fee will suffice.~~

Dealers:

- | | |
|-------------------------------|--|
| (1) Gross sales up to \$1,000 | at a location
\$20 \$30 per location |
| (2) Gross sales over \$1,000 | at a location |

and up to \$5,000	\$30 \$40 per location
(3) Gross sales over \$5,000 up to \$10,000	at a location \$45 \$70 per location
(4) Gross sales over \$10,000 up to \$25,000	at a location \$70 \$100 per location
(5) Gross sales over \$25,000 up to \$75,000	at a location \$115 \$150 per location
(6) Gross sales over \$75,000 up to \$100,000	at a location \$175 \$220 per location
(7) Gross sales over \$100,000	at a location \$250 \$330 per location

In addition to the above fees, a minimum penalty of \$10 or 25 percent of the fee due, whichever is greater, shall be charged for any application for renewal not received by January 1 of the year following expiration of a certificate.

Sec. 33. Minnesota Statutes 1982, section 18.53, is amended to read:

18.53 [GREENHOUSE CERTIFICATION.]

The commissioner or his employee may inspect and certify greenhouses and greenhouse plants as being free from plant pests upon request of the greenhouse operator and issue a greenhouse certificate. The fee is ~~\$25~~ \$30 for each greenhouse operator. ~~Said~~ The certificate shall ~~expire~~ expires on November 15 next following the date of issue.

Sec. 34. Minnesota Statutes 1982, section 18.54, is amended to read:

18.54 [LOCAL SALES AND MISCELLANEOUS.]

Subdivision 1. The commissioner or his employee may make small lot inspections or perform other necessary services for which another charge is not specified. For these services the commissioner shall charge a fee of \$10; ~~in addition, a charge may be made for the necessary expenses incurred by the inspector set a fee plus expenses that will recover the cost of performing this service, as provided in section 16A.128.~~ The commissioner may set an additional acreage fee for inspection of seed production fields for exporters in order to meet domestic and foreign plant quarantine requirements.

Subd. 2. The commissioner shall have the authority to provide special services such as virus disease-free certification and other similar programs. Participation by nurserymen shall be voluntary. Plants offered for sale as certified virus-free must be grown according to certain procedures in a manner defined by the commissioner for the purpose of eliminating viruses and other injurious disease or insect pests. The commissioner ~~may~~ shall collect reasonable fees from participating nurserymen for services and materials that are necessary to conduct this type of work, *as provided in section 16A.128.*

Sec. 35. Minnesota Statutes 1982, section 18A.22, subdivision 5, is amended to read:

Subd. 5. [FEE.] Each application for registration and renewal shall be accompanied by a registration fee of ~~\$10~~ \$25 for each pesticide registered.

~~All such~~ These registrations shall expire on December 31 of ~~any one~~ each year, unless cancelled sooner.

Sec. 36. Minnesota Statutes 1982, section 18A.22, subdivision 7, is amended to read:

Subd. 7. [LATE REGISTRATION.] If the renewal of a pesticide registration is filed after December 31, or an original application is filed after the first month the pesticide is first manufactured or sold within this state, an additional fee of ~~\$\$~~ \$10 shall be paid by the applicant before the registration for that pesticide may be issued or renewed.

Sec. 37. Minnesota Statutes 1982, section 18A.26, is amended to read:

18A.26 [LICENSE, REGISTRATION, DEALER, APPLICATOR, FEE.]

Subdivision 1. [RESTRICTED USE PESTICIDE DEALER LICENSE.] (a) Any person offering for sale or having in his possession with intent to distribute to the ultimate user a restricted use pesticide and any private applicator purchasing from an unlicensed source for his own use any restricted use pesticide shall obtain a license from the commissioner. Application for a restricted use pesticide dealer license shall be made upon the forms and in the manner, which may include an examination, as the commissioner requires to determine if the applicant is qualified to sell restricted use pesticides.

(b) Application for a license requires payment of a fee of ~~\$\$~~ \$50. Licenses shall be renewed annually prior to January 1, upon receipt of a ~~\$\$~~ \$50 fee and the completed application form.

(c) If an application for renewal of a restricted use pesticide dealer license is not filed prior to January 1 of any one year, an additional fee of ~~\$10~~ \$13 shall be paid by the applicant before the renewal license may be issued.

(d) The dealer license shall not be transferable to another person or to another location.

(e) Each licensed restricted use pesticide dealer shall be responsible for the acts of each person employed by him in the solicitation and sale of restricted use pesticides.

(f) Provisions of this subdivision shall not apply to:

(1) A licensed commercial applicator, noncommercial applicator or structural pest control applicator who sells or uses pesticides only as an integral part of his pesticide application service;

(2) A federal, state, county, or municipal agency which provides pesticides only for its own programs; and

(3) A duly licensed pharmacist, physician, dentist, or veterinarian when administering or dispensing a restricted use pesticide for use in man or other animal in his practice.

Subd. 2. [COMMERCIAL APPLICATOR LICENSE.] (a) No commercial applicator shall use or supervise the use of any pesticide without a commercial applicator's license issued by the commissioner. Application for the license shall be made upon forms and in such manner, which may include an examination, as the commissioner may require. An aerial applicator shall secure an endorsement to his license showing that he has been licensed for

commercial spraying or dusting operations, or both, in accordance with chapter 360, and that he has passed an examination prepared by the department of transportation and administered by the department of agriculture, testing whether he is knowledgeable in the aerial application of pesticides. A person intending to apply pesticides in any public waters shall secure an endorsement to his license showing that he has passed an examination prepared by the department of natural resources and administered by the department of agriculture, testing whether he is knowledgeable in the application of pesticides in water.

(b) The commissioner may renew any applicator's license, subject to re-examination or other requirements imposed by the commissioner to ensure that the applicator understands changing technology and to assure a continuing level of competence and ability to use pesticides safely and properly.

(c) Each application for a license shall require payment of an annual fee of ~~\$10~~ \$40 and an identification card fee of ~~\$7.50~~ \$10 for the applicant and ~~\$7.50~~ \$10 for each additional identification card desired.

(d) If the renewal application is not filed prior to March 1 in any year, an additional fee of ~~\$5~~ \$10 shall be paid by the applicant before the renewal license may be issued.

(e) The license issued shall not be transferable to another person.

(f) Every licensee or his designated operator shall have an identification card when applying pesticides for hire and shall display it upon demand of an authorized representative of the commissioner or a law enforcement officer. The identification card shall contain such information as the commissioner may by rule require.

(g) A person required to be licensed under this subdivision who carries on spraying or dusting operations for hire or who employs or engages an applicator to carry on spraying or dusting operations for hire, shall be responsible for proper application of the material or device. He shall use materials, dosages, formulas, devices and methods of application acceptable to the commissioner based upon registered approved uses of the material or device within limits prescribed by state and federal laws and regulations. He shall not be held liable for the actions of a chemical when applied in accordance with the recommendation of the manufacturer or the commissioner.

Subd. 3. [STRUCTURAL PEST CONTROL APPLICATOR LICENSE, REGISTRATION.] (a) No person shall engage in structural pest control applications for hire unless registered or licensed by the commissioner. Before any person shall engage in structural pest control application he shall apply on forms supplied by the commissioner for a registration or license to engage in such activities. The commissioner shall determine from the application and the statements contained therein if such applicant is qualified to be registered or to receive a license. The commissioner shall require the applicant to pass a written or an oral examination, or both, and may also require a practical demonstration regarding structural pest control. The examination procedure, including all the phases and contents of the examination, shall be established by the commissioner.

(b) A registration or license is effective until January 1 next following the date of its issuance, and may be renewed annually on or before that date. Registrations or licenses are not transferable to any other person.

(c) ~~An~~ *No annual fee of \$15 must need* accompany an application for registration or renewal where the applicant is licensed by a political subdivision or municipality to engage in structural pest control ~~or \$75. An annual fee of \$100 must accompany an application for registration or renewal~~ if the applicant is not so licensed. Employees of a person who is registered or licensed under this subdivision shall pay a fee of ~~\$40~~ \$20 for an initial license or registration and a fee of ~~\$6~~ \$20 for each renewal thereof. The commissioner may establish other requirements for renewal as are necessary to assure competence of registrants or licensees.

(d) In case a delinquency in the payment of the license or registration renewal fee extends beyond three months the licensee or registrant will be required to obtain a new license or registration subject to all the requirements, procedures and fees required for an initial license or registration.

(e) The commissioner shall establish categories of master, journeyman, and apprentice in structural pest control applications. No person shall engage in structural pest control applications as a sole proprietorship, company, partnership, or corporation unless he is licensed or registered as a master in structural pest control applications or unless he employs a person so licensed or registered.

(f) The commissioner shall notify each licensee or registrant by mail that his fee is due and payable and if not received before the expiration date of the registration or license 50 percent will be added to the required annual renewal fee or fees.

Subd. 4. [NONCOMMERCIAL APPLICATOR.] (a) No noncommercial applicator may use a restricted use pesticide or supervise the use of a restricted use pesticide without having a valid noncommercial applicator license issued by the commissioner for use categories or subcategories for which the pesticide application is made.

(b) License applications shall be made upon forms and in the manner, which may include an examination, as the commissioner may prescribe to determine if the applicant is qualified.

(c) The commissioner may renew a license subject to re-examination or other requirements designed to ensure that the applicator continues to understand changing technology and to assure a continuing level of competence and ability to use pesticides safely and properly.

(d) Each application for a license shall require payment of an annual fee of ~~\$10~~ \$40 and an identification card fee of ~~\$7.50~~ \$10 for the applicant and ~~\$7.50~~ \$10 for each additional identification card desired. Governmental agencies shall be exempt from the fee. The license shall be renewed annually prior to January upon payment of applicable fees and compliance with any other requirement.

(e) If an application for renewal of license is not filed prior to March 1, in any year, an additional fee of ~~\$5~~ \$10 shall be paid by the applicant before the renewal license may be issued.

Sec. 38. [PURPOSE.]

It is the policy of the legislature that consumers should be able to purchase truthfully and adequately labeled seeds for planting. Sections 39 to 51 es-

establish a uniform labeling system for agricultural, vegetable, flower, tree or shrub seeds whereby consumers can be protected from inadequately or illegally labeled seed and also whereby fair competition can be achieved.

Sec. 39. [21.80] [MINNESOTA SEED LAW.]

Sections 39 to 51 may be cited as the "Minnesota Seed Law."

Sec. 40. [21.81] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The terms used in sections 39 to 51 have the meanings given them in this section.

Subd. 2. [ADVERTISEMENT.] "Advertisement" means any representation, other than on a label, disseminated in any manner or by any means, relating to seed within the scope of sections 39 to 51.

Subd. 3. [AGRICULTURAL SEEDS.] "Agricultural seeds" includes the seeds of grass, forage, cereal, oil, fiber crops, seeds of vegetables grown for processing, and any other kinds of seeds commonly recognized within this state as agricultural or field seeds, lawn seeds, or mixtures of those seeds, and may include noxious weed seed when the commissioner determines that the seed is being used as agricultural seed.

Subd. 4. [BLEND.] "Blend" means seed consisting of more than one variety of a kind, each in excess of five percent of the whole.

Subd. 5. [CERTIFIED SEED.] "Certified seed" means certified, registered, or foundation seed, or any other term conveying a similar meaning when referring to seed that has been produced, conditioned, and labeled in compliance with the rules of an officially recognized seed certification agency.

Subd. 6. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture or his authorized agent and may include a county agricultural inspector.

Subd. 7. [CONDITIONING.] "Conditioning" means cleaning to remove chaff, sterile florets, immature seeds, weed seeds, inert matter, and other crop seeds, scarifying, combining to obtain uniform quality, or any other operation which would change the purity or germination of the seed and require retesting to determine the quality of the seed. Conditioning does not include such operations as packaging, labeling, combining uniform lots of the same kind or variety without cleaning or preparing a mixture without cleaning, if it would not require retesting to determine the quality of the seed.

Subd. 8. [FLOWER SEEDS.] "Flower seeds" includes seeds of herbacious plants grown for their blooms, ornamental foliage, or other ornamental parts and commonly known and sold under the name of flower seeds in this state.

Subd. 9. [GENUINE GROWER'S DECLARATION.] A "genuine grower's declaration" is a statement signed by the grower which gives for a lot of agricultural seed, the lot number, kind, variety, origin, weight, year of production, date of shipment, and to whom it was sold, shipped, or delivered.

Subd. 10. [GERMINATION.] "Germination" means the percentage of

seeds other than hard seeds which are capable of producing normal seedlings under favorable growing conditions. Broken, weak, diseased, malformed, or abnormal seedlings shall not be considered as having germinated.

Subd. 11. [HYBRID.] "Hybrid" when applied to kinds or varieties of seed means the first generation seed of a cross produced by controlling the pollination and by combining (a) two or more inbred lines; (b) one inbred or a single cross with an open pollinated variety; or (c) two selected clones, seed lines, varieties, or species. "Controlling the pollination" means to use a method of hybridization which will produce pure seed which is at least 75 percent hybrid seed. The second generation or subsequent generations from these crosses are not hybrids. Hybrid designations shall be treated as variety names.

Subd. 12. [INITIAL LABELER.] "Initial labeler" means a person who is the first to label for sale within this state an agricultural, vegetable, flower, tree, or shrub seed.

Subd. 13. [KIND.] "Kind" means one or more related species or subspecies which singly or collectively is known by one common name, such as wheat, oats, or sweet clover.

Subd. 14. [LABEL.] "Label" includes a tag or other device attached to or written, stamped, or printed on any container or accompanying any lot of bulk seeds purporting to set forth the kind of seeds contained, or any other information relating to the labeled seed and includes invoices under which any seed is imported into the state.

Subd. 15. [LOT.] "Lot" means a definite quantity of seed identified by a lot number or other mark, every portion or bag of which is uniform within recognized tolerances for the factors which appear in the labeling.

Subd. 16. [MIXTURE.] "Mixture" means seeds consisting of more than one kind, each in excess of five percent of the whole.

Subd. 17. [NOXIOUS WEED SEEDS.] "Noxious weed seeds" includes prohibited and restricted noxious weed seeds.

Subd. 18. [PERSON.] "Person" means an individual, partnership, corporation, company, society, association, or firm.

Subd. 19. [PROHIBITED NOXIOUS WEED SEEDS.] "Prohibited noxious weed seeds" are those weed seeds which are prohibited from being present in any agricultural, vegetable, flower, tree or shrub seed. They are the seeds of weeds which are highly destructive and difficult to control by good cultural practices or by the use of herbicides. They not only reproduce by seed but also may spread by underground reproductive parts such as roots and rootstocks and aboveground reproductive parts such as runners and stolons.

Subd. 20. [PURE LIVE SEED.] "Pure live seed" means the product of the percent germination multiplied by the percent pure seed divided by 100 percent.

Subd. 21. [PURE SEED.] "Pure seed" means seed exclusive of inert matter and all other seeds not of the kind of seed being considered as defined by

the rules for testing seeds of the association of official seed analysts.

Subd. 22. [RECORD.] "Record" includes all information relating to seed shipments and includes a file sample of each lot of seed. For tree and shrub seed, the record includes all documents regarding statement of origin and elevation where the seed originated.

Subd. 23. [RESTRICTED NOXIOUS WEED SEEDS.] "Restricted noxious weed seeds" are those weed seeds which, if present in agricultural, vegetable, flower, tree or shrub seed, shall be named on the label together with the number per pound of seed specified and which shall not exceed the legal limit. They are seeds of weeds which are objectionable in fields, lawns, and gardens of this state and can be controlled by good cultural practice and use of herbicides.

Subd. 24. [SCREENINGS.] "Screenings" means chaff, sterile florets, immature seed, weed seeds, inert matter, and other material removed from seed in any kind of conditioning and which contains less than 25 percent by weight of live agricultural or vegetable seed.

Subd. 25. [SEIZURE.] "Seizure" means a legal process carried out by a court order against a definite amount of seed.

Subd. 26. [SELL.] "Sell," when applying to agricultural, vegetable, flower, tree or shrub seed, and seed samples, includes:

(a) selling or transferring ownership;

(b) offering and exposing for sale, exchange, distribution, giving away, and transportation in or into this state;

(c) having in possession with intent to sell, exchange, distribute, give away, or transport in or into this state;

(d) storing, carrying, and handling in aid of traffic in seeds, whether done in person or through an agent, employee, or other person; and

(e) receiving, accepting, and holding on consignment for sale.

Subd. 27. [STOP SALE.] "Stop sale" means an administrative order restraining the sale, use, disposition, and movement of a definite amount of seed.

Subd. 28. [TREATED.] "Treated" means that the seed has received an application of a substance or that it has been subjected to a process for which a claim is made.

Subd. 29. [TREE AND SHRUB SEEDS.] "Tree and shrub seeds" includes seeds of woody plants commonly known and sold as tree and shrub seeds in this state.

Subd. 30. [TREE SEED COLLECTOR'S DECLARATION.] A "tree seed collector's declaration" is a statement signed by a grower or person having knowledge of the place of collection which gives for a lot of seed: the lot number, common or scientific name of the species, subspecies if appropriate, origin, elevation, and quantity of tree and shrub seed.

Subd. 31. [TYPE.] "Type" means a group of varieties so nearly similar that individual varieties cannot be clearly differentiated except under special

conditions.

Subd. 32. [VEGETABLE SEEDS.] "Vegetable seeds" includes the seeds of those crops which are grown in gardens and on truck farms that are generally known and sold under the name of vegetable or herb seeds in this state.

Subd. 33. [VARIETY.] "Variety" means a subdivision of a kind characterized by growth, yield, plant, fruit, seed, or other characteristics by which it can be differentiated from other plants of the same kind.

Subd. 34. [WEED SEEDS.] "Weed seeds" includes the seeds of all plants generally recognized as weeds within this state, including noxious weed seeds.

Sec. 41. [21.82] [LABEL REQUIREMENTS; AGRICULTURAL, VEGETABLE, OR FLOWER SEEDS.]

Subdivision 1. [FORM.] Each container of agricultural, vegetable, or flower seed which is offered for sale for sowing purposes shall bear or have attached in a conspicuous place a plainly written or printed label or tag in the English language giving the information required by this section. This statement shall not be modified or denied in the labeling or on another label attached to the container.

Subd. 2. [CONTENT.] For agricultural, vegetable, or flower seeds, except as otherwise provided in subdivisions 4, 5, 6, 7 and 8, the label shall contain:

(a) The name of the kind or kind and variety for each agricultural or vegetable seed component in excess of five percent of the whole and the percentage by weight of each in order of its predominance. The commissioner shall by rule designate the kinds that are required to be labeled as to variety. If the variety of those kinds generally labeled as to variety is not stated and it is not required to be stated, the label shall show the name of the kind and the words: "Variety not stated."

(1) The percentage that is hybrid shall be at least 95 percent of the percentage of pure seed shown unless the percentage of pure seed which is hybrid seed is shown separately. If two or more kinds or varieties are present in excess of five percent and are named on the label, each that is hybrid shall be designated as hybrid on the label. Any one kind or kind and variety that has pure seed which is less than 95 percent but more than 75 percent hybrid seed as a result of incompletely controlled pollination in a cross shall be labeled to show the percentage of pure seed that is hybrid seed or a statement such as "contains from 75 percent to 95 percent hybrid seed." No one kind or variety of seed shall be labeled as hybrid if the pure seed contains less than 75 percent hybrid seed. The word hybrid shall be shown on the label in conjunction with the kind.

(2) Blends shall be listed on the label using the term "blend" in conjunction with the kind.

(3) Mixtures shall be listed on the label using the term "mixture," "mix," or "mixed."

(b) Lot number or other lot identification.

(c) Origin, if known, or that the origin is unknown.

(d) *Percentage by weight of all weed seeds present in agricultural, vegetable, or flower seed. This percentage may not exceed one percent. If weed seeds are not present in vegetable or flower seeds, the heading "weed seeds" may be omitted from the label.*

(e) *Name and rate of occurrence per pound of each kind of restricted noxious weed seeds present. They shall be listed under the heading "noxious weed seeds." If noxious weed seeds are not present in vegetable or flower seeds, the heading "noxious weed seeds" may be omitted from the label.*

(f) *Percentage by weight of agricultural, vegetable, or flower seeds other than those required to be named on the label. They shall be listed under the heading "other crop." If "other crop" seeds are not present in vegetable or flower seeds, the heading "other crop" may be omitted from the label.*

(g) *Percentage by weight of inert matter.*

(h) *Net weight of contents, to appear on either the container or the label, except that in the case of vegetable or flower seed containers with contents of 200 seeds or less, a statement indicating the number of seeds in the container may be listed along with or in lieu of the net weight of contents.*

(i) *For each named agricultural or vegetable seed:*

(1) *percentage of germination, exclusive of hard seed;*

(2) *percentage of hard seed, if present; and*

(3) *the calendar month and year the percentages were determined by test.*

(j) *Name and address of the person who labeled the seed or who sells the seed within this state, or a code number which has been registered with the commissioner.*

Subd. 3. [TREATED SEED.] For all named agricultural, vegetable, or flower seeds which are treated, for which a separate label may be used, the label shall contain:

(a) *a word or statement to indicate that the seed has been treated;*

(b) *the commonly accepted, coined, chemical, or abbreviated generic chemical name of the applied substance;*

(c) *the caution statement "Do not use for food, feed, or oil purposes" if the substance in the amount present with the seed is harmful to human or other vertebrate animals;*

(d) *in the case of mercurials or similarly toxic substances, a poison statement and symbol;*

(e) *a word or statement describing the process used when the treatment is not of pesticide origin; and*

(f) *the date beyond which the inoculant is considered ineffective if the seed is treated with an inoculant. It shall be listed on the label as "inoculant: expires (month and year)" or wording that conveys the same meaning.*

Subd. 4. [HYBRID SEED CORN.] For hybrid seed corn purposes a label shall contain:

(a) *a statement indicating the number of seeds in the container may be*

listed along with or in lieu of the net weight of contents; and

(b) for each variety of hybrid seed field corn, the day classification as determined by the originator or owner. The day classification shall approximate the number of days of growing season necessary from emergence of the corn plant above ground to relative maturity and shall conform to the day classification established by the director of the Minnesota agricultural experiment station for the appropriate zone.

Subd. 5. [GRASS SEED.] For grass seed and mixtures of grass seeds intended for lawn and turf purposes, the requirements in clauses (a) to (c) must be met.

(a) The label shall contain the percentage by weight of inert matter, up to ten percent by weight except for those kinds specified by rule. The percentage by weight of foreign material not common to grass seed must be listed as a separate item in close association with the inert matter percentage.

(b) If the seed contains no "other crop" seed, the following statement may be used and may be flagged: "contains no other crop seed."

(c) When grass seeds are sold outside their original containers, the labeling requirements are met if the seed is weighed from a properly labeled container in the presence of the purchaser.

Subd. 6. [COATED AGRICULTURAL SEEDS.] For coated agricultural seeds the label shall contain:

(a) percentage by weight of pure seeds with coating material removed;

(b) percentage by weight of coating material shown as a separate item in close association with the percentage of inert matter; and

(c) percentage of germination determined on 400 pellets with or without seeds.

Subd. 7. [VEGETABLE SEEDS.] For vegetable seeds prepared for use in home gardens or household plantings the requirements in clauses (a) to (d) apply. The origin may be omitted from the label.

(a) The label shall contain the following:

(1) the year for which the seed was packed for sale listed as "packed for (year)," or the percentage of germination and the calendar month and year that the percentages were determined by test; and

(2) for vegetable seeds which germinate less than the standard last established by the commissioner:

(i) percentage of germination, exclusive of hard seed;

(ii) percentage of hard seed, if present; and

(iii) the words "below standard" in not less than eight point type and the month and year the percentages were determined by test.

(b) The percentage by weight of pure seed may be omitted from a label if the total is more than 90 percent.

(c) The percentage by weight of inert matter may be omitted from a label if it is less than ten percent.

(d) The labeling requirements for vegetable seeds sold outside their original containers are met if the seed is weighed from a properly labeled container in the presence of the purchaser.

Subd. 8. [FLOWER SEEDS.] (a) All flower seed labels shall contain:

(1) the name of the kind and variety or a statement of type and performance characteristics as prescribed by rules;

(2) the year for which the seed was packed for sale listed as "packed for (year)," or the percentage of germination and the calendar month and year that the percentage was determined by test; and

(3) for flower seeds which germinate less than the standard last established by the commissioner:

(i) the percentage of germination exclusive of hard seed; and

(ii) the words "below standard" in not less than eight point type and the month and year this percentage was determined by test.

(b) The origin may be omitted from the label.

(c) The percentage by weight of pure seed may be omitted from a label if the total is more than 90 percent.

(d) The percentage by weight of inert matter may be omitted from a label if it is less than ten percent.

Sec. 42. [21.83] [LABEL REQUIREMENTS; TREE OR SHRUB SEEDS.]

Subdivision 1. [FORM.] Each container of tree or shrub seed which is offered for sale for sowing purposes shall bear or have attached in a conspicuous place a plainly written or printed label or tag in the English language giving the information required by this section. This label statement shall not be modified or denied in the labeling or on another label attached to the container, except that labeling of seed supplied under a contractual agreement may be made by an invoice accompanying the shipment or by an analysis tag attached to the invoice if each bag or other container is clearly identified by a lot number stenciled on the container. Each bag or container that is not so stenciled must carry complete labeling.

Subd. 2. [LABEL CONTENT.] For all tree or shrub seed subject to this section the label shall contain:

(a) the common name of the species, and the subspecies if appropriate;

(b) the scientific name of the genus and species, and the subspecies if appropriate;

(c) the lot number or other lot identification;

(d) for seed collected from a predominantly indigenous stand, the area of collection given by latitude and longitude, or geographic description, or political subdivision such as state or county;

(e) for seed collected from a predominantly nonindigenous stand, the identity of the area of collection and the origin of the stand or the words "origin not indigenous;"

(f) the elevation or the upper and lower limits of elevation within which the seed was collected;

(g) the percentage of pure seed by weight;

(h) for those kinds of seed for which standard testing procedures are prescribed:

(1) the percentage of germination exclusive of hard seed;

(2) the percentage of hard seed, if present; and

(3) the calendar month and year the percentages were determined by test; or

(4) in lieu of the requirements of clauses (1) to (3), the seed may be labeled "test is in progress, results will be supplied upon request;"

(i) for those species for which standard germination testing procedures have not been prescribed by the commissioner, the calendar year in which the seed was collected; and

(j) the name and address of the person who labeled the seed or who sells the seed within this state.

Subd. 3. [TREATED SEED.] For all treated tree and shrub seeds for which a separate label may be used the label shall contain:

(a) a word or statement to indicate that the seed has been treated;

(b) the commonly accepted, coined, chemical, or abbreviated generic chemical name of the applied substance;

(c) the caution statement "Do not use for food, feed, or oil purposes" if the substance in the amount present with the seed is harmful to human or other vertebrate animals;

(d) in the case of mercurials or similarly toxic substances, a poison statement and symbol;

(e) a word or statement describing the process used when the treatment is not of pesticide origin;

(f) if the seed has been treated with an inoculant, the date beyond which the inoculant is considered ineffective. It shall be listed on the label as "inoculant: expires (month and year)" or wording which conveys the same meaning.

Sec. 43. [21.84] [RECORDS.]

Each person whose name appears on the label of agricultural, vegetable, flower, tree or shrub seeds subject to section 41 or 42 shall keep for three years complete records of each lot of agricultural, vegetable, flower, tree or shrub seed sold in this state and shall keep for one year a file sample of each lot of seed after disposition of the lot. In addition, the grower shall have as a part of the record a "genuine grower's declaration" or a "tree seed collector's declaration."

Sec. 44. [21.85] [DUTIES OF THE COMMISSIONER.]

Subdivision 1. [ENFORCEMENT.] The commissioner shall administer

and enforce sections 39 to 51.

Subd. 2. [SEED LABORATORY.] The commissioner shall establish and maintain a seed laboratory for seed testing, employing necessary agents and assistants to administer and enforce sections 39 to 51, none of whom, except those who are employed on a regular full-time basis, shall come within or be governed by chapter 43A. The compensation for the unclassified employees shall be on the basis of a rating and salary scale determined by the commissioner's plan of the department of employee relations or the appropriate bargaining unit contract.

Subd. 3. [ENTRY UPON PREMISES.] For the purpose of administering and enforcing sections 39 to 51 the commissioner may enter upon any public or private premises during regular business hours in order to have access to seeds and the records concerning the seeds that are subject to sections 39 to 51, and to enter any truck or other conveyer by land, water, or air at any time when the conveyer is accessible, for the same purpose.

Subd. 4. [INSPECTION AND SAMPLING.] The commissioner shall sample, inspect, make analysis of and test seeds subject to sections 39 to 51 that are offered for sale for sowing purposes at the time and place and to the extent necessary to determine whether the seeds are in compliance with sections 39 to 51.

Subd. 5. [NOTICE OF VIOLATION.] The commissioner shall promptly notify the person who sold, labeled, or transported seed that has been:

- (1) found to be in violation of sections 39 to 51;*
- (2) placed under a stop sale order; or*
- (3) seized on complaint of the commissioner to a court of competent jurisdiction.*

Subd. 6. [STOP SALE ORDERS.] The commissioner may issue and enforce a written or printed "stop sale" order to the owner or custodian of any lot of seed which he finds to be in violation of sections 39 to 51. The order shall prohibit further sale, conditioning, and movement of the seed, except on approval of the enforcing officer, until the officer has evidence that the law has been complied with and has issued a release from the "stop sale" order. With respect to seed which has been denied sale, conditioning, or movement, the owner or custodian of the seed may appeal from the order to a court where the seeds are found, for the discharge of the seeds from the order prohibiting the sale, conditioning, or movement in accordance with the findings of the court. This subdivision does not limit the right of the enforcement officer to proceed in a different fashion.

Subd. 7. [SEIZURE.] Any lot of seed not in compliance with sections 39 to 51 is subject to seizure on complaint of the commissioner to a court of competent jurisdiction in the locality where the seed is located. If the court finds the seed to be in violation and orders the condemnation of the seed, it shall be denatured, destroyed, relabeled, or otherwise disposed of in compliance with law. In no instance shall the court order dispose of the seed without first giving the claimant an opportunity to apply to the court for the release of the seed or permission to condition or relabel it into compliance.

Subd. 8. [INJUNCTION.] When the commissioner applies to any court for

a temporary or permanent injunction restraining any person from violating or continuing to violate sections 39 to 51, the injunction shall be issued without requiring a bond.

Subd. 9. [PROSECUTIONS.] When the commissioner finds that a person has violated any part of sections 39 to 51, he may initiate court proceedings in the locality in which the violation occurred. No prosecution shall be instituted without a person having an opportunity to appear in person or by a representative before the commissioner to provide evidence. Either a county attorney or the attorney general may prosecute actions under sections 39 to 51.

Subd. 10. [COMMISSIONER MAY ALTER REQUIREMENTS IN EMERGENCIES.] In the event of acute shortages of any seed or seeds, or the occurrence of other conditions which in the opinion of the commissioner create an emergency which would make impractical the enforcement of any requirement of sections 39 to 51 relating to the percentage of purity and weed seed content of any seed or seeds, the commissioner may temporarily change and alter any requirement relating to percentage of purity and weed seed content for the duration of the emergency.

Subd. 11. [RULES.] The commissioner may make necessary rules, including temporary rules, for the proper enforcement of sections 39 to 51. Existing rules shall remain in effect unless temporary or permanent rules are made that supercede them.

Subd. 12. [SERVICE TESTING AND IDENTIFICATION.] The commissioner shall provide for purity and germination tests of seeds and identification of seeds and plants for farmers, dealers, and others. He may establish and collect fees for testing and identification.

Subd. 13. [SAMPLING EXPORT SEED.] The commissioner may sample agricultural, vegetable, flower, tree or shrub seeds which are destined for export to other countries. He may establish and collect suitable fees from the exporter for this service.

Subd. 14. [COOPERATION WITH UNITED STATES DEPARTMENT OF AGRICULTURE.] The commissioner shall cooperate with the United States department of agriculture in seed law enforcement.

Sec. 45. [21.86] [UNLAWFUL ACTS.]

Subdivision 1. [PROHIBITIONS.] A person may not advertise or sell any agricultural, vegetable, flower, or tree and shrub seed if:

(a) A test to determine the percentage of germination required by sections 41 and 42 has not been completed within a nine-month period, exclusive of the calendar month in which the test was completed. This prohibition does not apply to tree, shrub, agricultural, or vegetable seeds packaged in hermetically sealed containers. Seeds packaged in hermetically sealed containers under the conditions defined by rule may be offered for sale for a period of 36 months after the last day of the month that the seeds were tested for germination prior to packaging. If seeds in hermetically sealed containers are offered for sale more than 36 months after the last day of the month in which they were tested prior to packaging, they must be retested within a nine-month period, exclusive of the calendar month in which the retest was

completed;

(b) It is not labeled in accordance with sections 41 and 42 or has false or misleading labeling;

(c) False or misleading advertisement has been used in respect to its sale;

(d) It contains prohibited noxious weed seeds;

(e) It consists of or contains restricted noxious weed seeds in excess of 25 seeds per pound or in excess of the number declared on the label attached to the container of the seed or associated with the seed;

(f) It contains more than one percent by weight of all weed seeds;

(g) It contains less than the stated net weight of contents;

(h) It contains less than the stated number of seeds in the container;

(i) It contains any labeling, advertising, or other representation subject to sections 41 and 42 representing the seed to be certified unless:

(1) it has been determined by a seed certifying agency that the seed conformed to standards of purity and identity as to kind, species, subspecies, or variety, and also that tree seed was found to be of the origin and elevation claimed, in compliance with the rules pertaining to the seed; and

(2) the seed bears an official label issued for it by a seed certifying agency stating that the seed is of a certified class and a specified kind, species, subspecies, or variety;

(j) It is labeled with a variety name but not certified by an official seed certifying agency when it is a variety for which a United States certificate of plant variety protection has been granted under United States Code, title 7, sections 2481 to 2486, specifying sale by variety name only as a class of certified seed. Seed from a certified lot may be labeled as to variety name when used in a blend or mixture by or with approval of the owner of the variety; or

(k) The person whose name appears on the label does not have complete records including a file sample of each lot of agricultural, vegetable, flower, tree or shrub seed sold in this state as required in section 43.

Subd. 2. [MISCELLANEOUS VIOLATIONS.] No person may:

(a) detach, alter, deface, or destroy any label required in sections 41 and 42 or alter or substitute seed in a manner that may defeat the purposes of sections 41 and 42;

(b) hinder or obstruct in any way any authorized person in the performance of duties under sections 39 to 51;

(c) fail to comply with a "stop sale" order or to move or otherwise handle or dispose of any lot of seed held under a stop sale order or attached tags, except with express permission of the enforcing officer for the purpose specified;

(d) use the word "type" in any labeling in connection with the name of any agricultural seed variety;

(e) use the word "trace" as a substitute for any statement which is re-

quired; or

(f) plant any agricultural seed which the person knows contains weed seeds or noxious weed seeds in excess of the limits for that seed.

Sec. 46. [21.87] [EXEMPTION.]

Sections 41 and 42 do not apply:

(a) to seed or grain not intended for sowing purposes;

(b) to seed in storage in or being transported or consigned to a conditioning establishment for conditioning, provided that the invoice or label accompanying any shipment of the seeds bears the statement "seeds for conditioning," and provided that any labeling or other representation which may be made with respect to the unconditioned seed is subject to the provisions of sections 41 and 42; or

(c) to any carrier with respect to seed transported or delivered for transportation in the ordinary course of its business as a carrier, provided that the carrier is not engaged in producing, conditioning, or marketing seeds subject to sections 41 and 42.

Sec. 47. [21.88] [PENALTIES.]

Subdivision 1. [MISDEMEANOR; GROSS MISDEMEANOR.] A violation of sections 39 to 51 or a rule adopted under section 44 is a misdemeanor. Each additional day of violation is a separate offense. A subsequent violation by a person is a gross misdemeanor.

Subd. 2. [UNLAWFUL PRACTICE.] In addition to other penalties provided by law, a person who violates a provision of sections 39 to 51 or a rule adopted under section 44 has committed an unlawful practice under sections 325F.68 and 325F.69 and is subject to the remedies provided in sections 8.31 and 325F.70.

Subd. 3. [PENALTIES NOT TO APPLY.] A person is not subject to the penalties in subdivision 1 or 2 for having sold seeds which were incorrectly labeled or represented as to kind, species, subspecies, if appropriate, variety, type, origin and year, elevation or place of collection if required, if the seeds cannot be identified by examination unless he has failed to obtain an invoice or genuine grower's or tree seed collector's declaration or other labeling information and to take other reasonable precautions to ensure the identity is as stated.

Sec. 48. [21.89] [SEED FEE PERMITS.]

Subdivision 1. [SEED FEE.] In order to pay for administering and enforcing sections 39 to 51, the commissioner shall establish the fees charged for various seeds and shall collect the fees on all seeds covered by sections 39 to 51.

Subd. 2. [PERMITS; ISSUANCE, REVOCATION.] The commissioner shall issue a permit to the initial labeler of agricultural, vegetable, or flower seeds which are offered for sale in Minnesota and which conform to and are labeled under sections 39 to 51. The person shall furnish to the commissioner an itemized statement of all seeds sold in Minnesota for the periods established by the commissioner. This statement shall be delivered, along with the

payment of the fee, to the commissioner no later than 30 days after the end of each reporting period. Any person holding a permit shall show as part of the analysis labels or invoices on all agricultural, vegetable, flower, tree or shrub seeds all information the commissioner requires. The commissioner may revoke any permit in the event of failure to comply with applicable laws and rules.

Subd. 3. [PENALTY.] A penalty fee established by the commissioner shall be assessed any permit holder who fails to submit a statement and pay the fee due within the 30 days following the end of each reporting period.

Subd. 4. [EXEMPTIONS.] A person who labels for sale agricultural, vegetable, or flower seeds must have a seed fee permit unless:

(a) The person labels and sells less than 50,000 pounds of agricultural seed in Minnesota each calendar year. If more than 50,000 pounds are labeled and sold in Minnesota by any person, the person must have a seed fee permit and pay fees on all seed sold. A person who labels and sells grass seeds and mixtures of grass seeds intended for lawn or turf purposes is not exempted from having a permit and paying seed fees on all seeds in this category sold in Minnesota; or

(b) The agricultural, vegetable, or flower seeds are of the breeder or foundation seed classes of varieties developed by publicly financed research agencies intended for the purpose of increasing the quantity of seed available.

Sec. 49. [21.90] [HYBRID SEED FIELD CORN VARIETY REGISTRATION.]

Subdivision 1. [GROWING ZONES.] The director of the agricultural experiment station at the University of Minnesota shall determine, establish, and number or otherwise identify corn growing zones of the state and determine and publish a list of day classifications for each zone which will approximate the number of days growing season necessary for corn from emergence of the corn plants above ground after planting to relative maturity.

Subd. 2. [FEES.] A record of each hybrid seed field corn variety to be sold in Minnesota shall be registered with the commissioner by February 1 of each year by the originator or owner. The commissioner shall establish the annual fee for registration for each variety. The record shall include the permanent designation of the hybrid as well as the day classification and zone of adaptation, as determined under subdivision 1, which the originator or owner declares to be the zone in which the variety is adapted. In addition, at the time of the first registration of a hybrid seed field corn variety, the originator or owner shall include a sworn statement that his declaration of the zone of adaptation was based on actual field trials in that zone and that the field trials substantiate his declaration as to the day and zone classifications to which the variety is adapted. The name or number used to designate a hybrid seed field corn variety in the registration is the only name of all seed corn covered by or sold under that registration.

Subd. 3. [TESTS OF VARIETIES.] If the commissioner needs to verify that a hybrid seed field corn variety is adapted to the corn growing zone declared by the originator or owner, it must, when grown in several official

comparative trials by the director of the Minnesota agricultural experiment station in the declared zone of adaptation, have an average kernel moisture at normal harvest time which does not differ from the average kernel moisture content of three or more selected standard varieties adapted for grain production in that particular growing zone by more than four percentage points. If a new variety when tested has more than six percentage points of moisture over the standard variety, it must have the relative maturity increased by five days in the correct zone of adaptation before it can be sold the second year. If it does not exceed the standard varieties by more than five percentage points of moisture the second year tested, it can be sold the third year with the same relative maturity. If upon being tested the third year the moisture percentage points are found to be over the four percentage points allowed, the variety then must have the relative maturity increased by five days in the correct zone. The varieties to be used as standard varieties for determining adaptability to a zone shall be selected for each zone by the director of the Minnesota agricultural experiment station with the advice and consent of the commissioner of agriculture. Should a person, firm, originator, or owner of a hybrid seed field corn variety wish to offer hybrid seed for sale or distribution in this state, the person, firm, originator, or owner not having distributed any products in Minnesota during the past ten years, or not having any record of testing by an agency acceptable to the commissioner, then after registration of the variety the commissioner is required to have the variety tested for one year by the director of the Minnesota agricultural experiment station before it may be distributed in Minnesota. Should any person, firm, originator, or owner of a seed field corn variety be guilty of two successive violations with respect to the declaration of relative maturity date and zone number, then the violator must commence a program of pretesting for varieties as determined by the commissioner. The list of varieties to be used as standards in each growing zone shall be sent by the commissioner not later than February 1 of each year to each seed firm registering hybrid varieties with the commissioner as of the previous April 1. To assist in defraying the expenses of the Minnesota agricultural experiment station in carrying out the provisions of this section, there shall be transferred annually from the seed inspection fund to the agricultural experiment station a sum which shall at least equal 80 percent of the total revenue from all hybrid seed field corn variety registrations.

Sec. 50. [21.91] [SEED CERTIFICATION AGENCIES.]

Subdivision 1. [MINNESOTA.] The official seed certification agency for Minnesota shall be determined by the commissioner of agriculture and the director of the Minnesota agricultural experiment station.

Subd. 2. [OTHER JURISDICTIONS.] The official seed certification agency for other jurisdictions shall be determined and the identity filed as a public record in the office of the commissioner of agriculture. The determination shall be made by the commissioner of agriculture and the director of the Minnesota agricultural experiment station.

Sec. 51. [21.92] [SEED INSPECTION FUND.]

There is established in the state treasury an account known as the seed inspection fund. Fees and penalties collected by the commissioner under sections 39 to 51 shall be deposited into this account. The rates at which the

fees are charged may be adjusted pursuant to section 16A.28. Money in this account, including interest earned and any appropriations made by the legislature for the purposes of sections 39 to 51, is annually appropriated to the commissioner for the administration and enforcement of sections 39 to 51.

Sec. 52. Minnesota Statutes 1982, section 27.041, subdivision 2, is amended to read:

Subd. 2. [LICENSES.] The license, or a certified copy thereof of the license, shall must be kept posted in the office of the licensee at each place within the state where he transacts business. Every license shall expire June 30 following its issuance and thereafter be renewed July 1 each year. Any license issued under this subdivision shall is automatically be void upon the termination of the surety bond covering the licensed operation. The fee for each license shall be based on the following schedule:

License Fee	Penalty for Late Renewal	Dollar Volume of Business
\$ 30	\$ 9.60 \$10	\$10,000 or less per month
\$ 60	\$18 \$15	Over \$10,000 to \$50,000 per month
\$ 90 \$180	\$ 26.40 \$45	Over \$50,000 to \$100,000 per month
\$120 \$240	\$36 \$60	Over \$100,000 per month

A fee of \$5 \$10 shall be charged for each certified copy of a license, \$2 for each license identification card, and \$2 for each license identification truck decal. The commissioner shall make appropriate license fee adjustments for up to one year from July 1, 1975 for persons required to be licensed hereunder, who hold validly issued licenses as of the effective date of Laws 1975, Chapter 227 under the provisions of law amended or repealed herein. When the licensee sells, disposes of, or discontinues his business during the lifetime of his license he shall at the time the action is taken, notify the commissioner in writing, and upon demand produce before the commissioner a full statement of all assets and liabilities as of the date of transfer or discontinuance of the business.

All moneys Money collected from license fees shall be deposited in the state treasury.

Sec. 53. Minnesota Statutes 1982, section 28A.08, is amended to read:

28A.08 [LICENSE FEES; PENALTIES.]

The fees for licenses and the penalties for late renewal thereof prescribed herein shall of licenses set in this section apply to the sections named except as provided under section 28A.09. Except as specified herein, bonds and assessments based on number of units operated or volume handled or processed which are provided for in said laws shall not be affected, nor shall any penalties for late payment of said assessments, nor shall inspection fees, be affected by this chapter.

Type of food handler	License Fee	Penalty
1. Retail food handler		
(a) Having gross sales of less than \$250,000 \$50,000 for the immediately previous license or fiscal year	\$ 48 \$25	\$ 6 \$10
(b) Having \$50,000 to \$250,000 gross sales for the immediately previous license or fis-		

<i>cal year</i>	\$ 50	\$13
(b) (c) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$ 36 \$100	\$12 \$25
(e) (d) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year	\$ 60 \$200	\$18 \$50
2. Wholesale food handler	\$ 36 \$100	\$12 \$25
3. Food broker	\$ 18 \$50	\$ 6 \$13
4. (a) Wholesale food processor or manufacturer	\$120	\$36
(a) Having gross sales of less than \$250,000 for the immediately previous license or fiscal year	\$150	\$38
(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$200	\$50
(c) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year	\$250	\$ 63
5. (b) Wholesale food processor of meat or poultry products under supervision of the U.S. Department of Agriculture	\$ 60	\$18
(a) Having gross sales of less than \$250,000 for the immediately previous license of fiscal year	\$ 75	\$19
(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$ 90	\$23
(c) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year	\$105	\$27
6. (e) Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota farmstead cheese	\$ 30	\$12 \$10

Sec. 54. Minnesota Statutes 1982, section 28A.09, is amended to read:

28A.09 [INSPECTION FEES FOR VENDING MACHINES.]

Subdivision 1. [ANNUAL FEE; EXCEPTIONS.] Every coin operated food vending machine ~~shall be~~ is subject to an annual state inspection fee of \$2 \$5 for each nonexempt machine, provided that:

(a) Food vending machines may be inspected by either a home rule charter or statutory city, or a county, but not both, and if inspected by a home rule charter or statutory city, or a county they shall not be subject to the state inspection fee, but the home rule charter or statutory city, or the county may impose a reasonable inspection or license fee. A home rule charter or statutory city or county that does not inspect food vending machines shall not impose a food vending machine inspection or license fee.

(b) Vending machines dispensing only bottled or canned soft drinks or ice manufactured and packaged by another shall be exempt from the state inspection fee, but may be inspected by the state, or by a home rule charter city or statutory city or a county which may impose a reasonable inspection or license fee.

Subd. 2. [IDENTIFICATION; RULES.] The commissioner may require that ~~any~~ a vending machine ~~shall~~ *must* be identified in accordance with rules promulgated pursuant to chapter 14.

Sec. 55. Minnesota Statutes 1982, section 32.075, is amended to read:

32.075 [TERM OF LICENSE; TRANSFERABILITY; FEES AND PENALTIES.]

Every license issued by the commissioner shall be for a period ending on the thirty-first day of December next following, and shall not be transferable. The fee for each such initial license shall be ~~\$48~~ \$25 and each renewal thereof shall be ~~\$7.20~~ \$10 and shall be paid to the commissioner before any license or renewal thereof is issued. If a license renewal is not applied for on or before January 1 of each year, a penalty of ~~25 percent of the license fee~~ \$10 shall be imposed. A person who does not renew his license within one year following its December 31 expiration date, except those persons who do not renew such license while engaged in active military service, shall be required to prove his competency and qualification pursuant to section 32.073, before a license is issued. The commissioner may require any other person who renews his license to prove his competency and qualification in the same manner. All license fees and penalties received by the commissioner shall be paid into the state treasury.

Sec. 56. Minnesota Statutes 1982, section 32.59, is amended to read:

32.59 [NONRESIDENT MANUFACTURER LICENSE.]

Any person who manufactures frozen foods, mix, ice cream mix, mix base, or ice cream mix base outside of the state, for sale within the state, shall apply for registration with the department of agriculture in ~~such the~~ form; and ~~furnish such with the~~ information; ~~as it may require the commissioner requires~~. Samples of all frozen foods, mix, ice cream mix, mix base, or ice cream mix base, so manufactured for sale and sold within this state, ~~shall~~ *must* be submitted to the department. Each application for registration ~~shall~~ *must* be accompanied by a fee of ~~\$120~~ \$150, which ~~shall constitute~~ *is* the registration fee ~~in case if a~~ certificate of registration is granted. If the department of agriculture ~~shall find~~ *finds* that the samples ~~so~~ submitted are up to the accepted standards; and otherwise comply with the laws of this state, it shall issue to the applicant a certificate of registration. *The penalty for a late registration application is \$38 if the registration is not renewed by January 1 of any year.*

Sec. 57. Minnesota Statutes 1982, section 34.02, is amended to read:

34.02 [LICENSES; EXCEPTIONS.]

No person ~~shall~~ *may* manufacture, mix, or compound any soft drinks or other non-alcoholic beverage, to be sold in bottles, barrels, kegs, jars, coolers, cans, glasses or tumblers, or other containers, without first having obtained a license ~~therefor~~ from the commissioner. *License fees shall be established in accordance with section 28A.05, clause (c).* Sections 34.02 to 34.11 ~~shall~~ *do* not apply to beverages manufactured, mixed, or compounded in quantities of one quart or less at one time.

Sec. 58. Minnesota Statutes 1982, section 34.05, subdivision 1, is amended to read:

Subdivision 1. Any person who distributes soft drinks or other non-alcoholic beverages manufactured outside of this state, for sale within this state,

shall apply for registration with the commissioner in ~~such~~ the form and ~~furnish such~~ *accompanied by* information as ~~he may require~~ *the commissioner requires*. Samples of all soft drinks or other non-alcoholic beverages manufactured for sale and sold within this state ~~shall must~~ be submitted to the commissioner once each year for laboratory examination. Each application ~~shall must~~ be accompanied by a registration fee of \$100 *established in accordance with section 28A.05, clause (c)*, which ~~shall constitute~~ *is* the registration fee in case registration is granted, and one-half of which may be retained to reimburse the state for inspection ~~should if~~ registration ~~be is~~ refused. If the commissioner finds that the samples submitted are up to accepted standards, and otherwise comply with the laws of this state, he shall issue to the applicant a certificate of registration.

Sec. 59. Minnesota Statutes 1982, section 40.03, subdivision 2, as amended by Laws 1983, chapter 66, section 1, is amended to read:

Subd. 2. [EMPLOYEES.] The department of agriculture shall provide administrative functions of this section. The commissioner of agriculture shall make available ~~by separate budget~~ to the state soil and water conservation board the staff services, funds for operation, and office space necessary for the administration and coordination of its functions. The state board shall be responsible to the commissioner ~~for reporting purposes in regard to staff functions and operations which relate to department activities~~.

The commissioner of agriculture shall, ~~subject to approval of the state board~~, provide an administrative officer and other necessary permanent and temporary technical experts, agents and employees. ~~The state board shall determine the personnel's qualifications and duties, and recommend compensation to the commissioner of employee relations.~~ The state board may call upon the attorney general for necessary legal services. It shall have authority to delegate to its chairman or to one or more of its other officers or members or administrative officer any of its own powers and duties it may deem proper. ~~The administrative officer is responsible to the state board and may be dismissed by the commissioner of agriculture only upon the advice and recommendation of the state board.~~ All permanent personnel of the state board are employees of the department of agriculture and are in the classified service of the state except as otherwise required by statute. In order to perform its duties, the state board may request information from the supervising officer of any state agency or state institution of higher education, including the state universities, the community colleges, and the post-secondary vocational technical schools. ~~The supervising officer shall comply with the state board's request to the extent possible considering available appropriations and may assign agency or institution employees to compile existing information and to complete special reports, surveys, or studies concerning the problems specified in section 40.02.~~

Sec. 60. Minnesota Statutes 1982, section 41.61, subdivision 1, as amended by H.F. No. 1308, enacted at the 1983 regular session, is amended to read:

Subdivision 1. *There is created a special account in the state treasury for the purposes of financing the family farm security program.*

Such sums as may be needed from time to time to pay lenders for defaulted loans and make other payments authorized by this chapter are appropriated from the ~~general fund~~ *special account* to the commissioner. The sum of all outstanding family farm security loans guaranteed by the commissioner at any time shall not exceed \$100,000,000.

Sec. 61. Minnesota Statutes 1982, section 43A.04, is amended by adding a subdivision to read:

Subd. 8. [DONATION OF TIME BY STATE PATROL.] Notwithstanding any law to the contrary, the commissioner shall authorize the appointing authority to permit the donation of up to three hours of accumulated vacation time in each year by each employee who is a member of law enforcement unit number 1 to their union representative for the purpose of carrying out the duties of his or her office.

Sec. 62. Minnesota Statutes 1982, section 70A.06, is amended by adding a subdivision to read:

Subd. 5. (1) Rates and changes and amendments of rates for policies of insurance against damage by hail must be filed with the commissioner 30 days prior to their effective date.

(2) An insurer increasing the rate charged for a policy of insurance against damage by hail shall notify the insured 30 days prior to a renewal, if applicable.

Sec. 63. Minnesota Statutes 1982, section 79.251, subdivision 1, is amended to read:

Subdivision 1. [ASSIGNED RISK PLAN REVIEW BOARD.] (1) An assigned risk plan review board is created for the purposes of review of the operation of sections 79.24 to 79.27. The board shall have all the usual powers and authorities necessary for the discharge of its duties under this section and may contract with individuals in discharge of those duties.

(2) The board shall consist of five members to be appointed by the commissioner of insurance. Two members shall be insureds holding policies issued pursuant to section 79.25. Two members shall be members of the association. The commissioner shall be the fifth member and shall vote.

Initial appointments shall be made by September 1, 1981 and terms shall be for three years duration. Removal, the filling of vacancies and compensation of the members other than the commissioner shall be as provided in section 15.059.

(3) The assigned risk review board shall audit the reserves established by insurers (a) for individual cases arising under policies issued under section 79.25 and (b) for the total book of business issued under section 79.25.

(4) The assigned risk review board shall monitor the operations of sections 79.24 to 79.27 and shall periodically make recommendations to the commissioner, and to the governor and legislature when appropriate, for improvement in the operation of those sections.

(5) All members of the association issuing policies under section 79.25 shall pay ~~and to the commissioner shall receive and disburse, on behalf of the board,~~ a .25 percent assessment on premiums for policies issued under section 79.25 for the purpose of defraying the costs of the assigned risk review board. *Proceeds of the assessment shall be deposited in the state treasury and credited to the general fund.*

Sec. 64. Minnesota Statutes 1982, section 155A.07, subdivision 7, is

amended to read:

Subd. 7. [FEES.] Examination and licensing fees shall be established and adjusted, by rule, so that the total amount of fee income at least meets the anticipated costs, as provided in section ~~214.06~~ 16A.128.

Sec. 65. Minnesota Statutes 1982, section 155A.08, subdivision 5, is amended to read:

Subd. 5. [FEES.] Licensing and inspection fees shall be established and adjusted, by rule, so that the total amount of fee income at least meets the anticipated costs, as provided in section ~~214.06~~ 16A.128.

Sec. 66. Minnesota Statutes 1982, section 169.81, subdivision 3b, is amended to read:

Subd. 3b. [PERMITS FOR CERTAIN SEMITRAILERS; FEES.] The commissioner may issue an annual permit for a semitrailer in excess of 45 feet in length, if the distance from the kingpin to the center of the rearmost axle of the semitrailer does not exceed 40 feet, and if a combination of vehicles, which includes a semitrailer in excess of 45 feet for which a permit has been issued pursuant to this subdivision, does not exceed the length limits set out in this section. The annual fee for a permit issued under this subdivision is ~~\$36~~ \$40.

Sec. 67. Minnesota Statutes 1982, section 169.86, subdivision 5, is amended to read:

Subd. 5. [FEES.] The commissioner, with respect to highways under his jurisdiction, may charge a fee for each permit issued. All such fees for permits issued by the commissioner of transportation shall be deposited in the state treasury and credited to the trunk highway fund. Except for those annual permits for which the permit fees are specified elsewhere in this chapter, the fees shall be:

(a) ~~\$12~~ \$15 for each single trip permit.

(b) ~~\$12~~ \$36 for each job permit. A job permit may be issued for like loads carried on a specific route for a period not to exceed two months. "Like loads" means loads of the same product, weight and dimension.

(c) \$60 for an annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) ~~truck cranes;~~

(2) ~~construction equipment, machinery, and supplies;~~

(3) ~~manufactured homes;~~

(4) ~~farm equipment when the movement is not made according to the provisions of section 169.80, subdivision 1, clauses (a) to (f).~~

(5) ~~refuse compactor vehicles that carry a gross weight up to but not in excess of 22,000 pounds on a single rear axle and not in excess of 38,000 pounds on a tandem rear axle;~~

(6) (2) motor vehicles used to alleviate a temporary crisis adversely affecting the safety or well-being of the public;

(7) (3) motor vehicles which travel on interstate highways and carry loads

authorized under subdivision 1a;

(d) \$120 for an annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) truck cranes;

(2) construction equipment, machinery, and supplies;

(3) manufactured homes;

(4) farm equipment when the movement is not made according to the provisions of section 169.80, subdivision 1, clauses (a) to (f);

(5) double-deck buses;

(6) commercial boat hauling.

Sec. 68. Minnesota Statutes 1982, section 169.862, is amended to read:

169.862 [PERMITS FOR WIDE LOADS OF BALED HAY.]

The commissioner of transportation, with respect to highways under his jurisdiction, and local authorities, with respect to highways under their jurisdiction, may issue an annual permit to enable a vehicle carrying round baled hay, with a total outside width of the vehicle or the load thereon not exceeding 11-1/2 feet, to be operated on public streets and highways. Permits issued pursuant to this section shall be governed by the applicable provisions of section 169.86 except as otherwise provided herein, and in addition shall carry the following restrictions:

(a) The vehicles shall not be operated between sunset and sunrise, when visibility is impaired by weather, fog or other conditions rendering persons and vehicles not clearly visible at a distance of 500 feet, or on Saturdays, Sundays and holidays.

(b) The vehicles shall not be operated on interstate highways.

(c) The vehicles shall not be operated on a trunk highway with a pavement less than 24 feet wide.

(d) A vehicle operated under the permit shall be equipped with a retractable or removable mirror on the left side so located that it will reflect to the driver a clear view of the highway for a distance of at least 200 feet to the rear of the vehicle. Simultaneous flashing amber lights, as provided in section 169.59, subdivision 4, shall be displayed to the front and rear of the vehicle. The flashing amber lights shall be lighted only when the width of the load exceeds eight feet. The flashing amber light system shall be in addition to and separate from the turn signal system and the hazard warning light system.

(e) A vehicle operated under the permit shall display red, orange or yellow flags, 12 inches square, as markers at the front and rear, and on both sides of the load. The load shall be securely bound to the transporting vehicle.

The fee for the permit shall be ~~\$25~~ \$24.

Sec. 69. Minnesota Statutes 1982, section 170.23, is amended to read:

170.23 [ABSTRACTS; FEE; ADMISSIBLE IN EVIDENCE.]

The commissioner shall upon request furnish any person a certified ab-

stract of the operating record of any person subject to the provisions of this chapter, and, if there shall be no record of any conviction of such person of violating any law relating to the operation of a motor vehicle or of any injury or damage caused by such person, the commissioner shall so certify. Such abstracts shall not be admissible as evidence in any action for damages or criminal proceedings arising out of a motor vehicle accident. A fee of ~~\$2.50~~ \$5 shall be paid for each such abstract. *The commissioner shall permit a person to inquire into the operating record of any person by means of the inquiring person's own computer facilities for a fee to be determined by the commissioner of at least \$2 for each inquiry. The commissioner shall furnish an abstract that is not certified for a fee to be determined by the commissioner in an amount less than the fee for a certified abstract but more than the fee for an inquiry by computer.*

Sec. 70. Minnesota Statutes 1982, section 171.26, is amended to read:

171.26 [MONEYS CREDITED TO TRUNK HIGHWAY FUND AND TO GENERAL FUND.]

All money received under the provisions of this chapter shall be paid into the state treasury with 90 percent of such money credited to the trunk highway fund, and ten percent credited to the general fund, *except as provided in section 171.29, subdivision 2.*

Sec. 71. Minnesota Statutes 1982, section 171.29, subdivision 2, is amended to read:

Subd. 2. Any person whose drivers license has been revoked as provided in subdivision 1, *except under section 169.121 or 169.123*, shall pay a \$30 fee before his drivers license is reinstated. *A person whose drivers license has been revoked as provided in subdivision 1 under section 169.121 or 169.123 shall pay a \$100 fee before his drivers license is reinstated; 75 percent of this fee shall be credited to the trunk highway fund and 25 percent shall be credited to the general fund.*

Sec. 72. Minnesota Statutes 1982, section 173.07, subdivision 2, is amended to read:

Subd. 2. The commissioner of transportation may renew each permit for additional one year periods upon the receipt of an application therefor made within 30 days of the expiration date of such permit together with the payment of an annual fee of ~~\$15~~ \$30. The permit or renewal thereof shall be revocable for any violation of sections 173.01 to 173.11 or regulations adopted thereunder at any time by the commissioner of transportation on 30 days written notice to the permit holder. All fees collected shall be paid into the trunk highway fund.

Sec. 73. Minnesota Statutes 1982, section 173.08, subdivision 1, is amended to read:

Subdivision 1. [ADVERTISING DEVICES RESTRICTED.] No advertising device, excepting the advertising devices described and permitted under ~~Laws 1971, Chapter 883 sections 173.01 to 173.27~~, shall be erected or maintained in an adjacent area, after June 8, 1971, except the following:

(a) Directional and other official signs, including, but not limited to, signs pertaining to natural wonders, scenic and historical attractions, which are

required or authorized by law, and which comply with regulations which shall be promulgated by the commissioner relative to their lighting, size, spacing and other requirements as may be appropriate to implement ~~Laws 1971, Chapter 883 sections 173.01 to 173.27;~~

(b) Advertising devices advertising the sale or lease of property upon which they are located, provided that there shall not be more than one such sign, advertising the sale or lease of the same property, visible to traffic proceeding in any one direction on any one interstate or primary highway;

(c) Advertising devices advertising activities conducted on the property on which they are located, including, without limiting the generality of the foregoing, goods, sold, stored, manufactured, processed or mined thereon, services rendered thereon, and entertainment provided thereon;

(d) Advertising devices stating the name and address of the owner, lessee or occupant of such property or information otherwise required or authorized by law to be posted or displayed thereon;

(e) Public utility signs;

(f) Service club and religious notices, ~~except that a permit with a fee of \$2 shall be required;~~

(g) Advertising devices of which the advertising copy or the name of the owner thereof is in no part visible from the traveled way of the aforesaid highways;

(h) Advertising devices which are located, or which are to be located, in business areas and which comply, or will comply when erected, with the provisions of ~~Laws 1971, Chapter 883 sections 173.01 to 173.27.~~

Sec. 74. Minnesota Statutes 1982, section 173.13, subdivision 4, is amended to read:

Subd. 4. The annual fee for each such permit or renewal thereof shall be as follows:

(1) If the advertising area of the advertising device does not exceed 50 square feet, the fee shall be ~~\$10~~ \$20.

(2) If the advertising area exceeds 50 square feet but does not exceed 300 square feet, the fee shall be ~~\$20~~ \$40.

(3) If the advertising area exceeds 300 square feet, the fee shall be ~~\$40~~ \$80.

(4) No fee shall be charged for a permit for directional and other official signs and notices as they are defined in section 173.02.

Sec. 75. Minnesota Statutes 1982, section 174.24, subdivision 3, is amended to read:

Subd. 3. [FINANCIAL ASSISTANCE.] Payment of financial assistance shall be by contract between the commissioner and an eligible recipient. The commissioner shall determine the total operating cost of any public transit system receiving or applying for assistance in accordance with generally accepted accounting principles. To be eligible for financial assistance, an applicant or recipient shall provide to the commissioner all finan-

cial records and other information and shall permit any inspection reasonably necessary to determine total operating cost and correspondingly the amount of assistance which may be paid to the applicant or recipient. Where more than one county or municipality contributes assistance to the operation of a public transit system, the commissioner shall identify one as lead agency for the purpose of receiving moneys under this section.

The commissioner shall adopt rules establishing uniform performance standards for private operators of regular route transit systems in the transit taxing district, as defined in section 473.446, subdivision 2. The rules are subject to the provisions in the administrative procedure act of sections 14.01 to 14.70. Payments to those private operators shall be based on the uniform performance standards and operating deficit and shall not exceed 100 percent of the operating deficit as determined by the commissioner. Payments shall be based on approved estimates of expenditures during the contract period and shall be subject to audit and adjustment after any payment has been made.

Prior to distributing operating assistance to eligible recipients for any contract period, the commissioner shall place all recipients into one of the following classifications: large urbanized area service, urbanized area service, small urban area service, rural area service, and elderly and handicapped service. The commissioner shall distribute funds under this section so that the percentage of total operating cost paid by any recipient from local sources will not exceed the percentage for that recipient's classification, *except as provided in an undue hardship case*. The percentages shall be: for large urbanized area service, 55 percent; for urbanized area service and small urban area service, 40 percent; for rural area service, 35 percent; and for elderly and handicapped service, 35 percent. The remainder of the total operating cost will be paid from state funds less any assistance received by the recipient from any federal source. For purposes of this subdivision "local sources" means all local sources of funds and includes all operating revenue, tax levies, and contributions from public funds, except that the commissioner may exclude from the total assistance contract revenues derived from operations the cost of which is excluded from the computation of total operating cost.

If a recipient informs the commissioner in writing after the establishment of these percentages but prior to the distribution of financial assistance for any year that paying its designated percentage of total operating cost from local sources will cause undue hardship, the commissioner may reduce the percentage to be paid from local sources by the recipient and increase the percentage to be paid from local sources ~~for all~~ *by one or more other recipients in its inside or outside the classification so that the total state funds to be received by all the recipients in the classification will not be altered, provided that no recipient shall have its percentage thus reduced or increased for more than two years successively*. If for any year the funds appropriated to the commissioner to carry out the purposes of this section are insufficient to allow the commissioner to pay the state share of total operating cost as provided in this paragraph, the commissioner shall reduce the state share in each classification to the extent necessary.

Sec. 76. Minnesota Statutes 1982, section 174A.02, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC FUNCTIONS AND POWERS.] The board shall further hold hearings and issue orders in cases brought before it by either the commissioner or by a third party in the following areas:

(a) Adequacy of services which ~~all~~ carriers are providing to the public, including the continuation, termination or modification of ~~all~~ services and facilities.

(b) The reasonableness of tariffs of rates, fares, and charges, or ~~any a part~~ or classification thereof, ~~and prescribe the form and manner of filing, posting and publication thereof.~~ The board may authorize common carriers by rail and motor carrier for hire to file tariffs of rates, fares, and charges individually or by group. ~~All such~~ Carriers participating in group rate making ~~shall~~ have the free and unrestrained right to take independent action either before or after ~~any a~~ determination arrived at through such procedure.

(c) The issuing of franchises, permits, or certificates of convenience and necessity.

Sec. 77. Minnesota Statutes 1982, section 174A.06, is amended to read:

174A.06 [CONTINUATION OF RULES OF PUBLIC SERVICE COMMISSION, PUBLIC UTILITIES COMMISSION, AND DEPARTMENT OF TRANSPORTATION.]

~~All rules,~~ Orders and directives heretofore in force, issued or promulgated by the public service commission, *public utilities commission*, or the department of transportation under authority of chapters ~~174,~~ 216A, 218, 219, and 221 ~~and 222 shall~~ remain and continue in force and effect until repealed, modified, or superseded by duly authorized ~~rules,~~ orders or directives of the transportation regulation board. *Rules adopted by the public service commission, public utilities commission or the department of transportation under authority of the following sections are transferred to the transportation regulation board and continue in force and effect until repealed, modified, or superseded by duly authorized rules of the transportation regulation board:*

(1) *section 218.041 except rules related to the form and manner of filing railroad rates, railroad accounting rules, and safety rules;*

(2) *section 219.40;*

(3) *rules relating to rates or tariffs, or the granting, limiting, or modifying of permits or certificates of convenience and necessity under section 221.031, subdivision 1;*

(4) *rules relating to the sale, assignment, pledge, or other transfer of a stock interest in a corporation holding authority to operate as a permit carrier as prescribed in section 221.151, subdivision 1, or a local cartage carrier under section 221.296, subdivision 8;*

(5) *rules relating to rates, charges, and practices under section 221.161, subdivision 4; and*

(6) *rules relating to rates, tariffs, or the granting, limiting, or modifying of permits or certificates of convenience and necessity under section 221.296, subdivision 2.*

The board shall review the transferred rules, orders, and directives and,

when appropriate, develop and adopt new rules, orders, or directives within 18 months of July 1, ~~1984~~ 1985.

Sec. 78. Minnesota Statutes 1982, section 221.061, is amended to read:

221.061 [OPERATION CERTIFICATE FOR REGULAR ROUTE COMMON CARRIER OR PETROLEUM CARRIER.]

~~Any~~ A person desiring a certificate authorizing operation as a regular route common carrier or petroleum carrier, or an extension of or amendment to ~~such that~~ certificate, shall file a petition ~~therefor~~ with the board which ~~shall~~ *must* contain ~~such~~ information as the board, by rule may prescribe.

Upon the filing of a petition for a certificate, the petitioner shall pay ~~into the state treasury to the commissioner~~ as a fee for ~~the issuance thereof~~ *issuing the certificate* the sum of \$75 and for ~~any a~~ transfer or lease of ~~such the~~ certificate the sum of \$37.50.

The petition ~~shall~~ *must* be processed as any other petition. The board shall cause a copy and a notice of hearing thereon to be served upon ~~any a~~ competing carrier operating into ~~any a~~ city located on the proposed route of the petitioner and to ~~such~~ other persons or bodies politic which the ~~commission board~~ *deems* interested in the petition. ~~Such~~ A competing carrier and other persons or bodies politic are hereby declared to be interested parties to the proceedings.

If, during the hearing, an amendment to the petition is proposed which appears to be in the public interest, the board may allow ~~the same it~~ when the issues and the territory are not unduly broadened by the amendment.

Sec. 79. Minnesota Statutes 1982, section 221.071, is amended to read:

221.071 [ISSUANCE OF CERTIFICATE TO REGULAR ROUTE COMMON CARRIER OR PETROLEUM CARRIER.]

If the board finds from the evidence that the petitioner is fit and able to properly perform the services proposed and that public convenience and necessity requires the granting of the petition or ~~any a part thereof of it~~, it shall issue a certificate of public convenience and necessity to the petitioner. In determining whether a certificate should be issued, the board shall give primary consideration to the interests of the public that might be affected ~~thereby~~, to the transportation service being furnished by ~~any a~~ railroad which may be affected by the granting of the certificate, and to the effect which the granting of the certificate will have upon other transportation service essential to the communities which might be affected by the granting of the certificate. The board may issue a certificate as applied for or issue it for a part only of the authority sought and may attach to the authority granted ~~such~~ terms and conditions as in its judgment public convenience and necessity may require.

The board may grant a temporary certificate, ex parte, valid for a period not exceeding six months, upon a showing that no regular route common carrier is then authorized to serve on the route sought, that there is no other petition on file with the board covering said route, and that there is *a* need for the proposed service.

A certificate which has been issued to a regular route common carrier may

be amended by the board on ex parte petition and payment of a fee of \$25 fee to the commissioner so as to grant an additional or alternate route where there is no other means of transportation over such the proposed additional route or between the termini thereon, and such the proposed additional route does not exceed ten miles in length.

Sec. 80. Minnesota Statutes 1982, section 221.131, is amended to read:

221.131 [PERMITS; TERMS, FEES, IDENTIFICATION CARDS.]

Permits issued pursuant to under the provisions of sections 221.011 to 221.291 shall be are effective for a 12-month period. Each permit holder shall have has one annual renewal date encompassing all of the permits held by him. The permit holder shall pay into the treasury of the state of Minnesota to the commissioner a fee of \$25 for each kind of permit, reinstatement, or extension of authority for which a petition is filed, except on annual renewal, pursuant to under section 221.121 and a registration fee of \$20 on each vehicle, including pickup and delivery vehicles, operated by him under authority of the permit during the 12-month period or fraction of the 12-month period. Trailers used by petitioner in combination with power units shall are not be counted as vehicles in the computation of fees under this section if the petitioner pays the fees for power units. The commissioner shall furnish a distinguishing identification card for each vehicle or power unit for which a fee has been paid, which and the identification card shall must at all times be carried in the vehicle or power unit to which it has been assigned. Identification cards may be reassigned to another vehicle or power unit without fee by the commissioner upon petition of the permit holder. Identification cards issued under the provisions of this section shall be are valid only for the period for which the permit is effective. The name and residence of the permit holder shall must be stenciled or otherwise shown on both sides of each registered vehicle operated under the permit. In the event a permit has been suspended or revoked, the board may consider a petition for reinstatement of the permit, upon the same procedure required for an original petition, and may, in its discretion, grant or deny the permit. Regular route common carriers and petroleum carriers, operating under sections 221.011 to 221.291, shall annually on or before January 1 of each calendar year, pay into the treasury of the state of Minnesota to the commissioner an annual registration fee of \$20 for each vehicle, including pickup and delivery vehicles, operated during any a calendar year.

The department may issue special "floater" identification cards up to a maximum of five per motor carrier. Floater cards may be freely transferred between vehicles used under short-term leases by the motor carrier. The motor carrier shall pay to the commissioner a fee of \$100 for each floater card issued.

A fee of \$3 shall be, to be paid to the commissioner, is charged for the replacement of an unexpired identification card which has been lost or damaged by the owner.

The provisions of this section are limited by the provisions of any applicable federal law.

Sec. 81. Minnesota Statutes 1982, section 221.221, is amended to read:

221.221 [ENFORCEMENT POWERS.]

Transportation representatives and hazardous material specialists of the department for the purpose of enforcing the provisions of this chapter and section 296.17, subdivisions 10 and 17 and the applicable rules, orders, or directives of the commissioner, the commissioner of revenue, and the board issued pursuant to under this chapter and chapter 296, but for no other purpose, shall have all the powers conferred by law upon police officers. The powers shall include the authority to conduct inspections at designated highway weigh stations or under other appropriate circumstances within the state for the purpose of viewing log books, licenses, health certificates and other documents or equipment required to be maintained within commercial motor vehicles operating in Minnesota pursuant to applicable state motor vehicle carrier laws and rules.

Sec. 82. Minnesota Statutes 1982, section 221.296, subdivision 5, is amended to read:

Subd. 5. [PERMIT FEES.] Upon filing of a petition for a permit the petitioner shall pay to the state treasury commissioner as a fee for the issuance thereof of the permit, the sum of \$50, and shall thereafter pay an annual renewal fee of \$75 plus \$5 per motor vehicle if the local cartage carrier operates less than five motor vehicles, or \$100 plus \$5 per motor vehicle if the local cartage carrier operates at least five but less than 15 motor vehicles, or \$150 plus \$5 per motor vehicle if the local cartage carrier operates 15 or more vehicles provided that said the \$5 per motor vehicle charge shall does not apply to taxicabs operated pursuant to under a local cartage permit. Upon issuance of the permit the commissioner shall assign the carrier a permit number, which shall must be painted or prominently displayed on both sides of all vehicles used by the local cartage carrier under authority of said the permit.

Sec. 83. Minnesota Statutes 1982, section 221.64, is amended to read:

221.64 [REGISTRATION FEE; EXEMPTIONS.]

Such Registration as herein provided shall must be granted upon petition, without hearing, upon payment of an initial filing fee in the amount of \$25 to the commissioner. Upon petition, and payment of said the fee if applicable, the commissioner shall furnish to the registration holder a distinguishing identification stamp for each motor vehicle included in said the registration which and the stamp shall must at all times be carried in the registered vehicle of the registration holder. For each identification stamp issued, the commissioner shall establish and collect a fee of no more than \$5 to be deposited in the state treasury, provided that a lesser fee may be collected pursuant to under the terms of reciprocal agreements between the commissioner and the regulatory bodies of other states or provinces of the Dominion of Canada.

Sec. 84. Minnesota Statutes 1982, section 221.81, is amended to read:

221.81 [BUILDING MOVER REGULATION.]

Subdivision 1. [DEFINITION DEFINITIONS.] For the purposes of this section, the terms used in this section have the meanings given them in this subdivision.

(a) "Building mover" means any a person, corporation, or other entity

engaged in the business of raising, supporting off the foundation, and moving buildings, ~~excluding manufactured homes on and over public streets and highways.~~ *Building mover does not include a person who moves manufactured homes or farmers moving farm buildings.*

(b) "Political subdivision" means a city, town, or county.

(c) "Road authority" has the meaning given it in section 160.02, subdivision 9.

Subd. 2. [LICENSE.] ~~All building movers operating in Minnesota shall be licensed by the board.~~ *No person may operate as a building mover in this state unless licensed by the commissioner.*

Subd. 3. [LICENSE APPLICATION.] To obtain a license to operate as a building mover an applicant shall file ~~a petition~~ *an application* with the commissioner specifying the name and address of its officers and other information as the ~~board commissioner~~ *commissioner* may reasonably require. The ~~board commissioner~~ *commissioner* shall issue the license upon compliance by the applicant with ~~bonding and insuring insurance~~ *requirements set by rule of the department* and payment of an initial \$150 filing fee. A license once granted ~~shall continue~~ *continues* in full force and effect, subject to a \$100 annual renewal fee and compliance with ~~bonding and insuring insurance~~ *requirements*, unless revoked or suspended.

The commissioner, upon approval of a license for a building mover, shall issue a sufficient number of cab cards to each licensed mover to provide one cab card for each power unit used in moving buildings. The fee is ~~\$50~~ *\$10* for each cab card issued. The cab card must be carried at all times in a readily available place in the cab of the power unit for which it was issued. The building mover may also purchase up to five floater cab cards for a fee of ~~\$200~~ *\$100* for each floater card issued. Cab cards ~~shall be~~ *are* effective for a 12-month period and ~~shall~~ *continue* from year to year thereafter upon payment of the required fee. Cab cards ~~shall be~~ *only be* good for the period for which the license is effective.

~~Licenses shall be transferable pursuant to the provisions of section 221.151.~~

Subd. 3a. [INSURANCE.] *Each building mover shall have in effect the following:*

(a) *comprehensive general liability insurance including completed operations, underground property damage, and collapse coverage in the amount of at least \$500,000 for bodily injury or property damage; and*

(b) *motor vehicle liability insurance in the amount of at least \$500,000 for bodily injury or property damage.*

The insurance must be written by an insurer licensed to do business in the state of Minnesota. Each building mover shall file with the commissioner a certificate evidencing the insurance. The insurance policy must provide that the policy may not be canceled without the insurer first giving 30 days written notice to the commissioner of the impending cancellation.

Subd. 3b. [LOCAL PERMITS.] *A building mover may not move a building on or across a street or highway without first obtaining a permit from the road authority having jurisdiction over the street or highway. A permit for*

the movement of a building may not be granted to a building mover who does not possess a current license issued by the commissioner.

Subd. 3c. [LOCAL REGULATION.] No license to move buildings or bond, cash deposit, or insurance coverage may be required by a political subdivision of the state other than the license and insurance coverage required by the commissioner. A road authority may charge a fee for services performed and may require a permit which reasonably regulates the hours, routing, movement, parking, or speed limit for a building mover operating on streets or highways under its jurisdiction. A building mover shall comply with the state building code in jurisdictions which have adopted the state building code, and with local ordinances which regulate the moving or removing of buildings. A building mover may not be required to pay a route approval fee to, or obtain a permit for the movement of a building on streets or highways from, a political subdivision which is not also the road authority. This section does not prohibit a political subdivision from charging a permit fee for regulation of activities which do not involve the use of public streets or highways. Neither the state nor a political subdivision may regulate rates charged by building movers.

Subd. 4. [LICENSE REVOCATION, SUSPENSION, DENIAL.] The ~~board~~ commissioner, after notice and a hearing, may revoke, suspend, or deny a license for:

(a) failure to pay application or renewal fees;

(b) failure to comply with bonding and insuring requirements;

(c) Conduct of the applicant or license holder that impairs usage of to reimburse the road authority for damage to public highways, roads, streets, or utilities which are not paid for by the license holders insurer;

(d) (b) conduct of the applicant or license holders that endangers the health and safety of users of the public highways, roads, streets, or utilities; or

(e) a course of (c) conduct of the applicant or license holder that demonstrates unsafe or hazardous operation of the business obstructs traffic in a manner other than as authorized in the permit;

(d) violation of the provisions of this section; or

(e) failure to obtain required local moving permits or permits required by section 169.86.

Subd. 5. [SUSPENSION BY COMMISSIONER.] The commissioner may shall suspend a license without a hearing for the following reasons:

(1) (a) failure to pay the application or renewal fee; or

(2) (b) failure to comply with bonding and insurance requirements.

The suspension shall continue continues until the fees have been are paid and the bonding and insurance requirements have been are satisfied.

Subd. 6. [APPLICATION OF VIOLATION AND PENALTY PROVISIONS PENALTIES.] The violation and penalty provisions of section 221.291 are applicable to this section A person who violates, or aids or abets the violation of, any of the provisions of this section is guilty of a misdemeanor. Every distinct violation is a separate offense.

Subd. 7. [RULES.] The commissioner shall promulgate rules establishing bonding and insuring requirements.

Subd. 8. [LOCAL REGULATION.] No license to move buildings, bond or insurance coverage shall be required by a political subdivision of the state other than the license, bond and insurance coverage issued or required by the board or commissioner. A political subdivision or the department may require a permit which reasonably regulates the hours, routing, movement, parking or speed limit for a building mover operating on streets or roads within the jurisdiction of the political subdivision or highways within the jurisdiction of the commissioner. Neither the state nor a political subdivision may regulate rates charged by building movers.

Subd. 9. [FEES DEPOSITED IN GENERAL FUND.] All fees collected pursuant to this section shall be deposited in the general fund.

Sec. 85. [221.82] [RECEIPTS TO BE CREDITED TO TRUNK HIGHWAY FUND.]

Money received by the commissioner under the provisions of this chapter shall be paid into the state treasury and credited to the trunk highway fund.

Sec. 86. [221.83] [COSTS TO BE PAID FROM THE TRUNK HIGHWAY FUND.]

The costs of administering the provisions of this chapter shall be paid from the trunk highway fund.

Sec. 87. Minnesota Statutes 1982, section 296.17, subdivision 10, is amended to read:

Subd. 10. [LICENSE.] (a) No motor carrier shall may operate a commercial motor vehicle upon the highways of this state unless and until he has been issued a license pursuant to this section or has obtained a trip permit or temporary authorization as provided in this section.

(b) A license shall be issued to any responsible person qualifying as a motor carrier who makes application therefor and who shall pay pays to the commissioner, at the time thereof, a license fee of \$40 \$20. Such The license shall remain is valid for a period of up to two years or until revoked by the commissioner or until surrendered by the motor carrier. All outstanding licenses will expire on March 31 of each even-numbered year beginning with 1984 and may be renewed upon application to the commissioner and payment of the \$20 fee. Such The license, photocopy, or electrostatic copy of it, shall be carried in the cab of every commercial motor vehicle while it is being operated in Minnesota by a licensed motor carrier.

Sec. 88. Minnesota Statutes 1982, section 296.17, subdivision 17, is amended to read:

Subd. 17. [TRIP PERMITS AND TEMPORARY AUTHORIZATIONS.]

(a) A motor carrier may obtain a trip permit which shall authorize an unlicensed motor carrier to operate a commercial motor vehicle in Minnesota for a period of five consecutive days beginning and ending on the dates specified on the face of the permit. The fee for such the permit shall be \$5 \$15. Fees for trip permits shall be in lieu of the road tax otherwise assessable against such the motor carrier on account of such the commercial motor

vehicle operating therewith, and no reports of mileage shall be required with respect to ~~such~~ *the* vehicle.

The above permit shall be issued in lieu of license if in the course of the motor carrier's operations he operates on Minnesota highways no more than three times in any one calendar year.

(b) Whenever the commissioner is satisfied that unforeseen or uncertain circumstances have arisen which requires a motor carrier to operate in this state a commercial motor vehicle for which neither a trip permit pursuant to clause (a) of this subdivision nor a license pursuant to subdivisions 7 to 22 has yet been obtained, and if the commissioner is satisfied that prohibition of ~~such~~ *that* operation would cause undue hardship, the commissioner may provide the motor carrier with temporary authorization for the operation of ~~such~~ *the* vehicle. A motor carrier receiving temporary authorization pursuant to this subdivision shall perfect the same either by obtaining a trip permit or a license, as the case may be, for the vehicle at the earliest practicable time.

Sec. 89. Minnesota Statutes 1982, section 296.17, subdivision 20, is amended to read:

Subd. 20. [ENFORCEMENT POWERS.] (a) The commissioner is ~~hereby~~ authorized and directed to enforce the provisions of subdivisions 7 to 22. In addition, the commissioner of public safety is ~~hereby~~ authorized and directed to ~~utilize~~ *use* the Minnesota state patrol to assist in the enforcement of the provisions of subdivisions 7 to 22 *and the commissioner of transportation is authorized and directed to enforce the provisions of subdivisions 10 and 17 as provided in section 221.221.*

(b) The officers of the Minnesota state patrol shall in addition to all other powers granted to them by Minnesota Statutes have the power of making arrests, service process, and appearing in court in all matters and things relating to subdivisions 7 to 22 and the administration and enforcement thereof.

Sec. 90. Minnesota Statutes 1982, section 296.25, subdivision 1, is amended to read:

Subdivision 1. Any person who fails to comply with any provisions of sections 296.01 to 296.421, or who makes any false statement in any report, record, or sales ticket required by sections 296.12, 296.14, 296.17, subdivision 5, 296.18, subdivision 2, or 296.21, shall be guilty of a misdemeanor. *A minimum fine of \$200 shall be imposed on a person who fails to obtain a license or trip permit required under section 296.17, subdivisions 10 and 17.*

Prosecutions commenced under this section may be brought in the county in which the defendant resides or in Ramsey county.

The county attorney of any county in which ~~such~~ *the* action is commenced, shall on request of the commissioner of revenue, prosecute violations of this chapter. Costs, fees, and expenses incurred by any county attorney in litigation in connection with ~~such actions~~ *the action* may be paid from appropriations to the commissioner of revenue for the administration of this chapter.

Sec. 91. Minnesota Statutes 1982, section 299C.37, subdivision 3, is amended to read:

Subd. 3. The superintendent of the bureau shall, upon written application, issue a written permit, which shall be nontransferable, to ~~any~~ a person of ~~good moral character, firm, or corporation~~ showing good cause to use ~~such~~ radio equipment capable of receiving ~~any~~ a police emergency frequency, as a necessity, in the lawful pursuit of a business, trade, or occupation.

Sec. 92. Minnesota Statutes 1982, section 299C.46, subdivision 3, is amended to read:

Subd. 3. The datacommunications network shall be used exclusively for criminal justice agencies of the state in connection with enforcement of the criminal or traffic laws of the state.

~~The commissioner of public safety, after consultation with representatives of participating criminal justice agencies, may shall establish a monthly operational network access charge to be paid by each participating criminal justice agency in the event that money available to the commissioner for this purpose is not adequate to pay these costs. The network access charge shall be a standard fee established for each terminal, computer, or other equipment directly addressable by the criminal justice data-communications network, as follows: January 1, 1984 to December 31, 1984, \$40 connect fee per month; January 1, 1985 and thereafter, \$50 connect fee per month.~~

The commissioner of public safety is authorized to arrange for the connection of the datacommunications network with the criminal justice information system of the federal government, any adjacent state, or Canada.

Sec. 93. Minnesota Statutes 1982, section 299D.03, subdivision 8, is amended to read:

Subd. 8. ~~[CAUSES FOR DISCHARGE.] Causes for suspension, demotion, or discharge shall be:~~ *A trooper who has completed six months of continuous employment shall not be suspended, demoted or discharged except for just cause. For purposes of this section, just cause includes, but is not limited to:*

- (1) Conviction of any criminal offense in any court of competent jurisdiction subsequent to the commencement of such employment;
- (2) Neglect of duty or wilful violation or disobedience of orders or rules;
- (3) Inefficiency in performing duties;
- (4) Immoral conduct or conduct injurious to the public welfare, or conduct unbecoming an officer; or
- (5) Incapacity or partial incapacity affecting his normal ability to perform his official duties.

Sec. 94. Minnesota Statutes 1982, section 299D.03, subdivision 9, is amended to read:

Subd. 9. ~~[CHARGES AGAINST TROOPERS.]~~ (a) Charges against any state trooper shall be made in writing and signed and sworn to by the person making the same, which written charges shall be filed with the commissioner. Upon the filing of same, if the commissioner shall be of the opinion that such charges constitute a ground for suspension, demotion, or dis-

charge, he shall order a hearing to be had thereon and fix a time for such hearing and may designate a subordinate as his deputy to conduct such hearing. Otherwise he shall dismiss the charges shall be held on them. The hearing shall be conducted by an arbitrator selected by the parties from a list of five arbitrators provided by the bureau of mediation services. At least ten 30 days before the time appointed for the hearing, written notice specifying the charges filed and stating the name of the person making the charges, shall be served on the employee personally or by leaving a copy thereof at his usual place of abode with some person of suitable age and discretion then residing therein. If the commissioner orders a hearing he may suspend such employee pending his decision to be made after such before the hearing.

(b) Members of the state patrol shall have the option of utilizing either the contractual grievance procedure or the legal remedies of this section, but in no event both.

(c) The commissioner, after having been informed by the exclusive representative that the employee against whom charges have been filed desires to utilize the grievance procedure of the labor agreement, may immediately suspend, demote or discharge the employee without the hearing required by clause (a).

Sec. 95. Minnesota Statutes 1982, section 299D.03, subdivision 10, is amended to read:

Subd. 10. [HEARING ON CHARGES, DECISION, PUNISHMENT.] The commissioner or his designated subordinate shall have power to compel the attendance of witnesses at any such hearing and to examine them under oath, and to require the production of books, papers, and other evidence at any such hearing, and for that purpose may issue subpoenas and cause the same to be served and executed in any part of the state. The employee accused shall be entitled to be confronted with the witnesses against him and have an opportunity to cross-examine the same and to introduce at such hearing testimony in his own behalf, and to be represented by counsel at such hearing. If the hearing is conducted by a designated subordinate of the commissioner such designated subordinate upon completion of the hearing shall forthwith transmit a transcript of the testimony of the hearing, together with his recommendations, to the commissioner. The commissioner, within 25 days after such hearing, shall render his decision in writing and file the same in his office. If after such hearing he finds that any such charge made against such state employee is true, he may punish the offending party by reprimand, suspension without pay, demotion, or dismissal. If upon any such hearing the commissioner shall find the charges made against such trooper are not true, or dismiss such charges after such hearing, such trooper shall be reinstated in his position and any salary or wages withheld from him pending the determination or decision of the commissioner upon such charges shall be paid to such trooper by the commissioner out of state funds. *The arbitrator may compel the attendance of witnesses at the hearing and examine them under oath, and may require the production of books, papers, and other evidence at the hearing, and for that purpose may issue subpoenas and cause them to be served and executed in any part of the state. The employee accused is entitled to be confronted with the witnesses against him and may cross-examine them and may introduce at the hearing testimony in his own behalf, and to be represented by counsel at the hearing.*

Sec. 96. Minnesota Statutes 1982, section 299D.03, subdivision 11, is amended to read:

Subd. 11. [REVIEW BY CERTIORARI OF ARBITRATION AWARD.] Any state trooper who is so suspended, demoted, or dismissed may have such decision or determination of the ~~commissioner~~ reviewed by a writ of ~~certiorari~~ *arbitrator reviewed pursuant to the Uniform Arbitrator Act* in the district court of the county where such trooper resides. If such decision or determination of the ~~commissioner~~ *arbitrator* shall be finally rejected or modified by the court, the trooper shall be reinstated in his position, and the commissioner shall pay to the trooper so suspended out of the funds of the state the salary or wages withheld from him pending the determination of the charges or as may be directed by the court.

Sec. 97. Minnesota Statutes 1982, section 343.01, subdivision 3, is amended to read:

Subd. 3. The society ~~shall~~ *must* be governed by a board of directors consisting of seven persons appointed by the governor. The governor, the commissioner of education, and the attorney general, or their designees shall serve as ex-officio, nonvoting members of the board. The membership terms, compensation, removal, and filling of vacancies of board members other than ex-officio members shall be as provided in section 15.0575; provided that the terms of two initial members shall expire in each of 1979, 1980, and 1981, and the term of the seventh initial member shall expire in 1982. The members of the board shall annually elect a chairman and other officers as deemed necessary. Meetings ~~shall~~ *must* be called by the chairman or at least two other members. *The governor shall appoint an executive director who shall serve in the unclassified civil service at the governor's pleasure for a term coterminous with that of the governor. The board executive director may employ other staff who shall serve in the unclassified civil service at the pleasure of the board.* The commissioner of administration upon request of the ~~board~~ *executive director* shall supply the board with necessary office space and administrative services, and the board shall reimburse the commissioner for the cost ~~thereof~~.

Sec. 98. Minnesota Statutes 1982, section 352.86, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY; RETIREMENT ANNUITY.] Any person who is employed by the department of transportation in the civil service employment classification of aircraft pilot or chief pilot who is covered by the general employee retirement plan of the Minnesota state retirement system pursuant to section 352.01, subdivision 23, who elects this special retirement coverage pursuant to subdivision 3, who is prohibited from performing the duties of aircraft pilot or chief pilot after attaining the age of ~~60~~ 62 years by a regulation of the ~~federal aviation administration~~ adopted by the commissioner of transportation and who terminates employment as a state employee upon attaining that age shall be entitled, upon application, to a retirement annuity computed in accordance with section 352.115, subdivisions 2 and 3, without any reduction for early retirement pursuant to section 352.116, subdivision 1.

Sec. 99. Minnesota Statutes 1982, section 352.86, is amended by adding a subdivision to read:

Subd. 1a. [DISABILITY BENEFITS.] An employee described in subdivision 1, who is less than 62 years of age and who becomes disabled and physically or mentally unfit to perform his duties due to injury, sickness, or other disability, and who is found disqualified for retention as chief pilot or pilot as a result of a physical examination required by applicable federal laws or regulations, shall be entitled upon application to disability benefits for a maximum of five years in the amount of 75 percent of current monthly salary, to be paid by the appointing authority from the state airports fund. In no case shall disability benefits continue beyond the age of 62 years. These benefits are in lieu of all other state benefits for the disability, including, but not limited to, workers' compensation benefits.

Sec. 100. Minnesota Statutes 1982, section 360.018, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] The general public interest and safety, the safety of persons receiving instruction concerning or operating, using, or traveling in aircraft and of persons and property on the ground, and the interest of aeronautical progress requiring that aircraft operated within this state should be airworthy, that airmen and those engaged in air instruction should be properly qualified, and that airports, restricted landing areas, and air navigation facilities should be suitable for the purposes for which they are designed; the purposes of sections 360.013 to 360.075, requiring that the commissioner should be enabled to exercise the powers of supervision therein granted; and the advantages of uniform regulation making it desirable that aircraft operated within this state should conform with respect to design, construction and airworthiness to the standards prescribed by the United States government with respect to civil aircraft subject to its jurisdiction and that persons engaging in aeronautics within this state should have the qualifications necessary for obtaining and holding appropriate airman certificates of the United States, the commissioner is authorized:

(1) To require the registration annually of federal licenses, permits, or certificates of civil aircraft engaged in air navigation within this state, and to issue certificates of such registration, which certificates may be the same as the certificates issued pursuant to section 360.59, subdivision 3. The application for registration made pursuant to sections 360.54 to 360.67 shall be considered as the application for registration required by this section.

(2) The certificates of registration of aircraft issued pursuant to this section shall constitute licenses of such aircraft for operations within this state to the extent permitted by the federal licenses, certificates, or permits so registered. The application for registration shall contain such information as the commissioner may by rule, regulation, or order prescribe. The first application for registration made in this state shall be verified by the applicant. The second and succeeding applications for registration need not be verified. Each application for registration of aircraft shall be made as required by sections 360.54 to 360.67.

(3) To license any person engaged in commercial operations in accordance with rules and regulations to be adopted by the commissioner and to annually renew such a license. The rules and regulations adopted hereunder shall provide for:

(a) the maximum fee to be charged any one person for an original license and

the renewal thereof; such maximum fee not to exceed \$10;

(b) compliance with all requirements of the United States government relating to permits or certificates governing aircraft and airmen; and

(c) (b) compliance with all laws of the state of Minnesota and rules and regulations of any state department or agency promulgated thereunder;

The fee for an original license or renewal license is \$30.

(4) To approve airport and restricted landing area sites and to license airports, restricted landing areas, or other air navigation facilities, in accordance with rules and regulations to be adopted by the commissioner, and to renew such licenses. Licenses granted under this subdivision or under any prior law shall be renewed annually or every three years upon payment of the fee therefor, and licenses shall be granted for airports and restricted landing areas which were being operated under a license on the 1st day of July 1943, without requirements of a certificate of approval, unless the commissioner shall reasonably determine, after a public hearing to be called by him and held in the same manner and upon the same notice as is provided for hearings upon certificates of approval or original licenses, that the operation of such airport or restricted landing area is hazardous to persons operating, using, or traveling in aircraft or to persons and property on the ground. He shall make no charge for approval certificates of proposed property acquisition for airport or restricted landing area purposes. ~~He may charge~~ *The fee for the issuance of each original license for an airport or restricted landing area not to exceed \$10 is \$15 per year and not to exceed \$25 \$40 for three years; based on classifications made by the commissioner.*

(5) To suspend or revoke any license or certificate of registration of an aircraft or licensee of commercial operations issued by him, or to refuse to issue any such license or certificate of registration, when he shall reasonably determine that any aircraft is not airworthy or that any licensee of commercial operations is not qualified has engaged in advertising by means of false or deceptive statements, has been found guilty of gross incompetency or gross negligence, has been found guilty of fraud, dishonesty, forgery, or theft, has wilfully violated the provisions of sections 360.013 to 360.075, the rules and regulations prescribed pursuant thereto, or any other statute of this state relating to aeronautics, or any act of congress or any rule or regulation promulgated pursuant thereto, is addicted to the use of narcotics or other habit forming drug or to the excessive use of intoxicating liquor, has made any false statement in any application for registration of a federal license, certificate or permit, or has been guilty of other conduct, acts, or practices dangerous to the public safety and the safety of those engaged in aeronautics.

Sec. 101. [ACCOUNT TRANSFERRED.]

The air transportation revolving account in the trunk highway fund is transferred to the state airports fund and renamed the air transportation services account.

Sec. 102. [360.024] [AIR TRANSPORTATION SERVICES.]

The commissioner shall charge users of air transportation services provided by the commissioner for all direct and indirect operating costs, ex-

cluding salaries and acquisition of aircraft. All receipts for these services shall be deposited in the air transportation services account in the state airports fund and are appropriated to the commissioner to pay all direct and indirect air service operating costs, excluding salaries.

Sec. 103. Minnesota Statutes 1982, section 360.63, is amended to read:

360.63 [DEALERS LICENSE.]

Subdivision 1. Any person engaged in the business of selling, purchasing, or dealing in aircraft, new or used, and who desires to withhold aircraft owned by him from tax as provided in sections 360.511 to 360.67, may apply to the commissioner for an aircraft dealer's license. In order to qualify for an aircraft dealer's license the applicant shall show that he has an established place of business on an airport licensed as a public airport by the commissioner and that he has the necessary buildings, facilities and equipment for the proper storage and maintenance of aircraft in accordance with such rules and regulations as may be established by the commissioner. The commissioner may charge a fee of \$10 for each license which license shall be effective for one year from the date of its issuance or he may authorize an aircraft dealer to operate under a flight operator's license as otherwise provided by ~~Minnesota Statutes 1945, chapter 360~~ ~~as amended~~. The commissioner is empowered to suspend or revoke any license issued by him when he shall determine that the holder thereof has violated any of the provisions of sections 360.511 to 360.67 or has failed to maintain any of the requirements necessary to obtain such license.

Subd. 2. Any licensed aircraft dealer may apply to the commissioner for one or more aircraft dealers plates. A charge of ~~\$5~~ \$15 shall be made for each such plate. Any aircraft owned by said dealer may be used for the purpose of demonstration or for any purpose incident to the usual conduct and operation of his business as an aircraft dealer provided aircraft dealers plates are conspicuously attached to the aircraft when so used, and provided said aircraft has been first listed with the commissioner on an aircraft withholding form provided by him.

Sec. 104. Minnesota Statutes 1982, section 473.408, subdivision 3, is amended to read:

Subd. 3. [SPECIAL FARES.] In off-peak hours the commission and other operators shall charge the following reduced fares for transit service:

(a) not more than ~~20~~ 25 cents plus any zone charges for all persons under the age of 18 holding an identification card issued by the commission;

(b) not more than ~~ten~~ 25 cents for all persons 65 years of age and over holding a medicare card or other identification card authorized or approved by the commission; and

(c) not more than one-half of the full fare for all handicapped persons, as defined by the commission.

Sec. 105. Minnesota Statutes 1982, section 473.436, is amended by adding a subdivision to read:

Subd. 6. [TEMPORARY BORROWING.] *On or after the first day of any fiscal year, the commission may borrow money which may be used or ex-*

pended by the commission for any purpose, including but not limited to current expenses, capital expenditures and the discharge of any obligation or indebtedness of the commission. The indebtedness shall be represented by a note or notes which may be issued from time to time in any denomination and sold at public or private sale pursuant to a resolution authorizing the issuance thereof, which resolution shall set forth the form and manner of execution of the notes and shall contain other terms and conditions the commission deems necessary or desirable to provide security for the holders of the notes. The note or notes shall be payable from committed or appropriated money of grants or loans of the state or federal government made to the commission, and the money may be pledged to the payment of the notes. To the extent the notes are not paid from the grant or loan money pledged for the payment thereof, the notes shall be paid with the interest thereon from any taxes, income and revenue received or accrued during the fiscal year in which the note or notes were issued, or other money of the commission lawfully available therefor.

Sec. 106. Minnesota Statutes 1982, section 473.446, subdivision 1, as amended by Laws 1983, chapter 17, section 13, is amended to read:

Subdivision 1. [TAXATION WITHIN TRANSIT TAXING DISTRICT.] For the purposes of sections 473.401 to 473.451 and the metropolitan transit system, except as otherwise provided in this subdivision the metropolitan transit commission shall levy each year upon all taxable property within the metropolitan transit taxing district, defined in subdivision 2, a transit tax consisting of:

(a) An amount *equal up* to two mills times the assessed value of all such property, *based upon the level of transit service provided for the property*, the proceeds of which shall be used for payment of the expenses of operating transit and paratransit service;

(b) An additional amount, if any, as the commission determines to be necessary to provide for the full and timely payment of its certificates of indebtedness and other obligations outstanding on July 1, 1977, to which property taxes under this section have been pledged; and

(c) An additional amount necessary to provide full and timely payment of certificates of indebtedness, bonds, or other obligations issued *or to be issued* pursuant to section 473.436 for purposes of acquisition and betterment of property and other improvements of a capital nature and to which the commission has specifically pledged tax levies under this clause.

Sec. 107. Minnesota Statutes 1982, section 500.221, subdivision 4, is amended to read:

Subd. 4. [REPORTS.] Any natural person, corporation, partnership, limited partnership, trustee, or other business entity prohibited from future acquisition of agricultural land may retain title to any agricultural land lawfully acquired within this state prior to June 1, 1981, but shall file a report with the commissioner of agriculture annually before January 31 containing a description of all agricultural land held within this state, the purchase price and market value of the land, the use to which it is put, the date of acquisition and any other reasonable information required by the commissioner. The commissioner shall make the information available to the public. All

required annual reports shall include a filing fee of ~~\$35~~ \$50 plus \$10 for each additional quarter section of land.

Sec. 108. Minnesota Statutes 1982, section 626.553, subdivision 2, is amended to read:

Subd. 2. Whenever a peace officer discharges a firearm in the course of duty, other than for training purposes or *the killing of an animal that is sick, injured, or dangerous*, notification shall be filed within thirty days of the incident by the officer's department head with the commissioner of public safety. The notification shall contain information concerning the reason for and circumstances surrounding discharge of the firearm. The commissioner of public safety shall file a report with the legislature by November 15 of each even numbered year containing summary information concerning use of firearms by peace officers.

Sec. 109. Minnesota Statutes 1982, section 626.88, subdivision 3, is amended to read:

Subd. 3. [EXCEPTION.] Security guards employed by the capitol complex security division of the department of public safety are not required to comply with subdivision 2 until ~~April~~ July 1, 1983 1985, at which time they shall be subject to the same uniform color restrictions as other security guards.

Sec. 110. [TEMPORARY LEGISLATIVE STUDY COMMISSION ON METROPOLITAN TRANSIT.]

Subdivision 1. [CREATION; MEMBERSHIP.] A temporary legislative study commission on metropolitan transit is created consisting of five members of the house of representatives and five members of the senate, named by the customary appointing authority in each house. Members must be compensated in the same manner and amount as for other legislative service.

Subd. 2. [ORGANIZATION; STAFF.] The commission shall choose a chairperson and other officers as necessary. Staff and administrative support for the commission must be provided by existing legislative service offices.

Subd. 3. [STUDY.] The commission shall evaluate:

(a) the objectives of the Metropolitan Transit Commission established for the seven-county metropolitan area, and its effectiveness in achieving the purposes established by the legislature;

(b) the powers, responsibilities, and external accountability of the transit commission;

(c) the internal structure of the transit commission, including the contractual relationship with the management company;

(d) the efficiency of current labor practices and contracts relative to use of labor required for peak hours;

(e) governmental arrangements for transit planning and development in the metropolitan area, including the relationship with the department of transportation, the metropolitan council, and the transportation advisory board;

(f) the proper role of the transit commission in the governance, regulation,

and coordination of transit and other public transportation services in the metropolitan area;

(g) the financing of public transit in the metropolitan area, including fare structures and sources and amounts of subsidy; and

(h) the effectiveness of the metropolitan transit service demonstration program.

Subd. 4. [REPORT.] The commission shall submit a report of its findings and recommendations to the legislature by February 1, 1984.

Subd. 5. [REPEALER.] This section is repealed on February 2, 1984.

Sec. 111. Laws 1975, chapter 235, section 2, is amended to read:

Sec. 2. This act is effective July 1, 1975 and shall expire June 30, 1983 1987.

Sec. 112. Laws 1977, chapter 277, section 1, is amended to read:

Section 1. [TRANSPORTATION; HIGHWAY AND BRIDGE BONDS.] The commissioner of finance is authorized and directed, upon request of the commissioner of transportation, to issue and sell Minnesota trunk highway bonds under the provisions of Minnesota Statutes, Sections 167.50 to 167.52 and of the Minnesota Constitution, Article XI, Sections 4 to 7, and Article XIV, Section 11, at such times and in such amounts as may be requested by the commissioner of transportation. Bonds issued pursuant to this section are authorized in an aggregate principal amount of \$50,000,000. The proceeds of such bonds *sold on or before April 6, 1983* shall be deposited in a separate bridge construction account in the trunk highway fund. *The proceeds of bonds sold after April 6, 1983 shall be deposited in a separate capital improvement account in the trunk highway fund and are appropriated to the commissioner of transportation for capital improvements on the trunk highway system, including interstate routes.*

Sec. 113. Laws 1977, chapter 277, section 3, subdivision 1, is amended to read:

Subdivision 1. The sum of ~~\$50,000,000~~ \$31,000,000, or so much thereof as is determined to be needed, is appropriated from the separate bridge construction account in the trunk highway fund created pursuant to section 1, to the department of transportation for the design, construction and reconstruction of key bridges and bridge approaches on the trunk highway system including interstate routes. Any money appropriated under this subdivision shall be expended in accordance with the requirements for expenditure of money from the Minnesota state transportation fund for trunk highway bridges as those requirements are provided in Minnesota Statutes, Section 174.50 and in rules promulgated pursuant to that section.

Sec. 114. Laws of 1983, chapter 17, section 12 is amended to read:

The commissioner of finance is authorized and directed, on request of the commissioner of transportation, to issue and sell Minnesota trunk highway bonds under the provisions of Minnesota Statutes, sections 167.50 to 167.52 and of the Minnesota Constitution, article XI, sections 4 to 6, and

article XIV, section 11, at the time and in the amounts requested by the commissioner of transportation. Bonds issued under this section are authorized in an aggregate principal amount of \$56,000,000. *The proceeds of the bonds shall be deposited in a separate capital improvement account in the trunk highway fund and are appropriated to the commissioner of transportation for capital improvements on the trunk highway system, including interstate routes.*

Sec. 115. [REPEALER.]

Minnesota Statutes 1982, sections 21.47; 21.48; 21.49; 21.50; 21.502; 21.503; 21.51; 21.52; 21.53; 21.54; 21.55; 21.56; 21.57; 21.58; 24.24; 24.25; 24.26; 24.27; 24.28; 24.29; 24.30; 24.31; 160.26, subdivision 3; 174A.07; 299C.37, subdivision 4; 326.54; 326.541; 326.542; 326.543; 326.544; 326.545; 326.546; and 326.547, are repealed.

Sec. 116. [EFFECTIVE DATE.]

Sections 104 to 106 are effective the day following final enactment in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sections 29, and 111 to 114 are effective the day following final enactment. Section 61 is effective January 1, 1984. Sections 85 and 86 are effective July 1, 1985."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and for other agencies with certain conditions; fixing and limiting fees; providing for the promotion of Minnesota agricultural products; regulating commerce in seeds; establishing a seed laboratory; providing for adjustments of responsibilities of the department of agriculture for soil and water conservation; allowing limited donation of accumulated vacation time by certain law enforcement employees to their union representative; providing for deposit of proceeds of assessment by the assigned risk review board; regulating financial assistance to public transit systems; limiting certain hearing functions of the transportation regulation board; transferring certain rules authority to the transportation regulation board; defining enforcement powers of the hazardous material specialists and transportation representatives of the department of transportation; defining terms and requirements for building movers; crediting certain receipts of the commissioner of transportation to the trunk highway fund; providing for certain costs to be paid from the trunk highway fund; authorizing the commissioner of transportation to enforce certain carrier regulations; establishing the position of executive director of the Minnesota humane society; extending retirement coverage of certain employees of the department of transportation from age 60 to age 62 and providing for disability benefits; transferring and renaming the air transportation revolving account; instructing the commissioner of transportation to charge users of certain air transportation services for certain costs; limiting fare increases by the metropolitan transit commission; basing taxing for the metropolitan transit taxing district upon the level of transit service provided; providing for the disposition of proceeds of certain trunk highway bonds; reducing the amount appropriated from the bridge con-

struction account in the trunk highway fund to the department of transportation; establishing a temporary legislative study commission on metropolitan transit; providing for a capital improvement account in the trunk highway fund as the deposit account for proceeds from certain trunk highway bonds to be further transferred to the department of transportation for certain purposes; imposing penalties; amending Minnesota Statutes 1982, sections 12.14; 15.059, subdivision 5; 17.101; 17A.04, subdivision 5; 18.51, subdivision 2; 18.52, subdivision 5; 18.53; 18.54; 18A.22, subdivisions 5 and 7; 18A.26; 27.041, subdivision 2; 28A.08; 28A.09; 32.075; 32.59; 34.02; 34.05, subdivision 1; 40.03, subdivision 2, as amended; 41.61, subdivision 1, as amended; 43A.04, by adding a subdivision; 70A.06, by adding a subdivision; 79.251, subdivision 1; 155A.07, subdivision 7; 155A.08, subdivision 5; 169.81, subdivision 3b; 169.86, subdivision 5; 169.862; 170.23; 171.26; 171.29, subdivision 2; 173.07, subdivision 2; 173.08, subdivision 1; 173.13, subdivision 4; 174.24, subdivision 3; 174A.02, subdivision 2; 174A.06; 221.061; 221.071; 221.131; 221.221; 221.296, subdivision 5; 221.64; 221.81; 296.17, subdivisions 10, 17, and 20; 296.25, subdivision 1; 299C.37, subdivision 3; 299C.46, subdivision 3; 343.01, subdivision 3; 352.86, subdivision 1; and by adding a subdivision; 360.018, subdivision 1; 360.63; 473.408, subdivision 3, and by adding a subdivision; 473.436, by adding a subdivision; 473.446, subdivision 1, as amended; 500.221, subdivision 4; 626.553, subdivision 2; 626.88, subdivisions 2 and 3; Laws 1975, chapter 235, section 2; Laws 1977, chapter 277, sections 1 and 3, subdivision 1; and Laws 1983, chapter 17, section 12; proposing new law coded in Minnesota Statutes, chapters 10A; 21; 221; and 360; repealing Minnesota Statutes 1982, sections 21.47; 21.48; 21.49; 21.50; 21.502; 21.503; 21.51; 21.52; 21.53; 21.54; 21.55; 21.56; 21.57; 21.58; 24.24; 24.25; 24.26; 24.27; 24.28; 24.29; 24.30; 24.31; 160.26, subdivision 3; 174A.07; 299C.37, subdivision 4; 326.54; 326.541; 326.542; 326.543; 326.544; 326.545; 326.546; and 326.547.'''

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

Senate Conferees: (Signed) Keith Langseth, Marilyn M. Lantry, Clarence M. Purfeerst, Robert J. Schmitz, Lyle G. Mehrkens

House Conferees: (Signed) Henry J. Kalis, James Metzén, Kathleen Vellenga, Merlyn O. Valan, Arthur W. Seaberg

Mr. Langseth moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1233 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1233 was read the third time as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 46 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kroening	Peterson, C.C.	Stumpf
Anderson	Diessner	Laidig	Petty	Taylor
Belanger	Frederick	Langseth	Pogemiller	Ulland
Berg	Frederickson	Lantry	Purfeerst	Vega
Berglin	Freeman	Lessard	Ramstad	Waldorf
Bernhagen	Hughes	Luther	Reichgott	Willet
Chmielewski	Isackson	McQuaid	Samuelson	
Dahl	Johnson, D.E.	Mehrrens	Schmitz	
Davis	Johnson, D.J.	Moe, R. D.	Solon	
DeCramer	Jude	Novak	Spears	

Those who voted in the negative were:

Benson	Brataas	Kamrath	Kronebusch	Olson
Bertram	Frank			

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Willet moved that S.F. No. 596 be withdrawn from the Committee on Finance and given its second reading. The motion prevailed.

S.F. No. 596: A bill for an act establishing an agricultural resource loan guaranty program, board, and fund, and the terms of guaranties by the state of project loans in the program; appropriating money, taxes, tax increments, and other governmental charges; authorizing the issuance of state bonds; amending Minnesota Statutes 1982, sections 116B.03, subdivision 1; 290.01, by adding a subdivision; 297A.44, subdivision 1; and 362A.01, subdivision 1; and 362A.05; proposing new law coded as Minnesota Statutes, chapter 41A; proposing new law coded in Minnesota Statutes, chapter 362A.

S.F. No. 596 was read the second time.

SUSPENSION OF RULES

Mr. Willet moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 596 and that the rules of the Senate be so far suspended as to give S.F. No. 596, now on Special Orders, its third reading and place it on its final passage.

CALL OF THE SENATE

Mr. Willet imposed a call of the Senate for the balance of the proceedings on S.F. No. 596. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the motion of Mr. Willet.

The roll was called, and there were yeas 49 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Moe, R. D.	Reichgott
Anderson	Dicklich	Kamrath	Nelson	Samuelson
Belanger	Diessner	Kroening	Novak	Schmitz
Berg	Frank	Laidig	Pehler	Solon
Berglin	Frederickson	Langseth	Peterson, C. C.	Spear
Bernhagen	Freeman	Lantry	Peterson, D. L.	Stumpf
Bertram	Hughes	Lessard	Peterson, R. W.	Vega
Chmielewski	Isackson	Luther	Petty	Waldorf
Dahl	Johnson, D. E.	Mehrkens	Pogemiller	Willet
Davis	Johnson, D. J.	Merriam	Purfeerst	

Those who voted in the negative were:

Benson	Frederick	McQuaid	Ramstad	Ulland
Brataas	Kronebusch			

The motion prevailed.

Mr. Willet moved that S.F. No. 596 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Spear moved that S.F. No. 83, No. 7 on Special Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Willet moved that S.F. No. 489 be withdrawn from the Committee on Finance, given its second reading and placed on Special Orders. The motion prevailed.

S.F. No. 489: A bill for an act relating to insurance; extending the insurance division revolving fund; providing for a program of continuing education; establishing a continuing insurance education advisory committee; authorizing the commissioner of insurance to promulgate rules to implement the program; requiring certain disclosures on credit insurance policies and application; providing for the payment of examination fees and expenses of the insurance division; providing license and renewal fees for agents; regulating self-insurance plans and pools; amending Minnesota Statutes 1982, sections 60A.02, subdivision 7; 60A.03, subdivision 5; 60A.14, subdivision 1; 60A.17, subdivisions 1 and 6c, and by adding a subdivision; 60A.198, subdivision 3; 60A.23, subdivision 8; 471.982, subdivision 2; and proposing new law coded in Minnesota Statutes, chapter 60A.

S.F. No. 489 was read the second time.

Remaining on the Order of Business of Motions and Resolutions, Mr. Luther moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 30, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 30 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 30

A bill for an act relating to veterans affairs; providing residents of the Minnesota veterans home with a right to complain about home accommodations and services; prohibiting retaliatory eviction of residents who exercise their right to complain; proposing new law coded in Minnesota Statutes, chapter 198.

May 18, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 30, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 30 be further amended as follows:

Page 2, line 9, delete "90" and insert "45"

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

House Conferees: (Signed) Wes Skoglund, Richard Kostohryz, John Burger

Senate Conferees: (Signed) Donna C. Peterson, Joe Bertram, Doran L. Isackson

Ms. Peterson, D.C. moved that the foregoing recommendations and Conference Committee Report on H.F. No. 30 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 30 was read the third time as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Isackson	Luther	Reichgott
Anderson	DeCramer	Johnson, D.E.	McQuaid	Renneke
Belanger	Dicklich	Johnson, D.J.	Mehrkens	Schmitz
Benson	Diessner	Jude	Novak	Sieloff
Berg	Dieterich	Kamrath	Olson	Storm
Berglin	Frank	Kroening	Peterson, D.C.	Stumpf
Bernhagen	Frederick	Kronebusch	Petty	Taylor
Bertram	Frederickson	Laidig	Pogemiller	Ulland
Brataas	Freeman	Lantry	Purfeerst	Willet
Dahl	Hughes	Lessard	Ramstad	

So the bill, as amended by the Conference Committee, was repassed and

its title was agreed to.

SPECIAL ORDER

H.F. No. 257: A bill for an act relating to motor vehicles; providing for special license plates for certain motor vehicles owned by certain members of the Minnesota national guard; imposing fees; amending Minnesota Statutes 1982, section 168.12, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 47 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Johnson, D.J.	Mehrkens	Schmitz
Anderson	Diessner	Jude	Novak	Storm
Belanger	Dieterich	Kamrath	Olson	Stumpf
Benson	Frank	Kroening	Peterson, D.C.	Taylor
Berg	Frederick	Kronebusch	Petty	Ulland
Bernhagen	Frederickson	Langseth	Pogemiller	Waldorf
Bertram	Freeman	Lantry	Purfeerst	Willet
Dahl	Hughes	Lessard	Ramstad	
Davis	Isackson	Luther	Reichgott	
DeCramer	Johnson, D.E.	McQuaid	Renneke	

Ms. Berglin and Mr. Spear voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1188: A resolution memorializing the United States Congress to conduct an in-depth investigation of the steel industry.

Mr. Dicklich moved that the amendment made to H.F. No. 1188 by the Committee on Rules and Administration in the report adopted May 19, 1983, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 1188 was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 41 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Luther	Storm
Anderson	DeCramer	Johnson, D.J.	McQuaid	Stumpf
Belanger	Dicklich	Jude	Novak	Vega
Benson	Diessner	Kamrath	Olson	Waldorf
Berg	Dieterich	Kroening	Peterson, D.C.	Willet
Berglin	Frank	Kronebusch	Pogemiller	
Bernhagen	Frederickson	Langseth	Purfeerst	
Bertram	Hughes	Lantry	Reichgott	
Dahl	Isackson	Lessard	Schmitz	

Mrs. Brataas, Messrs. Frederick and Knaak voted in the negative.

So the resolution passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Petty moved that the following members be excused for a Conference Committee on S.F. No. 87 from 3:00 to 4:00 p.m.:

Messrs. Petty, Sieloff and Spear. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Reichgott moved that S.F. No. 924, No. 18 on Special Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

SPECIAL ORDER

H.F. No. 1067: A bill for an act relating to state government; authorizing the commissioner of the department of economic security to accept gifts; designating the commissioner as administrator of weatherization programs; providing for weatherization grants; regulating summer youth programs; providing financial assistance allocations for community action agencies; amending Minnesota Statutes 1982, sections 268.011, subdivision 2; 268.34; 268.37, subdivisions 2, 4, and 5; and 268.52, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 49 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Luther	Renneke
Anderson	DeCramer	Johnson, D.J.	McQuaid	Schmitz
Belanger	Dicklich	Jude	Mehrkens	Storm
Benson	Diessner	Knaak	Novak	Stumpf
Berg	Dieterich	Kroening	Olson	Taylor
Berglin	Frank	Kronebusch	Peterson, D.C.	Ulland
Bernhagen	Frederick	Laidig	Pogemiller	Vega
Bertram	Frederickson	Langseth	Purfeerst	Wegscheid
Brataas	Hughes	Lantry	Ramstad	Willet
Dahl	Isackson	Lessard	Reichgott	

Mr. Kamrath voted in the negative.

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Knaak moved that S.F. No. 244, No. 16 on Special Orders, be stricken and re-referred to the Committee on Agriculture and Natural Resources. The motion prevailed.

Mr. Novak moved that H.F. No. 561, No. 3 on Special Orders, be stricken and re-referred to the Committee on Transportation. The motion prevailed.

SPECIAL ORDER

S.F. No. 620: A bill for an act relating to public welfare; authorizing grants to county boards to provide semi-independent living services for mentally retarded persons; appropriating money; proposing new law coded in Min-

nesota Statutes, chapter 252.

Mr. Wegscheid moved to amend S.F. No. 620 as follows:

Page 2, delete section 2

Amend the title as follows:

Page 1, lines 4 and 5, delete "appropriating money;"

The motion prevailed. So the amendment was adopted.

S.F. No. 620: A bill for an act relating to public welfare; authorizing grants to county boards to provide semi-independent living services for mentally retarded persons; proposing new law coded in Minnesota Statutes, chapter 252.

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

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

The roll was called, and there were yeas 48 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Mehrkens	Storm
Anderson	DeCramer	Jude	Merriam	Stumpf
Belanger	Dicklich	Kamrath	Novak	Taylor
Benson	Dieterich	Knaak	Olson	Ulland
Berg	Frank	Kronebusch	Peterson, D.C.	Vega
Berglin	Frederick	Laidig	Pogemiller	Waldorf
Bernhagen	Frederickson	Lantry	Purfeerst	Wegscheid
Bertram	Freeman	Lessard	Ramstad	Willet
Brataas	Hughes	Luther	Renneke	
Dahl	Isackson	McQuaid	Schmitz	

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

SPECIAL ORDER

S.F. No. 320: A bill for an act relating to agriculture; making certain changes in the law relating to establishing a fertilizer inspection fund; prescribing penalties; appropriating money; amending Minnesota Statutes 1982, sections 17.713, subdivision 7; 17.714, subdivision 1; 17.715, subdivision 1; 17.717, subdivision 1; 17.718, subdivision 1; 17.725, subdivisions 1 and 2; and 17.728, subdivision 4; repealing Minnesota Statutes 1982, section 17.717, subdivisions 3, 4, 5, and 6.

Mr. Wegscheid moved to amend S.F. No. 320 as follows:

Page 2, line 34, delete "fertilizer inspection"

Page 3, delete lines 4 to 11

Page 5, delete section 10

Page 5, line 9, after "4," insert "and"

Page 5, line 10, delete ", and 6"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "establishing"

Page 1, line 4, delete "appropriating money;"

Page 1, line 10, after "4," insert "and" and delete ", and 6"

The motion prevailed. So the amendment was adopted.

S.F. No. 320: A bill for an act relating to agriculture; making certain changes in the law relating to a fertilizer inspection fund; prescribing penalties; amending Minnesota Statutes 1982, sections 17.713, subdivision 7; 17.714, subdivision 1; 17.715, subdivision 1; 17.717, subdivision 1; 17.718, subdivision 1; 17.725, subdivisions 1 and 2; and 17.728, subdivision 4; repealing Minnesota Statutes 1982, section 17.717, subdivisions 3, 4, and 5.

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

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

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

The roll was called, and there were yeas 42 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kamrath	Novak	Stumpf
Anderson	Dieterich	Knaak	Olson	Ulland
Berg	Frank	Kronebusch	Pehler	Vega
Berglin	Frederick	Laidig	Peterson, D.C.	Waldorf
Bertram	Frederickson	Lantry	Purfeerst	Wegscheid
Brataas	Freeman	Luther	Ramstad	Willet
Dahl	Isackson	McQuaid	Renneke	
Davis	Johnson, D.E.	Mehrkens	Schmitz	
DeCramer	Jude	Merriam	Storm	

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

SPECIAL ORDER

H.F. No. 537: A bill for an act relating to education; providing for the inclusion of certain community college and state university faculty members in the definition of an employee under the public employment labor relations act; amending Minnesota Statutes 1982, section 179.63, subdivision 7.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 34 and nays 13, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Knaak	Novak	Schmitz
Berglin	Frank	Laidig	Pehler	Solon
Bertram	Frederickson	Lantry	Peterson, D.C.	Stumpf
Dahl	Freeman	Lessard	Pogemiller	Vega
Davis	Hughes	Luther	Purfeerst	Waldorf
DeCramer	Johnson, D.E.	Merriam	Ramstad	Willet
Diessner	Jude	Moe, D. M.	Renneke	

Those who voted in the negative were:

Anderson	Berg	Kamrath	Mehrkens	Ulland
Belanger	Frederick	Kronebusch	Olson	
Benson	Isackson	McQuaid	Storm	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 950: A bill for an act relating to agriculture; requiring pseudorabies testing and imposing quarantine and restricted movement requirements for swine; appropriating money; proposing new law coded in Minnesota Statutes 1982, chapter 35.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Novak	Samuelson
Anderson	Diessner	Kronebusch	Olson	Schmitz
Belanger	Dieterich	Laidig	Pehler	Solon
Benson	Frank	Langseth	Peterson, D.C.	Storm
Berg	Frederick	Lantry	Peterson, D.L.	Stumpf
Berglin	Frederickson	Lessard	Peterson, R.W.	Ulland
Bertram	Isackson	Luther	Pogemiller	Vega
Dahl	Johnson, D.E.	McQuaid	Purfeerst	Waldorf
Davis	Jude	Mehrkens	Ramstad	Willet
DeCramer	Kamrath	Nelson	Renneke	

So the bill passed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Messages From the House and First Reading of House Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 858, 1017 and 674.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1983

FIRST READING OF HOUSE BILLS

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

H.F. No. 858: A bill for an act relating to veterans; clarifying eligibility for certain educational programs; standardize the definition of "veteran"; improve management of grant program; coordinate program with federal law; providing funds for the agent orange program; amending Minnesota Statutes 1982, section 197.75; proposing new law coded in Minnesota Statutes, chapter 197; repealing Minnesota Statutes 1982, sections 197.09; 197.10; and 197.11.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 839, now on Special Orders.

H.F. No. 1017: A bill for an act relating to marriage license and marriage dissolution fees; increasing the marriage license fee; increasing the marriage dissolution filing fees; providing moneys for battered women's pro-

grams and for new displaced homemaker programs; amending Minnesota Statutes 1982, sections 357.021, subdivisions 2 and 2a; 517.08, subdivisions 1b and 1c.

Referred to the Committee on Finance.

H.F. No. 674: A bill for an act relating to insurance; providing for a program of continuing education; authorizing a continuing insurance education advisory task force; authorizing the commissioner of insurance to promulgate rules to implement the program; requiring certain disclosures on credit insurance policies and application; providing license and renewal fees for agents; increasing fees for insurance companies; regulating self-insurance plans and pools; appropriating money; amending Minnesota Statutes 1982, sections 60A.02, subdivision 7; 60A.03, subdivision 5; 60A.17, subdivision 1 and by adding a subdivision; 60A.14, subdivision 1; 60A.198, subdivision 3; 60A.23, subdivision 8; 471.982, subdivision 2; and proposing new law coded in Minnesota Statutes, chapter 60A.

Mr. Willet moved that H.F. No. 674 be laid on the table. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Dicklich; Ms. Peterson, D.C.; Messrs. Knutson; Novak and Peterson, R.W. introduced—

S.F. No. 1272: A resolution memorializing the United States Congress to oppose the passage of a federal tuition tax credit bill.

Referred to the Committee on Rules and Administration.

Mr. Petty, Mrs. Brataas and Ms. Berglin introduced—

S.F. No. 1273: A bill for an act relating to public welfare; providing for nutrition and counseling services to certain pregnant women and mothers; appropriating money; amending Minnesota Statutes 1982, section 256.73, subdivision 5; proposing new law coded in Minnesota Statutes, chapter 256.

Referred to the Committee on Health and Human Services.

Messrs. Davis; Moe, R.D.; Stumpf; Dahl and DeCramer introduced—

S.F. No. 1274: A bill for an act relating to commerce; requiring the repair, refund, or replacement of new motor vehicles used for agricultural purposes under certain circumstances; amending Laws 1983, chapter 108, section 1, subdivision 1.

Referred to the Committee on Economic Development and Commerce.

Mr. Benson introduced—

S.F. No. 1275: A bill for an act relating to health; requiring access to health information for seven years; amending Minnesota Statutes 1982, section 144.335, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mr. Belanger introduced—

S.F. No. 1276: A bill for an act relating to cities; changing the definition of cities of the first class; amending Minnesota Statutes 1982, section 410.01.

Referred to the Committee on Local and Urban Government.

Messrs. Kamrath; Benson; Belanger; Peterson, D.L. and Anderson introduced—

S.F. No. 1277: A bill for an act relating to crimes; regulating the possession and use of handguns; specifying property rights of certain persons in handguns; prohibiting possession of firearms by certain felons; abolishing transferee permits; providing for licenses to purchase handguns; prohibiting transfer of handguns to unknown persons; requiring licenses to carry handguns; limiting legislation in subordinate jurisdictions; providing for disposition of stolen and confiscated firearms; prohibiting discrimination on the issuance of licenses to purchase a handgun or licenses to carry a handgun or weapon; prescribing penalties; amending Minnesota Statutes 1982, sections 609.66; 624.712; 624.713; 624.7131; 624.714; 624.715; 624.717; and 629.361; proposing new law coded in Minnesota Statutes, chapter 624; repealing Minnesota Statutes 1982, sections 624.7132; 624.716; and 624.718.

Referred to the Committee on Judiciary. Mr. Lessard questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Benson introduced—

S.F. No. 1278: A bill for an act proposing an amendment to the Minnesota Constitution, adding a section to article VIII; providing for the recall of elected officials.

Referred to the Committee on Elections and Ethics.

Messrs. Merriam; Peterson, C.C.; Johnson, D.J.; Dieterich and Sieloff introduced—

S.F. No. 1279: A bill for an act proposing an amendment to the Minnesota Constitution, article X, adding a section; permitting state tax laws to adopt future federal tax law amendments by reference.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Novak, Solon and Knaak introduced—

S.F. No. 1280: A bill for an act relating to taxation; providing an income tax deduction or credit to corporations having increased export sales; providing that certain persons residing and working in a foreign country are not

Minnesota residents for income tax purposes; amending Minnesota Statutes 1982, sections 290.01, subdivisions 7 and 22; 290.06, subdivision 1, as amended; 290.095, subdivision 2; and 290.32; proposing new law coded in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Merriam, Sieloff, Dahl and Frank introduced—

S.F. No. 1281: A bill for an act relating to taxation; providing a credit against the income tax for contributions to candidates for local elective office and removing restriction concerning campaign expenditure limitation agreements; amending Minnesota Statutes 1982, section 290.06, subdivision 11; repealing Minnesota Statutes 1982, section 10A.32, subdivision 3b.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Hughes, Luther, Dahl, Vega and Pogemiller introduced—

S.F. No. 1282: A bill for an act relating to elections; providing for separate party ballots at partisan primary elections; amending Minnesota Statutes 1982, sections 203B.04, subdivision 1; 203B.07, subdivision 2; 203B.12, subdivision 2; 203B.17, subdivision 2; 204C.10, subdivision 1; 204C.11, subdivision 2; 204C.12, subdivision 3; 204C.13, subdivisions 1 and 3; 204C.20, subdivisions 1 and 2; 204C.22, subdivision 3; 204C.24, subdivision 1; 204C.26, subdivision 3; 204C.32, subdivision 1; 204D.05, subdivision 1; 204D.08, subdivision 4; 204D.09; 205.17, subdivision 4; 206.07, subdivisions 4 and 5; 206.09; 206.11; 206.20, subdivision 2; repealing Minnesota Statutes 1982, section 204D.08, subdivision 5.

Referred to the Committee on Elections and Ethics.

Mr. Frank introduced—

S.F. No. 1283: A bill for an act relating to cable communications; establishing the metropolitan channel 6 board; appropriating money; amending Minnesota Statutes 1982, sections 238.05, subdivision 2; and 473.121, by adding a subdivision.

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

Remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1283, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1283 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1283

A bill for an act relating to the organization and operation of state government; appropriating money for education and related purposes to the department of education, higher education coordinating board, state university board, state community college board, University of Minnesota, and the Mayo medical foundation, with certain conditions; establishing a state board of vocational technical education; providing it and certain independent and intermediate school districts operating vocational technical schools with certain powers and duties; changing the authority and duties of the above named agencies, or one or more of them, or certain of their advisory councils with respect to governance, duration of existence, disposition of property, employment and compensation of personnel, tuition, institutional closings, gifts, appropriations, parking fees, scholarships, grants-in-aid, planning, hospital charges, and related educational matters; amending Minnesota Statutes 1982, sections 43A.18, subdivision 4; 120.17, subdivision 7a; 121.212, subdivision 2; 121.931, subdivision 7; 121.934, subdivision 2; 123.742, by adding a subdivision; 123.743; 124.48; 125.05, by adding a subdivision; 136.03; 136.034; 136.11, subdivision 1; 136.144; 136.62, by adding a subdivision; 136.63, subdivision 1a; 136.67, by adding a subdivision; 136A.121; 136A.14; 136A.141; 136A.143; 136A.15; 136A.16; 136A.17; 136A.26; 136A.29, subdivisions 2 and 9; 136A.42; and 158.05; proposing new law coded in Minnesota Statutes, chapters 136 and 136A; proposing new law coded as Minnesota Statutes, chapter 135A; and 136C; repealing Minnesota Statutes 1982, sections 121.11, subdivision 1; 121.217; 121.902, subdivision 1a; 121.936, subdivision 6; 124.53; 136A.144; 136A.145; 136A.146; 136A.161; 136A.18; 136A.19; 136A.20; 136A.21; and 136A.22.

May 19, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1283, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 1283 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [EDUCATION; APPROPRIATIONS.]

The sums set forth in the columns designated “APPROPRIATIONS” are appropriated from the general fund, or any other fund designated, to the agencies and for the purposes specified in the following sections of this act, to be available for the fiscal year indicated for each purpose. The figures “1983”, “1984”, and “1985”, wherever used in this act, mean that the appropriation or appropriations listed thereunder or therefor shall be avail-

able for the year ending June 30, 1983, June 30, 1984, or June 30, 1985, respectively.

SUMMARY BY FUND

	1983	1984	1985	TOTAL
General		\$536,028,700	\$546,327,500	\$1,082,356,200
Trunk Highway		19,500	20,500	40,000
Permanent University		2,500,000	2,500,000	5,000,000
Non-Game Wildlife		25,000	25,000	50,000
TOTAL		\$538,573,200	\$548,873,000	\$1,087,446,200

SUMMARY BY AGENCY - ALL FUNDS

Department of Education	\$ 27,433,500	\$ 23,632,700	\$ 51,066,200
HECB	56,205,700	59,045,000	115,250,700
State University System	105,201,700	106,166,000	211,367,700
Community College System	51,843,400	53,452,900	105,296,300
University of Minnesota	296,545,000	305,371,700	601,916,700
Mayo Medical	1,343,900	1,204,700	2,548,600

APPROPRIATIONS
Available for the Year
Ending June 30
1984 1985

Sec. 2. DEPARTMENT OF EDUCATION

Subdivision 1. General Operations and Management	\$ 27,433,500	\$ 23,632,700
Approved Complement		

State - 501.4

Federal - 189.4

Special Revenue - 7.5

Bond Proceeds - 1.0

The amounts that may be expended from this appropriation for each program and activity are more specifically described in the following subdivisions of this section.

Subd. 2. Special and Compensatory Education

1984	1985
\$2,458,900	\$2,438,800

(a) Of this appropriation, \$1,500,000 in the first year, and \$1,500,000 in the second year is for Indian scholarships. Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

(b) Of this appropriation, \$300,000 in the first year and \$300,000 in the second year is for Indian postsecondary preparation grants to school districts to be used to support programs for secondary students who are of one-fourth or more Indian ancestry and who, in the opinion of the district superintendent, have the capabilities to benefit from higher education. This appropriation shall be expended with the approval of the governor after consultation with the legislative advisory commission as provided in Minnesota Statutes, section 3.30. Release of these funds shall also be contingent upon submission of a plan prepared by the state board, with the advice and counsel of the Minnesota Indian scholarship committee. The plan shall describe the objectives and the methods for implementing the program, including the manner in which grants will be distributed in proportion to the geographical distribution of the Indian population of the state. This plan shall be submitted to the chairmen of the house and senate education committees and the house appropriations and senate finance committees prior to the submission to the legislative advisory commission.

(c) Of this appropriation, \$61,100 in the first year and \$36,100 in the second year is for the Indian education unit for one position and for procurement of equipment and services necessary for the computerization of the accounting and data management operations of the Indian scholarship program.

The department of education shall maintain the existing Minnesota Indian education scholarship office at Bemidji during the biennium ending June 30, 1985, with no reduction in general fund appropriations.

Subd. 3. Braille and Sight-Saving School and School for the Deaf

1984	1985
\$ 5,622,300	\$ 5,531,600

(a) \$113,600 the first year and \$86,200 the second year is for repairs, replacements and betterments at the Minnesota School for the Deaf and the Minnesota Braille and Sight-Saving School. Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$98,900 the first year is for repair and purchase of equipment at the Minnesota School for the Deaf and the Minnesota Braille and Sight-Saving School. Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

(b) \$148,000 in the first year and \$148,000 in the second year is for summer school at the Minnesota School for the Deaf and the Minnesota Braille and Sight-Saving School.

(c) \$9,500 in the first year and \$9,500 in the second year is for the Parent-Child Institute at the Minnesota School for the Deaf and the Minnesota Braille and Sight-Saving School.

(d) \$74,500 in the first year and \$75,000 in the second year is for the purchase of mainstreaming services at the Minnesota School for the Deaf and the Minnesota Braille and Sight-Saving School.

(e) If the amounts appropriated in (b), (c), and (d) are insufficient, the commissioner may transfer other operating funds appropriated to the residential schools, with the exception of the funds in (a), for these purposes.

(f) It is the intent of the legislature that during the biennium in the event that federal EHA-Title VI-C funds for the Minnesota School for the Deaf and the Minnesota Braille and Sight-Saving School are diminished or no longer available, the commissioner of education may make application to the legislative advisory commission at one of its regularly scheduled meetings to obtain state funds to replace diminished federal funds.

(g) In the event that the Legislative Audit Commission does not approve a program evaluation of the Minnesota School for the Deaf and the Minnesota Braille and Sight-Saving School during the first year, the commissioner of finance, in consultation with the

commissioners of education and administration, shall carry out such an evaluation. The evaluation shall consider the cost-effectiveness of the academic, residential, support, and administrative services in comparison to similar programs and the feasibility of alternative methods of service delivery. The study shall be submitted to the chairmen of the house appropriations and senate finance committees by January 15, 1984.

Subd. 4. Vocational Technical Instruction

\$5,590,300 \$4,892,200

Of this appropriation \$1,999,100 in the first year and \$1,440,100 for the second year is for post-secondary vocational repair and betterment aid. The appropriation for post-secondary repair and betterment aid for 1984 includes \$191,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$1,808,100 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for post-secondary repair and betterment aid for 1985 includes \$319,000 for aid for fiscal year 1984 payable in fiscal year 1985, and \$1,121,100 for aid for fiscal year 1985 payable in fiscal year 1985.

\$525,000 the first year and \$500,000 the second year is for the Minnesota curriculum services center, the vocational student organization center, and vocational area agricultural coordinators. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. This appropriation shall be spent pursuant to agreements between the state board of education and the recipients. The agreements are not subject to the contract approval procedures of the commissioner of administration.

Until June 30, 1985, the Minnesota curriculum services center may sell to school districts and agencies in other states and to the general public its instructional material and media at commercial or market prices. The profit derived from the sale of materials and media will be used to offset the operating costs of the center. An accounting of costs, sales and receipts shall be provided to the commissioner of education on July 1, 1984 and July 1, 1985.

Funding for the Minnesota Curriculum Ser-

vices Center during the biennium shall be allocated under the average cost funding methodology.

The state board for vocational education shall develop and implement a plan for the transfer of the area agricultural coordinator functions and positions into the area vocational-technical institute system effective July 1, 1984, for the biennium. During the biennium support for the positions shall be provided all or in part from the instructional funds under the average cost funding methodology.

\$300,000 in the first year and \$300,000 in the second year is for the acquisition of equipment for technology-related programs in the area vocational-technical institutes.

\$150,000 in the first year is appropriated for the purpose of implementing sections 56, 57, 58, 59, 60, 61, 63, and 64.

Federal money received for state vocational education programs pursuant to the Vocational Education Act of 1963, Section 120, United States Code, title 20, section 2330 and required to be used for vocational education of the disadvantaged and handicapped shall be used during the biennium only for grants and not for state administrative costs. During the biennium the grant money may be used by a school district for its own administrative costs if otherwise permitted by federal law. The remainder of section 120 money not required to be used for eliminating sex bias, for displaced homemakers programs, and for matching requirements in vocational education shall be used during the biennium for grants for post-secondary vocational instructional aid allocations for support services.

Subd. 5. General Instructional Services

\$2,429,800	\$2,466,000
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During the biennium fees may be collected from school districts and educational systems pursuant to section 26 for subscriptions to the Minnesota Career Information Service and appropriated pursuant to section 27.

Of the amounts provided by this subdivision, \$19,500 in 1984 and \$20,500 in 1985 are from the trunk highway fund.

Subd. 6. Special Services

\$2,103,200

\$2,037,800

(a) During the biennium the state board of education and the state board of teaching, after joint consultation, shall individually set consistent license fees for which they are responsible at a level sufficient to recover all department of education and board of teaching costs associated with the licensure, relicensure, and placement of teachers, administrators, and other education professionals. In calculating these costs, the value of the services of the attorney general shall be considered. During the biennium in setting these fees, the state board of education and the board of teaching are exempt from the public hearing process in Minnesota Statutes, chapter 14. Notice of the revised fees shall be published in the state register, followed by 30-day public comment period before the revisions are effective. In assigning fees, the board of teaching shall consider differences between full-time and part-time employment in teaching and implementation of a differential fee structure for vocational education adult supplemental licenses.

(b) Fees for private trade school licenses and for solicitors' permits are increased to (1) private trade school license - initial fee \$440; (2) private trade school license - renewal \$330; (3) solicitor permits - \$165. Notice of the revised fees shall be published in the state register as soon as practicable. During the biennium ending June 30, 1985, these fees shall not be decreased and may be increased pursuant to Minnesota Statutes, sections 14.14, 16A.128, and 214.06.

Subd. 7. School Management Services

\$6,991,900

\$3,995,000

(a) \$880,000 in the first year is for the Minnesota Educational Computing Consortium (MECC) for the operation of the management information services unit. Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

The executive director of MECC shall submit a plan annually during the biennium to the Elementary-Secondary-Vocational (ESV) Computer Council and to the commissioner of edu-

cation detailing its plan for the management information system unit.

(b) \$3,634,000 in the first year and \$1,500,000 in the second year is for regional computing support for regional management information centers. The appropriation for the second year shall be placed in a contingent account. The funds in the contingent account shall be released when the study described in the next sentence is completed, and upon compliance with Minnesota Statutes, section 3.30. The ESV computer council with the assistance of the commissioner of education shall conduct a study on how best to meet state information needs in the most cost effective manner. The study shall be completed and delivered to the chairmen of the house appropriations committee and senate finance committee by December 1, 1983. The study shall include but not be limited to an analysis of:

(1) the state and local benefits derived from Elementary-Secondary-Vocational Information System (ESV-IS) data processing and the current costs associated with providing the benefits;

(2) an alternative number of regional and state data processing sites and the costs of each alternative;

(3) the ESV-IS applications software necessary to support state mandated data acquisition;

(4) alternatives for supporting the development and maintenance of ESV-IS and the State Department of Education Information System (SDE-IS) application software and the cost of each alternative;

(5) the costs and benefits of releasing large districts from the mandate to affiliate with ESV regional management information centers.

(c) \$1,068,100 in 1984 and \$1,095,600 in 1985 is for support of the education data systems section. Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

The commissioner of education shall annually during the biennium submit to the ESV computer council a detailed budget and workplan for the education data systems section for re-

view and comment. A change in the workplan shall be featured in the succeeding year's submission.

Subd. 8. Auxiliary and General Support Services

\$2,050,100 \$2,080,200

\$129,400 in the first year and \$129,600 in the second year is for the Elementary-Secondary-Vocational Computer Council.

Subd. 9. General Authority

The commissioner of education with the approval of the commissioner of finance may transfer unencumbered balances among the above programs during the biennium. Transfers shall be reported forthwith to the house appropriations and senate finance committees.

It is the intent of the legislature, that, during the biennium except in the case of executive order to the contrary, the department of education be allowed to transfer money among the various object of expenditure categories and activities within each program.

The department of education may during the biennium spend federal block grant funds received under the education consolidation and improvement act of 1981, as amended, as shown in the biennial budget allocation plan. Changes may be made to accommodate adjustments in salary or other costs. However, material changes shall be reported to the senate finance committee and the house appropriations committee.

Subd. 10. Board of Teaching

\$ 187,000 \$ 191,100

Sec. 3. HIGHER EDUCATION COORDINATING BOARD

Subdivision 1. General Operations and Management

56,205,700 59,045,000

The amounts that may be expended from this appropriation for each purpose are more specifically described in the following subdivisions of this section.

Subd. 2. Salaries and Expenses

\$2,027,600 \$1,890,900

This appropriation includes money for the administration of the state student assistance programs, program planning and coordination, policy planning and research, and agency management services.

This appropriation includes money for a study of the need for engineering support programs in two-year institutions. The study shall be presented to the house appropriations and senate finance committees by December 1, 1984.

Subd. 3. State Scholarship, Nurses Scholarship and State Grant-In-Aid

\$42,374,000 \$47,266,000

If the appropriation for either year is insufficient, the appropriation for the other year is available to meet scholarship and grant obligations.

This appropriation includes money for grants to part-time students. If administrative problems preclude full consolidation of part-time student grants with the state grant and scholarship program, an amount not to exceed \$300,000 of the above appropriation shall be available in each year of the biennium for allocation to eligible post-secondary institutions to accommodate the needs of part-time students, pursuant to Minnesota Statutes, section 136A.132.

Of the above appropriation, an amount not to exceed \$100,000 is available in 1984 to cover short-term living and transportation expenses of AVTI students. The funds shall be advanced to the AVTI's at the beginning of the biennium and shall be used only to meet emergency needs of students who will receive awards from the state scholarship and grant program. The advances shall be repaid by students upon receipt of their state grant or scholarship award and all advances shall be returned to the higher education coordinating board before the end of the biennium. The higher education coordinating board shall develop administrative rules or procedures as necessary to implement this provision of law.

Notwithstanding any law to the contrary, the allowance for tuition and fees in the cost of attendance for four-year private institutions shall not exceed \$3,598 in the 1983-1984

school year and \$4,063 in the 1984-1985 school year. The allowance for tuition and fees in the cost of attendance for two-year private collegiate and vocational institutions shall not exceed \$3,573 in the 1983-1984 school year and \$3,752 in the 1984-1985 school year.

Subd. 4. Interstate Tuition Reciprocity

\$6,850,000 \$4,800,000

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

Subd. 5. State Work Study

\$4,209,000 \$4,428,600

Any unexpended balance of not more than \$160,000 remaining at the end of the first year shall not cancel but is available for the purposes of the appropriation in subdivision 3 for the second year.

Subd. 6. Medical Student Loans

\$ 115,000

Subd. 7. Minitex Library Program

\$ 630,100 \$ 659,500

Subd. 8. Notwithstanding any other provision to the contrary, none of the personnel, powers, or duties of the higher education coordinating board shall be transferred to any other department, higher education system, or other part of state government.

Subd. 9. Any unexpended balances in this section remaining in the first year do not cancel but are available for the second year of the biennium.

Sec. 4. STATE UNIVERSITY BOARD

Subdivision 1. General Operations and Management

105,201,700 106,166,000

The amounts that may be expended from this appropriation for each purpose are more specifically described in the following subdivisions of this section.

Subd. 2. Engineering Programs

This appropriation includes funds for the first two years of a three-year, phased development

of engineering programs at Mankato State University and St. Cloud State University.

Of the total authorized expenditures, \$50,000 each year of the biennium for the engineering program at St. Cloud State University and \$50,000 each year of the biennium for the engineering program at Mankato State University is available upon submission of required documentation that the state money has been matched by contributions from non-state sources. This matching requirement may be satisfied with donated equipment or supplies with the approval of the chairmen of the senate finance committee and the house appropriations committee.

Subd. 3. Instructional Expenditures

It is estimated that the amount for instructional expenditures will be \$142,076,300 for the first year, and \$148,285,200 for the second year.

If the actual amount is different, the chancellor shall furnish the house appropriations and senate finance committees and the commissioner of finance with a report on December 1 of each year detailing the amount of the difference and provide an explanation thereof.

Subd. 4. Non-Instructional Expenditures

It is estimated that the amount for non-instructional expenditures will be \$14,213,700 for the first year, and \$13,899,900 for the second year.

If the actual amount is different, the chancellor shall furnish the house appropriations and senate finance committees and the commissioner of finance with a report on December 1 of each year detailing the amount of the difference and providing an explanation thereof.

(a) Of this amount, \$624,100 the first year and \$607,100 the second year is for state matching of federal student loan funds and federal work study funds.

(b) Of this amount, \$1,382,800 the first year and \$1,382,800 the second year is for repairs and betterments.

Subd. 5. The state university board shall submit a report to the chairmen of the house appropriations and senate finance committees by January 15, 1985, on the use of all money

exempt from budgetary control by the commissioner of finance pursuant to Minnesota Statutes, sections 136.11, subdivision 5; 136.144; and 136.37.

The state university system is authorized to charge summer session expenditures to the fiscal year in which most of the summer session activity takes place.

Sec. 5. STATE COMMUNITY COLLEGE BOARD

Subdivision 1. General Operations and Management

51,843,400 53,452,900

The amounts that may be expended from this appropriation for each purpose are more specifically described in the following subdivisions of this section.

Subd. 2. Instructional Expenditures

It is estimated that the amount for instructional expenditures will be \$71,372,700 for the first year, and \$74,494,700 for the second year.

If the actual amount is different, the chancellor shall furnish the house appropriations and senate finance committees and the commissioner of finance with a report on December 1 of each year detailing the amount of the difference and providing an explanation thereof.

Subd. 3. Non-Instructional Expenditures

It is estimated that the amount for non-instructional expenditures will be \$7,645,800 for the first year, and \$8,001,900 for the second year.

If the actual amount is different, the chancellor shall furnish the house appropriations and senate finance committees and the commissioner of finance with a report on December 1 of each year detailing the amount of the difference and providing an explanation thereof.

(a) Of this amount, \$440,600 the first year and \$440,600 the second year is for state matching of federal student loan funds and federal work study funds.

(b) Of this amount, \$673,600 the first year and \$673,600 the second year is for repairs and betterments.

Subd. 4. The community college system is authorized to charge summer session ex-

penditures to the fiscal year in which most of the summer session activity takes place.

Sec. 6. UNIVERSITY OF MINNESOTA

Subdivision 1. Total Appropriation	296,545,000	305,371,700
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The amounts that may be expended from this appropriation for each purpose are more specifically described in the following subdivisions of this section.

Subd. 2. Operations and Maintenance	247,291,600	253,232,700
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These appropriations are made from:

(a) income derived from investment of the permanent university fund, which is appropriated to the university as provided in Minnesota Statutes, section 137.022. It is estimated that this income will not exceed \$2,500,000 for the first year and \$2,500,000 for the second year; and

(b) the general fund. It is estimated that the amount required from the general fund will be at least \$244,791,600 for the first year and \$250,732,700 for the second year.

On December 1, 1984, and December 1, 1985, the president of the University of Minnesota shall furnish the house appropriations and senate finance committees and the commissioner of finance the following information:

(1) The total amount of receipts during the fiscal year 1984 from all sources in excess of \$117,729,100 and during the fiscal year 1985 from all sources in excess of \$125,356,600;

(2) The sources of these receipts; and

(3) The purposes for which any excess receipts were expended and accounts to which transferred.

The board of regents shall certify to the commissioner of finance at the end of each quarter the amount of earnings derived from the investment of the permanent university fund.

If this income during any fiscal year exceeds the amounts stated in (a), the amount payable from the general fund is reduced accordingly.

In preparing the university's legislative budget request for the 1985-1987 biennium, all projected income from student tuition shall be based on a charge per credit hour schedule.

This appropriation includes funds for faculty salary equalization at the coordinate campuses.

The legislature recommends that the university assure that the class of its female, non-student employees is not subject to sex discrimination and that this objective be accomplished to the extent possible by a university-wide program of review and if necessary by adjustments in policy and practices rather than by case-by-case litigation.

The legislature recommends that the university assure that the class of its administrative employees is not subject to special protection in times of budget reduction, retrenchment, and/or layoffs.

(c) Instructional expenditures:

It is estimated that the amount for instructional expenditures will be \$245,218,000 for the first year, and \$258,042,500 for the second year.

During the fiscal biennium ending June 30, 1985, if the actual amount is different, the University of Minnesota shall furnish the house appropriations and senate finance committees and the commissioner of finance with a report on December 1 of each year detailing the amount of the difference and provide an explanation thereof.

Of the above amount, \$135,000 the first year, and \$180,000 the second year is for law library acquisitions.

To the extent feasible, funds shall be allocated for positions in the college of veterinary medicine and the veterinary teaching hospital.

\$500,000 of the money for the second year is to constitute the medical education contingency fund. It is the intent of the legislature that steps be taken to reduce the projected oversupply of physicians in Minnesota. The university's study on medical school enrollment, including recommendations for reductions in entering class size for the 1984-1985 academic year and subsequent implications for funding, shall be presented to the chairmen of the senate finance committee and the house appropriations committee by October 1, 1983. The medical education contingent fund is available upon submission of required docu-

mentation that the university is moving to address the physician oversupply problem. The request for release of this money shall be reviewed by the education division of the house appropriations committee and the education subcommittee of the senate finance committee. A recommendation on the release of the money shall be made by the chairmen of the house appropriations and senate finance committees, whose recommendations are advisory only.

\$800,000 the first year and \$1,400,000 the second year is for the Duluth campus of the University of Minnesota for the establishment of a four-year engineering school. The money shall be used for programs in computer, electronics, and mineral engineering. \$100,000 each year of this money is available for the Duluth engineering program upon submission of required documentation that the state money has been matched by contributions from non-state sources. This matching requirement may be satisfied with donated equipment or supplies with the approval of the chairmen of the senate finance committee and the house appropriations committee.

It is the intent of the legislature that the university address the problem of teaching assistants for whom English is a second language. The university shall develop a plan for insuring that teaching assistants are proficient in speaking, reading, and writing the English language as it is spoken in the United States. The plan shall be presented to the legislature by December 1, 1983.

(d) Non-instructional expenditures:

It is estimated that the amount for non-instructional expenditures will be \$119,802,700 for the first year and \$120,546,800 for the second year.

During the fiscal biennium ending June 30, 1985, if the actual amount is different, the University of Minnesota shall furnish the house appropriations and senate finance committees and the commissioner of finance with a report on December 1 of each year detailing the amount of the difference and providing an explanation thereof.

(a) Agricultural Extension Service

\$10,637,700	\$11,164,600
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This appropriation includes money for agriculture extension work, county agricultural agents, home demonstration and 4-H club work, and soil conservation. Any salary increases granted by the university to personnel paid from this appropriation shall not result in a reduction of the county portion of the salary payments.

(b) Agricultural Research

\$10,517,200	\$11,033,000
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Of the above amount, \$10,417,200 the first year and \$10,933,000 the second year is for agricultural research.

Of the above amount, \$100,000 each year is for either of the following options: (a) an additional amount for agricultural research; or (b) the fire information, research and education center. This money is not to be divided between agricultural research and the FIRE center; it is to be used for one option or the other.

This appropriation includes money for research on aquatic plants (including wild rice), soybeans, avian disease, swine disease, corn improvement, and irrigation.

The university shall maintain an advisory council system for each experiment station. The advisory councils shall be broadly representative of range of size and income distributions for farms and agribusiness, and shall not be disproportionately represented by those from the upper half of the size and income distributions of farms and agribusiness.

(c) Coleman Leukemia Research Center

\$ 210,000	\$ 220,500
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(d) County Papers

\$ 2,000,000	\$ 2,000,000
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(e) Medical Research

\$ 1,902,200	\$ 1,997,300
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(f) Rural Physicians Associates Program

\$ 418,200	\$ 514,100
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(g) Special Hospitals, Service and Educational Offset

\$12,420,700	\$13,041,700
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This amount includes \$9,318,900 each year which is counted as instructional cost.

Fees for service furnished to counties and individuals under this program shall be sought to augment the money appropriated; the fees are appropriated to the university hospitals, to be available until June 30, 1985.

(h) Faculty Travel

\$ 85,000	\$ 89,300
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(i) Fellowships for Minority and Disadvantaged Students or Environmental Pathology Laboratory

\$ 50,000	\$ 50,000
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This appropriation is to be used for either of the following options: (a) fellowships for minority and disadvantaged students; or (b) support for the environmental pathology laboratory. This appropriation is not to be divided between the fellowships and the laboratory; it is to be used for one option or the other.

Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

(j) General Research

\$ 1,815,700	\$ 1,906,400
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This appropriation is, as the board of regents may direct, for general research, business and economic research including Duluth, center for urban and regional affairs, museum of natural history, and juvenile justice seminar.

(k) Geological Survey

\$ 649,200	\$ 681,700
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(l) Hormel Institute

\$ 155,200	\$ 163,000
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To support the operation of the institute and to promote research by the institute.

(m) Immigration History Research Center

The appropriation in Laws 1981, chapter 359, section 9, subdivision 12, for the immigration

history research center is available until June 30, 1985. One of every two dollars contributed from non-state and non-federal sources may be donated services or donated or loaned personal or real property. These services and property shall be valued according to the Code of Federal Regulations, title 34, sections 74.54 to 74.57 (1980).

(n) Industrial Relations Education

\$ 591,600 \$ 621,200

(o) Intercollegiate Athletics

\$ 1,688,400 \$ 1,772,800

This appropriation shall be used as a general offset to the expenses of intercollegiate athletics.

(p) Lake Superior Basin Studies

\$ 127,900 \$ 134,300

(q) Micro-Electronics and Information Science Center

\$ 600,000 \$ 600,000

The above appropriation is available upon submission of required documentation that the state money has been matched by contributions from non-state sources. Matching requirements may be satisfied with donated equipment or supplies with the approval of the chairmen of the senate finance committee and house appropriations committee.

(r) Mineral Resources Research Center

\$ 363,200 \$ 481,400

(s) Plant Bio-Mass Energy Research

\$ 126,600 \$ 132,900

(t) Sea Grant Institute

\$ 115,900 \$ 121,700

(u) Student Loans Matching Funds

\$ 92,800 \$ 92,800

(v) Summer Session and Continuing Education Supplement

\$ 1,290,700 \$ 1,355,300

This appropriation includes money for the administration of the elderhostel program.

(w) Veterinary Diagnostic Laboratory

\$ 1,045,200 \$ 1,195,000

This appropriation includes \$25,000 each year from the nongame wildlife account in the special revenue fund for the Raptor Rehabilitation and Research Clinic.

(x) Productivity Center

\$ 200,000 \$ 300,000

The above appropriation is available upon submission of required documentation that the state money has been matched by contributions from non-state sources. Matching requirements may be satisfied with donated equipment or supplies with the approval of the chairmen of the senate finance committee and house appropriations committee.

(y) Natural Resources Research Institute

\$ 1,650,000 \$ 2,250,000

(z) Bio-Technology Center

\$ 500,000 \$ 220,000

The above appropriation for the second year is available upon submission of required documentation that the state money has been matched by contributions from non-state sources. Matching requirements may be satisfied with donated equipment or supplies with the approval of the chairmen of the senate finance committee and house appropriations committee.

Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

Sec. 7. MAYO MEDICAL FOUNDATION 1,343,900 1,204,700

Subdivision 1. Medical School

\$ 1,191,100 \$ 1,041,300

The state of Minnesota shall pay a capitation of \$8,330 in fiscal years 1984 and 1985 for each student who is a resident of Minnesota for a maximum of 40 such students in each class.

Capitation funds shall be paid for a maximum of 20 students in each class for students who enter Mayo Medical School during the 1984-1985 academic year or thereafter.

It is the intent of the legislature that the Mayo

foundation use the capitation funds towards the objective of increasing the number of doctors practicing in rural areas in need of doctors as identified by the higher education coordinating board. The Mayo foundation shall submit a plan to the legislature by December 1, 1983, on how it plans to meet these objectives.

Subd. 2. Family Practice and Graduate Residency Program

\$ 152,800 \$ 163,400

The state of Minnesota shall pay capitation of \$12,730 in fiscal year 1984 and \$13,620 in fiscal year 1985 for a maximum of 12 students each year.

Sec. 8. [AFFIRMATIVE ACTION FOR TECHNOLOGY-RELATED EDUCATION.]

It is the intent of the legislature that during the biennium, technology-related education be made available to all qualified registrants at public institutions of post-secondary education in Minnesota. The University of Minnesota, the State University Board, the Community College Board, and the Board for Vocational-Technical Education shall each develop a plan on how affirmative action with regard to women, minorities, and the handicapped will be promoted in the spending of technology-related funds for educational programs. The plans shall be presented to the legislature by December 1, 1983.

Sec. 9. Minnesota Statutes 1982, section 3.732, subdivision 1, is amended to read:

Subdivision 1. As used in this section and section 3.736 the terms defined in this section have the meanings given them.

(1) "State" includes each of the departments, boards, agencies, commissions and officers in the executive branch of the state of Minnesota and includes but is not limited to the *Minnesota Educational Computing Consortium*, Minnesota Housing Finance Agency, the Minnesota Higher Education Coordinating Board, the Minnesota Higher Education Facilities Authority, the Armory Building Commission, the State Zoological Board, the University of Minnesota, state universities, community colleges, state hospitals, and state penal institutions. It does not include a city, town, county, school district, or other local governmental body corporate and politic.

(2) "Employee of the state" means all present or former officers, members, directors or employees of the state, members of the national guard, or persons acting on behalf of the state in an official capacity, temporarily or permanently, with or without compensation, but does not include an inde-

pendent contractor.

(3) "Scope of his office or employment" means that the employee was acting on behalf of the state in the performance of duties or tasks lawfully assigned to him by competent authority.

Sec. 10. Minnesota Statutes 1982, section 10A.01, subdivision 18, is amended to read:

Subd. 18. "Public official" means any:

- (a) Member of the legislature;
- (b) Constitutional officer in the executive branch and his chief administrative deputy;
- (c) Member, chief administrative officer or deputy chief administrative officer of a state board or commission which has at least one of the following powers: (i) the power to adopt, amend or repeal rules, or (ii) the power to adjudicate contested cases or appeals;
- (d) Commissioner, deputy commissioner or assistant commissioner of any state department as designated pursuant to section 15.01;
- (e) Individual employed in the executive branch who is authorized to adopt, amend or repeal rules or adjudicate contested cases;
- (f) Executive director of the state board of investment;
- (g) Executive director of the Indian affairs intertribal board;
- (h) Commissioner of the iron range resources and rehabilitation board;
- (i) Director of mediation services;
- (j) Deputy of any official listed in clauses (e) to (i);
- (k) Judge of the workers' compensation court of appeals;
- (l) Hearing examiner or compensation judge in the state office of administrative hearings or hearing examiner in the department of economic security;
- (m) Solicitor general or deputy, assistant or special assistant attorney general;
- (n) Individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher or attorney in the office of senate research, senate counsel, or house research; or
- (o) Member or chief administrative officer of the metropolitan council, metropolitan transit commission, metropolitan waste control commission, metropolitan parks and open spaces commission, metropolitan airports commission or metropolitan sports facilities commission; or
- (p) *Executive director of the Minnesota educational computing consortium.*

Sec. 11. Minnesota Statutes 1982, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. [ADDITIONAL UNCLASSIFIED POSITIONS.] Appointing

authorities for the following agencies may designate additional unclassified positions pursuant to this subdivision: the departments of administration; agriculture; corrections; economic security; education; employee relations; energy, planning and development; finance; health; human rights; labor and industry; natural resources; public safety; public service; public welfare; revenue; transportation; and veterans affairs; the banking, securities and real estate, insurance and consumer services divisions of the department of commerce; the housing finance and pollution control agencies; the state board of investment; and the offices of the secretary of state, state auditor and state treasurer; and the state board of vocational technical education.

A position designated by an appointing authority pursuant to this subdivision must meet the following standards and criteria:

(a) The designation of the position would not be contrary to the provisions of other law relating specifically to that agency;

(b) The person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;

(c) The duties of the position would involve significant discretion and substantial involvement in the development, interpretation and implementation of agency policy;

(d) The duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;

(e) There would be a need for the person occupying the position to be accountable to, loyal to, and compatible with the governor and the agency head, or the employing constitutional officer;

(f) The position would be at the level of division or bureau director or assistant to the agency head; and

(g) The commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

Sec. 12. Minnesota Statutes 1982, section 43A.18, subdivision 4, is amended to read:

Subd. 4. [PLANS NOT ESTABLISHED BUT APPROVED BY COMMISSIONER.] Notwithstanding any other law to the contrary, total compensation for employees listed in this subdivision shall be set by appointing authorities subject to the following limitations:

(a) Total compensation paid pursuant to this subdivision shall be within the limits of compensation plans which shall have been approved by the commissioner before becoming effective;

(b) Total compensation for employees who are not covered by a collective bargaining agreement in the offices of the governor, attorney general, secretary of state, state auditor and state treasurer shall be determined by the governor, attorney general, secretary of state, state auditor and state treasurer, respectively;

(c) Total compensation for unclassified employees of the state board of

investment shall be determined by the state board of investment;

(d) Total compensation for unclassified positions pursuant to section 43A.08, subdivision 1, clause (h) ~~and, in the higher education coordinating board, and in the state board of vocational technical education shall be determined by the state university board and the state board for community colleges, and the higher education coordinating board, and the state board of vocational technical education, respectively; and~~

(e) Total compensation for classified hearing examiners in the office of administrative hearings shall be determined by the chief hearing examiner.

Sec. 13. Minnesota Statutes 1982, section 120.17, subdivision 7a, is amended to read:

Subd. 7a. [ATTENDANCE AT SCHOOL FOR THE HANDICAPPED.] Responsibility for special instruction and services for a visually disabled or hearing impaired child attending the Minnesota school for the deaf or the Minnesota braille and sight-saving school shall be determined in the following manner:

(a) The legal residence of the child shall be the school district in which his parent or guardian resides.

(b) When it is determined pursuant to section 128A.05, subdivisions 1 or 2 that the child is entitled to attend either school, the state board shall provide the appropriate educational program for the child. The state board shall make a tuition charge to the child's district of residence for the actual cost of providing the program; provided, however, that effective for the ~~1979-1980~~ 1983-1984 school year and thereafter, the amount of tuition charged shall not exceed the sum of ~~\$500~~ \$1,000 plus the foundation aid formula allowance of the district for that child, for an entire school year, or a prorated amount based on the portion of the school year for which the child is a resident of the district or is actually in membership in the program. For purposes of this subdivision, "foundation aid formula allowance" shall have the meaning attributed to it in section 124.32, subdivision 1a. The district of the child's residence shall pay the tuition and may claim foundation aid for the child. The district of the child's residence shall not receive aid pursuant to section 124.32, subdivision 5, for tuition paid pursuant to this subdivision. All tuition received by the state board shall be deposited in the state treasury.

(c) When it is determined that the child can benefit from public school enrollment but that the child should also remain in attendance at the applicable school, the school district where the institution is located shall provide an appropriate educational program for the child and shall make a tuition charge to the state board for the actual cost of providing the program, less any amount of aid received pursuant to section 124.32. The state board shall pay the tuition and other program costs including the unreimbursed transportation costs. Aids for handicapped children shall be paid to the district providing the special instruction and services. Special transportation shall be provided by the district providing the educational program and the state shall reimburse such district within the limits provided by law.

(d) Notwithstanding the provisions of clauses (b) and (c), the state board may agree to make a tuition charge for less than the amount specified in

clause (b) for pupils attending the applicable school who are residents of the district where the institution is located and who do not board at the institution, if that district agrees to make a tuition charge to the state board for less than the amount specified in clause (c) for providing appropriate educational programs to pupils attending the applicable school.

(e) Notwithstanding the provisions of clauses (b) and (c), the state board may agree to supply staff from the Minnesota School for the Deaf and the Minnesota Braille and Sight-Saving School to participate in the programs provided by the district where the institutions are located when the programs are provided to students in attendance at the state schools.

Sec. 14. [120.801] [MINNESOTA EDUCATIONAL COMPUTING CONSORTIUM, PURPOSE.]

The legislature recognizes that computers are becoming a major factor in the operation of educational institutions, both in cost and in importance as an instructional tool. Furthermore, the legislature has continually supported the development of curricula for Minnesota educational institutions that include educational computing materials. While it is important that educational institutions be able to join together to gain economies in purchasing power, it is equally important that computer software and documentation be created, and instructional and administrative computing services be provided to meet the educational needs of Minnesota educational institutions. The purpose of the Minnesota educational computing consortium is to meet these needs.

Sec. 15. [120.802] [DEFINITIONS.]

Subdivision 1. For the purpose of sections 14 to 19 the words defined in this section have the meanings given them.

Subd. 2. "Consortium" means the Minnesota educational computing consortium originally created pursuant to Minnesota Statutes, section 471.59.

Subd. 3. "Minnesota educational institutions" means Minnesota school districts or combination of school districts, area vocational technical institutions, the state department of education, community colleges, state universities, and the University of Minnesota.

Sec. 16. [120.803] [STAFF.]

Subdivision 1. The consortium board shall appoint and set the salary of an executive director of the consortium. The executive director may employ other staff.

Subd. 2. [PERSONNEL MANAGEMENT.] The executive director shall establish personnel policies and procedures, including the compensation of other staff.

Subd. 3. [APPLICATION OF OTHER LAW.] The consortium is exempt from the application of chapters 14, 16, 16A, except 16A.095 and 16A.10, 43A, and 179. Notwithstanding chapter 13, the consortium shall not be required to disclose any copyrighted material. Consortium employees may participate in the Minnesota state retirement system and the teachers' retirement system. The commissioner of administration shall provide administrative services if requested by the consortium, and the consortium shall

reimburse the commissioner for services provided. The consortium is empowered to purchase or lease real estate necessary for the consortium's operations but in no event shall the consortium rely upon the full faith and credit of the state of Minnesota.

Sec. 17. [120.804] [DUTIES OF CONSORTIUM.]

Subdivision 1. [PRODUCTS.] Notwithstanding any law to the contrary, the consortium shall provide its services and products at cost, including overhead, to Minnesota educational institutions.

Subd. 2. [SERVICES TO OTHERS.] The consortium may provide its products and services for educational purposes to other than Minnesota educational institutions. To further the public purpose expressed in section 14, the consortium shall establish a differential pricing policy between sales to Minnesota educational institutions and sales to others.

Sec. 18. [120.805] [POWERS.]

The consortium may:

(a) develop computer software and documentation for use by educational institutions;

(b) train educators in the use of computing;

(c) research and develop innovative uses of instructional and management computing for education; and

(d) contract with educational institutions for the development of software, documentation, and instructional and management computing services and charge for the cost of the development or services.

Sec. 19. [120.806] [MINNESOTA EDUCATIONAL INSTITUTIONS; POWERS.]

All Minnesota educational institutions are authorized to designate the consortium as their purchasing agent for computer hardware, software, and development of software. Minnesota educational institutions are authorized, notwithstanding the requirements of sections 16.07, 471.345, or 123.37, to contract directly with the consortium for the development of computer programs and documentation and for instructional and management computing services for educational institutions.

Sec. 20. [REPORT.]

The Minnesota Educational Computing consortium board shall study and report to the chairmen of the house appropriations and senate finance committees and of the house and senate education committees by January 15, 1984, on the feasibility and desirability of transferring all or part of the powers and duties of the consortium to a nonprofit corporation, state agency, or other appropriate organizational structure. The report shall include recommendations for legislation needed to accomplish any recommendations.

Sec. 21. Minnesota Statutes 1982, section 120.81, is amended to read:

120.81 [MINNESOTA EDUCATIONAL COMPUTING CONSORTIUM, RECEIPTS.]

Subdivision 1. Effective October 1, 1977, no funds appropriated by the state

shall be transferred to or expended with or by the Minnesota educational computing consortium unless the consortium adheres to the provisions of chapters 15, 16, excepting sections 16.90 and 16.94 thereof, 16A and 43.

~~Subd. 2. Notwithstanding the provisions of subdivision 1, The consortium is authorized to maintain a revolving fund for all receipts derived from computer services provided by the consortium. The Minnesota educational computing consortium shall charge users of consortium facilities for on-line computer time actually used services and products. Receipts shall be deposited in the Minnesota educational computing consortium revolving fund and are appropriated to the consortium. The consortium board shall appoint an executive director who shall be its chief administrative officer. The executive director may be in the unclassified service. All other employees are in the classified service of the state.~~

Sec. 22. Minnesota Statutes 1982, section 121.11, is amended by adding a subdivision to read:

Subd. 15. [CERTAIN LICENSURE RULES.] The state board of education shall adopt and maintain as its rules for licensure of adult vocational education teachers, supervisory, and support personnel the rules of the state board of vocational technical education.

Sec. 23. Minnesota Statutes 1982, section 121.212, subdivision 2, is amended to read:

Subd. 2. Any fee established by the board pursuant to the authority granted in subdivision 1 shall not exceed \$1 per day per vehicle. Parking fees collected shall be deposited in the general or capital expenditure fund of the school district or joint school district.

Sec. 24. Minnesota Statutes 1982, section 121.931, subdivision 7, is amended to read:

Subd. 7. [APPROVAL POWERS.] The state board, with the advice and assistance of the ESV computer council, shall approve or disapprove the following, according to the criteria in section 121.937 and after promulgation, the rules adopted pursuant to subdivision 8:

(a) The creation of regional management information centers pursuant to section 121.935;

(b) The transfer by a district of its affiliation from one regional management information center to another;

(c) The use by a district of an alternative management information system to ESV-IS pursuant to section 121.936, subdivisions 2 to 4; and

(d) Annual and biennial plans and budgets submitted by regional management information centers pursuant to section 121.935, subdivisions 3 and 4; and

~~(e) Expenditures by districts for computer activities other than fees paid to regional management information centers.~~

Sec. 25. Minnesota Statutes 1982, section 121.934, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] The council shall be composed of:

(a) Four representatives of school districts, including one school district administrator from a rural school district, one school district administrator from an urban school district, one school board member from a rural school district, and one school board member from an urban school district;

(b) ~~Two representatives of regional management information center governing boards, including one member of a regional management information center board from a region which is predominantly rural and one member of a regional management information center board from a region which is predominantly urban;~~

(c) ~~Two~~ Three persons employed in management positions in the private sector, at least ~~one~~ two of whom ~~is a~~ are data processing ~~manager~~ managers or ~~holds~~ hold an equivalent position in the private sector;

(d) ~~Two~~ (c) Three persons employed in management positions in the public sector other than elementary, secondary, or vocational education, at least ~~one~~ two of whom ~~is a~~ are data processing ~~manager~~ managers or ~~holds~~ hold an equivalent position in the public sector; and

(e) (d) One person from the general public.

All the members appointed pursuant to clauses (a), (b) and (c) shall represent different regional management information centers. Members selected pursuant to clauses (b) and (c) and (d) shall not be employees or board members of local school districts or the department of education. *The council shall include at least one resident of each congressional district.*

Sec. 26. Minnesota Statutes 1982, section 123.742, is amended by adding a subdivision to read:

Subd. 4. The department of education may provide career information to school districts and educational systems. The department may collect reasonable fees for subscriptions to the Minnesota career information service.

Sec. 27. Minnesota Statutes 1982, section 123.743, is amended to read:

123.743 [APPROPRIATION.]

There is annually appropriated from the general fund to the department of education any and all amounts received by the department pursuant to section 123.742, subdivisions 2 and 3 and section 26.

Sec. 28. Minnesota Statutes 1982, section 124.48, is amended to read:

124.48 [INDIAN SCHOLARSHIPS.]

Subdivision 1. [AWARDS.] The state board, with the advice and counsel of the Minnesota Indian scholarship committee, may award scholarships to any Minnesota resident student who is of one-fourth or more Indian ancestry, who has applied for other existing state and federal scholarship and grant programs, and who, in the opinion of the board, has the capabilities to benefit from further education. Scholarships shall be for advanced or specialized education in accredited or approved colleges or in business, technical or vocational schools. Scholarships shall be used to defray the total cost of education including tuition, incidental fees, books, supplies, transportation, other related school costs and the cost of board and room and shall be paid directly to the college or school concerned. The total cost of

education includes all tuition and fees for each student enrolling in a public institution and the portion of tuition and fees for each student enrolling in a private institution that does not exceed the tuition and fees at a comparable public institution. Each student shall be awarded a scholarship based on the total cost of the student's education and a standardized need analysis. The amount and type of each such scholarship shall be determined through the advice and counsel of the Minnesota Indian scholarship committee.

When an Indian student satisfactorily completes the work required by a certain college or school in a school year ~~he~~ *the student* is eligible for additional scholarships, if additional training is necessary to reach ~~his~~ *the student's* educational and vocational objective. Scholarships may not be given to any Indian student for more than ~~four~~ *five* years of study without special approval of the Minnesota Indian scholarship committee.

Subd. 2. [REPORT TO LEGISLATURE.] By December 1 of each even-numbered year, the state board of education shall report to the education committees of the legislature about the status of Indian scholarships and the recipients.

Sec. 29. [135A.01] [FUNDING POLICY.]

It is the policy of the legislature that state appropriations for the instructional services at public post secondary institutions reflect the cost of providing the instructional services.

Sec. 30. [135A.02] [APPLICABILITY.]

The total cost of providing instructional services shall be used to appropriate money to the board of regents of the University of Minnesota, state university board, state board for community colleges, and the state board for vocational education to the extent the money is for instructional services.

Sec. 31. [135A.03] [APPROPRIATIONS FOR INSTRUCTIONAL SERVICES.]

Subdivision 1. [DETERMINATION OF APPROPRIATION.] The appropriation to each board for instructional services shall equal the total cost of instruction minus the estimated tuition revenue.

Subd. 2. [DETERMINATION OF TOTAL COST OF INSTRUCTION.] The total cost of instruction shall be calculated in the following manner.

(a) Determine the student enrollment, for each instructional category, for the fiscal year two years before the fiscal year for which the appropriation is to be made.

(b) Multiply the student enrollment by the average cost of instruction per student in each instructional category.

(c) Add the resulting products.

Subd. 3. [DETERMINATION OF STUDENT ENROLLMENT.] Student enrollment shall be the full-year equivalent or average daily membership enrollment in each instructional category in the fiscal year two years before the fiscal year for which the appropriations are being made. Student enrollment may be estimated on the basis of the fall enrollment. Student enrollment shall exclude students enrolled during a summer session, except when the

instructional program is provided during the entire calendar year. Each board shall submit by December 1 of each year the student enrollment data necessary to determine appropriations. The data shall be submitted to the commissioner of finance.

Subd. 4. [DETERMINATION OF AVERAGE COST OF INSTRUCTION.] (a) The average cost of instruction shall include direct instructional costs and other costs necessary to provide instruction, such as fees, facilities, administration, and support. The average cost of instruction shall not include summer session costs, except when the instructional program is provided during the entire calendar year.

(b) Each board shall submit by December 1, 1983, its average cost of instruction for each instructional category for the 1984 fiscal year. Annually thereafter by December 1, each board shall submit the average cost of instruction for each instructional category as necessary to determine appropriations. The information shall be submitted to the commissioner of finance.

Subd. 5. [INSTRUCTIONAL CATEGORIES.] Average cost of instruction shall be determined by categories of cost of program and level of instruction and student enrollment in each category.

Sec. 32. [135A.04] [VARIABLE TUITION.]

The board of regents of the University of Minnesota, state university board, state board for community colleges, and state board for vocational education shall establish tuition. Tuition may vary by program, level of instruction, cost of instruction, or other classifications determined by each board.

Sec. 33. [135A.05] [TASK FORCE.]

The commissioner of finance shall establish a task force on average cost funding. The task force shall include representation from each of the public systems of postsecondary education, post-secondary students, the higher education coordinating board, the education division of the house appropriations committee, and education subcommittee of the senate finance committee, the office of state auditor, and the uniform financial accounting and reporting advisory council. The task force shall be convened and chaired by the commissioner of finance or his designee and staffed by the department of finance. The task force shall review and make recommendations on the definition of instructional cost in all four systems, the method of calculating average cost for funding purposes, the method used to assign programs to the proper level of cost at each level of instruction, the adequacy of the accounting data for defining instructional cost in a uniform manner, and the biennial budget format to be used by the four systems in submitting their 1985-1987 biennial budget requests. The task force shall submit a report on these matters to the legislature by December 1 of each year.

Sec. 34. [135A.06] [SYSTEM PLANS: UNIVERSITY OF MINNESOTA; STATE UNIVERSITY BOARD; STATE BOARD FOR COMMUNITY COLLEGES; STATE BOARD FOR VOCATIONAL EDUCATION.]

Subdivision 1. It is the intent of the legislature that the planning efforts of the public postsecondary education systems be summarized and reported to the legislature. These planning efforts include, but are not limited to, the

on-going intra-system and inter-system planning processes and the information provided by the systems to the governor's commission on the future of postsecondary education. In order to accomplish this goal, the University of Minnesota board of regents, the state university board, the state board for community colleges, and the state board for vocational education shall each submit to the governor and the legislature on December 1 of each even-numbered year a planning report for its system. The planning report shall contain the mission of the system and short- and long-range plans for programs, staff, and facilities. The report shall specify the mission and plans for two, five, and ten years. The assumptions used in developing the plans shall be included.

Subd. 2. [MISSION.] Each system shall review its mission as it relates to instruction, research, and public service.

Subd. 3. [SYSTEM PLANS.] (a) Each system shall review its program plan for instruction, research, and public service. Program plans shall include a statement of program priorities for undergraduate, graduate, and professional education. Program plans shall also include data about program cost and average class size within each institution.

(b) Each system shall review its plan for adjusting the number of facilities, staff, and programs to projected level of demand. Plans for adjustments shall consider campus and program mergers, campus and program closings, new governance structures, and other methods including consolidation of institutions, services, and programs with institutions serving the same geographic area which are operated by different governing boards.

(c) Each system shall consult with the higher education coordinating board throughout the planning process.

Subd. 4. [PLANNING FACTORS.] Each planning report shall consider the following factors at a minimum.

(a) Enrollment projections for two, five, and ten years. If a system uses projections which are different from the most recent available projections produced by the higher education coordinating board, the system shall compare its projections with enrollment projections prepared by the higher education coordinating board, and the system shall identify the method and assumptions used to prepare its projections;

(b) Estimated financial costs and savings of alternative plans for adjusting facilities, staff, and programs to declining enrollments and fiscal resources;

(c) Opportunities for providing services cooperatively with other public and private institutions in the same geographic area.

Subd. 5. [HECB REVIEW AND COMMENT.] The higher education coordinating board shall review and comment on the reports prepared by the systems. In order to provide sufficient time for this review, systems shall submit the reports to the coordinating board on September 1 prior to the December 1 submission to the governor and legislature. Before the higher education coordinating board forwards its review and comment to the legislature, each system shall be given the opportunity by the higher education coordinating board to respond to the higher education coordinating board review. In order to provide sufficient time for the systems to respond, the

HECB shall provide copies of its review and comment to the systems by October 15 and the systems shall submit any responses to the higher education coordinating board by November 15, prior to the January 2 submission to the governor and the legislature. The system responses shall accompany the higher education coordinating board review and comment when it is submitted to the governor and the legislature. As part of its review and comment, the higher education coordinating board shall present information on the costs, enrollment, and participation in public post secondary institutions.

Sec. 35. [135A.07] [EXECUTIVE SALARIES.]

Notwithstanding the provisions of chapters 15A and 43A and any other law passed during the 1983 legislative session, the state university board, the community college board, the higher education coordinating board, the state board of education, and the state board of vocational technical education may establish salaries for the chancellor, executive director, commissioner, and the state director, respectively, based on the level of responsibility and authority of the positions. The boards may also consider appropriate market comparisons with comparable positions in the midwest.

Sec. 36. Minnesota Statutes 1982, section 136.03, is amended to read:

136.03 [MANAGEMENT OF STATE UNIVERSITIES.]

The state universities shall be under the management, jurisdiction, and control of the state university board; and it shall have and possess all of the powers, jurisdiction, and authority, and shall perform all of the duties by them possessed and performed on and prior to April 1, 1901, except as hereinafter stated. Notwithstanding the provisions of sections 136.01, 136.015, and 136.017, the state university board, as it deems necessary, may close state universities under its jurisdiction. Prior to closing a state university the board shall hold a public hearing on the issue in the area which would be affected by the closing. At the hearing affected persons shall have an opportunity to present testimony. The hearing shall be conducted by the office of administrative hearings. The hearing examiner shall prepare a summary of testimony received at the hearing for the board. The board shall give notice of this hearing by publishing notice in the State Register and in a newspaper of general circulation in the affected area at least 30 days before the scheduled hearing.

Sec. 37. [136.031] [CARRY OVER AUTHORITY.]

The state university board may carry over any unexpended balance from its appropriation from the first year of a biennium into the second year of the biennium. The board may carry over an unexpended balance up to a maximum of two percent of its biennial appropriation into the following biennium. These moneys shall not be taken into account in determining state appropriations.

Sec. 38. Minnesota Statutes 1982, section 136.144, is amended to read:

136.144 [PROMOTION OF UNIVERSITY; ACCEPTANCE OF GIFTS.]

The board may receive and accept on behalf of the state and for the state universities any gift, bequest, devise, endowment, or grant in the form of cash which any person, firm, corporation, association, or governmental agency may make to the board by will, deed, gift, or otherwise to carry out

the purposes of section 136.143. Unless otherwise so expressed in the terms of the gift, bequest, devise, endowment, or grant, moneys so received are not subject to the laws requiring budgeting, allotment, and encumbrance as provided in chapter 16A, or otherwise. ~~Such Moneys~~ These moneys shall be deposited in the state treasury and are hereby appropriated to the board for use in accordance with according to this section. These moneys shall not be taken into account in determining appropriations or allocations.

Sec. 39. Minnesota Statutes 1982, section 136.62, is amended by adding a subdivision to read:

Subd. 7. [CLOSING AUTHORITY.] Notwithstanding the provisions of sections 136.60 and 136.602, the board, as it deems necessary, may close community colleges under its jurisdiction. Prior to closing a community college the board shall hold a public hearing on the issue in the area which would be affected by the closing. At the hearing affected persons shall have an opportunity to present testimony. The hearing shall be conducted by the office of administrative hearings. The hearing examiner shall prepare a summary of testimony received at the hearing for the board. The board shall give notice of this hearing by publishing notice in the State Register and in a newspaper of general circulation in the affected area at least 30 days before the scheduled hearing.

Sec. 40. Minnesota Statutes 1982, section 136.67, is amended by adding a subdivision to read:

Subd. 5. [CARRY OVER AUTHORITY.] The community college board may carry over any unexpended balance from its appropriation from the first year of a biennium into the second year of the biennium. The board may carry over an unexpended balance up to a maximum of two percent of its biennial appropriation into the following biennium. These moneys shall not be taken into account in determining state appropriations.

Sec. 41. [LEGISLATIVE INTENT.]

(1) The state scholarship and grant-in-aid programs amended in this act are intended to help men and women of the state with financial need pay the costs of their education.

(2) It is the intention of the legislature that the responsibility for the costs of attendance at the institutions of students' choosing be shared by students, parents, and government and that the responsibilities be set forth.

(3) Aid is to be made available to eligible students only after taking into account contributions from the students, parents, and federal Pell Grants for which the applicants are eligible.

(4) All students, as the main beneficiaries of the education, will be expected to make substantial contributions of the same proportion equal to at least half of the cost of attendance from savings, earnings, loans, and other resources.

(5) Further, the students' parents, if financially able, are expected to make a contribution to the cost of attendance.

Sec. 42. Minnesota Statutes 1982, section 136A.121, is amended to read:

136A.121 [SCHOLARSHIPS AND GRANTS-IN-AID.]

Subdivision 1. [ELIGIBILITY FOR SCHOLARSHIPS.] An applicant shall be eligible to ~~compete~~ *be considered* for a scholarship under the provisions of sections 136A.09 to 136A.131 if the board finds that applicant:

- (1) is a resident of the state of Minnesota;
- (2) has met all the requirements for admission as a full time student to an eligible institution of his choice as defined in sections 136A.09 to 136A.131;
- (3) has demonstrated capacity for superior achievement at the institutional level as measured by standards prescribed by the board;
- (4) is a qualified applicant as defined herein.

Subd. 2. [ELIGIBILITY FOR GRANTS-IN-AID.] An applicant shall be eligible to ~~compete~~ *be considered* for a grant-in-aid, regardless of the applicant's sex, creed, race, color, national origin, or ancestry, under the provisions of sections 136A.09 to 136A.131 if the board finds that applicant:

- (1) is a resident of the state of Minnesota;
- (2) is a graduate of a secondary school or its equivalent, *or is 17 years of age or over*, and has met all requirements for admission as a full time student to an eligible college or vocational school of his choice as defined in sections 136A.09 to 136A.131 or has completed at least one academic year of study at a two year institution and seeks transfer to a four year eligible institution;
- (3) has met such criteria pertaining to financial need as the board shall make by regulation.

Subd. 3. [ALLOCATION AND AMOUNT.] Scholarships and grants-in-aid shall be awarded annually on a funds available basis to those applicants for initial awards and applicants for renewal awards who meet the board's requirements.

Subd. 4. [SCHOLARSHIP STIPENDS.] *An eligible scholarship applicant shall be considered for a financial stipend* ~~shall accompany scholarship awards if the scholarship winner applicant demonstrates financial need and will attend an eligible institution. Financial stipends shall range from a maximum of \$1,100 in the 1979-1980 school year, \$1,250 in the 1980-1981 school year and up to \$1,400 in the 1981-1982 school year and subsequent school years to a minimum of \$100 but in no event shall exceed one-half of the applicant's financial need or an amount which if combined with the amount of a federal basic educational opportunity grant for which the applicant is eligible equals 75 percent of the applicants need, whichever is the lesser. An eligible scholarship winners applicant who ~~do~~ does not demonstrate financial need under criteria prescribed by the board shall be awarded an honorary scholarships scholarship. The amount of a financial stipend shall not exceed a scholarship applicant's cost of attendance, as defined in subdivision 6, after deducting the following:~~

(a) *a contribution by the scholarship applicant of at least 50 percent of the cost of attending the institution of the applicant's choosing;*

(b) *a contribution by the scholarship applicant's parents, as determined by a standardized need analysis; and*

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

The minimum financial stipend shall be \$100.

Subd. 5. [GRANTS-IN-AID STIPENDS.] A financial stipend based on financial need shall accompany grants-in-aid. ~~Financial stipends shall range from a maximum of \$1,100 in the 1979-1980 school year, \$1,250 in the 1980-1981 school year and up to \$1,400 in the 1981-1982 school year and subsequent school years to a minimum of \$100, but in no event shall exceed one-half of the applicant's financial need, or an amount which if combined with the amount of a federal basic educational opportunity grant for which the applicant is eligible equals 75 percent of the applicants need, whichever is the lesser. The amount of a financial stipend shall not exceed a grant applicant's cost of attendance, as defined in subdivision 6, after deducting the following:~~

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

(b) a contribution by the grant applicant's parents, as determined by a standardized need analysis; and

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

The minimum financial stipend shall be \$100.

Subd. 6. [COST OF ATTENDANCE.] ~~The cost of attendance shall consist of allowances specified by the board for room and board and miscellaneous expenses, and~~

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

(b) for private institutions, beginning July 1, 1985, an allowance for tuition and fees equal to the lesser of (1) the actual tuition and fees charged by the institution, or (2) the instructional costs per full year equivalent student in comparable public institutions. Prior to July 1, 1985, the tuition and fees allowance shall not exceed the instructional costs per full year equivalent student in comparable public institutions.

Subd. 7. [INSUFFICIENT APPROPRIATION.] ~~If the amount appropriated is insufficient to make full awards to applicants pursuant to subdivision 4, then awards shall be reduced by~~

(a) adding a surcharge to the contribution of the applicant's parents, and

(b) a percentage increase in the applicant's contribution.

Subd. 8. [PRIORITY.] In dispensing available funds in a given year, priority shall be given ~~on the following basis: first to renewal scholarships and grants-in-aid. Thereafter, until the funds are exhausted, and second to applicants for initial awards, on the basis of their rank in the case of scholarships, and on the basis of need with all applicants treated as a single pool of applicants in the case of grants-in-aid, as determined by standards prescribed by the board.~~

Subd. 7 9. [INITIAL AWARDS.] Only first year students shall be eligible to apply for and receive initial scholarship awards. ~~Only first year and transfer students who meet the board's requirements shall be eligible to apply~~

for and receive initial grants-in-aid for the 1977-1978 school year. First year students, transfer students who meet the board's requirements and second year students who did not receive a grant-in-aid award upon entrance to post-secondary education shall be eligible to apply for and receive initial grants-in-aid for the 1978-1979 and 1979-1980 school years. Any undergraduate student who has not previously received a scholarship or grant-in-aid and who meets the board's requirements shall be eligible to apply for and receive a *an initial* grant-in-aid in any year of undergraduate study for the 1980-1981 school year and subsequent school years.

Subd. 8 10. Each scholarship or grant-in-aid shall be awarded for one academic year but shall be renewable for a maximum of six semesters or nine quarters or their equivalent but may not continue after the recipient has obtained a baccalaureate degree or been enrolled full-time or the equivalent for the number of semesters or quarters normally required to complete a baccalaureate degree, whichever occurs first.

Subd. 9 11. Each scholarship or grant-in-aid shall be renewable, contingent on continued residency in Minnesota, satisfactory academic standing and recommendation of the college or vocational school and, in the case of financial assistance, evidence of continued need.

Subd. 10 12. The student must apply for renewal of his scholarship or grant-in-aid each year.

Subd. 11 13. ~~The deadline for~~ The board *to must* accept applications for state scholarships and grants-in-aid ~~shall be not earlier than~~ *until* February 15 *and may establish a deadline for the acceptance of applications which is later than February 15.*

Subd. 12 14. The student must continue to attend an eligible institution.

Subd. 13 15. All scholarship ~~winner~~ *winners* and *grant-in-aid recipients* shall be notified of their ~~award~~ *awards* by the board and shall be given appropriate evidence of the award.

Subd. 14. All ~~grant-in-aid recipients~~ shall be *duly notified thereof by the board.*

Subd. 15 16. Financial scholarships and grants-in-aid awarded under the terms of sections 136A.09 to 136A.131 shall be applied to educational costs in the following order: tuition, fees, books, supplies and other expenses. Unpaid portions of such awards shall revert to the board scholarship or grant-in-aid account.

Sec. 43. Minnesota Statutes 1982, section 136A.14, is amended to read:

136A.14 [STUDENT LOANS, PURPOSE.]

The legislature has found and hereby declares that the encouragement of the maximum educational development of the ~~young~~ men and women of Minnesota is in the best interest of the state. The state loan ~~program~~ *programs* would encourage students to continue their education and provide financial assistance for those who would not otherwise be able to do so. The state loan ~~program~~ *programs* provided for herein ~~is designated~~ *except the loan programs authorized under section 49 are designed to be compatible with the provisions of the Higher Education Act of 1965. In furtherance of*

the loan programs provided for in sections 136A.14 to 136A.17 and section 49, the board may enter into such contracts, agreements, and guarantees with reference to the loans or the issuance of revenue bonds as may be necessary to carry out the programs.

Sec. 44. Minnesota Statutes 1982, section 136A.141, is amended to read:

136A.141 [STUDENT LOAN PROGRAM.]

The higher education coordinating board shall establish and supervise one or more student loan programs in accordance with the provisions of sections 136A.14 to 136A.17 *and section 49.*

Sec. 45. Minnesota Statutes 1982, section 136A.143, is amended to read:

136A.143 [FOREIGN STUDENTS; RESIDENT TUITION.]

Institutions of higher education in Minnesota shall be authorized to grant resident status for the purpose of paying tuition fees in each institution to bona fide foreign students after their first year in Minnesota, provided that the total number of these residencies shall not exceed one-half of one percent of total full-time equivalent fall term enrollment of these institutions; ~~provided further that these residencies shall be granted on the basis of demonstrated financial need as determined by the higher education coordinating board.~~

Sec. 46. Minnesota Statutes 1982, section 136A.15, is amended to read:

136A.15 [DEFINITIONS.]

Subdivision 1. For purposes of sections 136A.14 to 136A.17 *and section 49*, the terms defined in this section have the meanings ascribed to them:

Subd. 2. "Academic year or its equivalent" shall be as defined in the federal regulations which govern the administration of the National Vocational Student Loan Insurance Act of 1965 and Title IV of the Higher Education Act of 1965.

Subd. 3. "Board" means the Minnesota higher education coordinating board.

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

Subd. 5. "Eligible institution" means any public educational institution and any private educational institution, in any state which is approved by the U.S. commissioner of education in accordance with requirements set forth in the Higher Education Act of 1965, as amended.

Subd. 6. "Eligible lender" means an eligible institution, an agency or instrumentality of a state, or a financial or credit institution (including an insurance company) which is subject to examination and supervision by an agency of the state of Minnesota or of the United States.

Subd. 7. "Eligible student" means a student who is officially registered or accepted for enrollment at an eligible institution in Minnesota or a Minnesota resident who is officially registered as a student or accepted for enrollment at an eligible institution in another state. Eligible student, except for purposes of section ~~136A.161~~ 49, includes parents of an eligible student

as the term "parent" is defined in the higher education act of 1965, as amended, and the regulations promulgated thereunder. *Except for the purposes of section 49, eligible student also includes students eligible for auxiliary loans as the term auxiliary is defined in the Higher Education Act of 1965, as amended, and the regulations promulgated thereunder.*

Sec. 47. Minnesota Statutes 1982, section 136A.16, is amended to read:

136A.16 [POWERS AND DUTIES OF BOARD.]

Subdivision 1. The Minnesota higher education coordinating board is hereby designated as the administrative agency for carrying out the purposes and terms of sections 136A.14 to 136A.17 *and section 49.*

Subd. 2. The board shall adopt policies and prescribe appropriate rules and regulations to carry out the purposes of sections 136A.14 to 136A.17 *and section 49.* ~~Such~~ *The policies, rules, and regulations except as they relate to loans under section 49 shall be compatible with the provisions of the National Vocational Student Loan Insurance Act of 1965 and the provisions of Title IV of the Higher Education Act of 1965, and any amendments thereof.*

Subd. 3. The board may make loans in amounts not to exceed the maximum amount provided in the higher education act of 1965 and any amendments thereof *except that the limitation shall not apply to loans under section 49.* The board may establish procedures determining the loan amounts for which students are eligible.

Subd. 4. The board may contract with or enter into agreements with eligible lenders for the purpose of making loans to eligible students in accordance with the policies and rules of the board.

Subd. 5. The board shall have the right to contract with guarantee agencies, *insurance agencies,* and/or collection agencies, *or any other person,* to carry out the purposes of sections 136A.14 to 136A.17 *and section 49.*

Subd. 6. The board shall be empowered to charge for insurance on each loan a premium, payable each year in advance. *The premiums shall not be in an amount not to exceed in excess of the premium in the federal regulations which govern the vocational and higher education loan program except that the limitation shall not apply to loans under section 49.* Premium fees shall be available to the board without fiscal year limitation for the purposes of making loans and meeting expenses ~~incurred in~~ *of administering the program loan programs.*

Subd. 7. The board may apply for, receive, accept, and disburse federal funds, as well as funds from other public and private sources, made available to the state for loans or as administrative moneys to operate student loan programs. In making application for ~~federal~~ funds, it may comply with all requirements of ~~such~~ *state and federal law and such* rules and regulations, *and enter into the contracts necessary* to enable it to receive, accept, and administer such funds.

Subd. 8. Moneys made available to the board which are not immediately needed for the purposes of sections 136A.14 to 136A.17 *and section 49* may be invested by the board. Such moneys shall be invested in bonds, certificates of indebtedness, and other fixed income securities, except preferred

stocks, which are legal investments for the permanent school fund. Such moneys may also be invested in such prime quality commercial paper as is eligible for investment in the state employees retirement fund. All interest and profits from such investments shall inure to the benefit of the board.

Subd. 9. The board shall be empowered to employ such professional and clerical staff as the director deems necessary for the proper administration of the loan ~~program~~ *programs* established and defined by sections 136A.14 to 136A.17 *and section 49*.

Subd. 10. Subject to its directives and review, the board may delegate to the director the responsibility for issuance of public information concerning provisions of sections 136A.14 to 136A.17 *and section 49*, for design of loan application forms, and for prescribing procedures for submission of applications for loans.

Subd. 11. The board shall periodically review and evaluate its programs and activities and shall report to the governor on or before the beginning of each session of the state legislature.

Subd. 12. The board shall establish and maintain appropriate accounting and related records.

~~Subd. 13. Before implementing a loan program for parents as defined in section 136A.15, subdivision 7, the board shall obtain approval from the legislative advisory commission.~~

Sec. 48. Minnesota Statutes 1982, section 136A.17, is amended to read:

136A.17 [PROGRAM REQUIREMENTS PROVISIONS FOR FEDERAL PROGRAMS.]

Subdivision 1. A student shall be eligible to apply for a loan under the provisions of sections 136A.14 to 136A.17 if the board finds that the student is an eligible student as defined in those sections and is eligible for a loan under federal laws and regulations governing the federal guaranteed student loan ~~program~~ *programs*.

Subd. 2. The student loan ~~program~~ *programs* shall be administered in compliance with Title VI of the Civil Rights Act of 1964.

Subd. 3. The board may loan money upon such terms and conditions as the board may prescribe *and it may acquire student loans from other lenders to facilitate the student loan programs provided for in this section.*

Subd. 4. No loan shall be made in excess of the maximum provided by pertinent federal laws and regulations. The aggregate unpaid principal amount of loans to any individual student shall not exceed the maximum provided in pertinent federal laws and regulations.

Subd. 5. The board may make loans for vocational study to an individual student for a maximum of three academic years or their equivalent and loans for higher education to an individual student for a maximum of eight academic years of study or their equivalent.

Subd. 6. No loans made by the board shall be made at an annual rate of interest in excess of the maximum prescribed in the National Vocational Student Loan Insurance Act of 1965 and the Higher Education Act of 1965,

and any amendments thereof.

Subd. 7. The benefits of the loan ~~program~~ *programs* will not be denied any student because of his family income or lack of need if his adjusted annual family income at the time the note is executed is less than the maximum prescribed in the applicable federal regulations.

Subd. 8. The repayment procedures applicable for loans made by the board shall be consistent with federal regulations governing interest payments under the National Vocational Student Loan Insurance Act of 1965 and the Higher Education Act of 1965.

Subd. 9. The board may take, hold, and administer, ~~on behalf of the board~~ *and* for any of its purposes, real property, personal property and moneys, or any interest therein, and the income therefrom, either absolutely or in trust, for any purposes of the board. The board may acquire property or moneys for such purposes by purchase or lease and by the acceptance of gifts, grants, bequests, devises or loans; and may enter into contracts with other nonprofit corporations or institutions with the same or similar purposes as will benefit and improve the operation of the board *and its loan programs*.

Subd. 10. The board may establish variable repayment schedules consistent with the need and anticipated income streams of borrowers. The repayment schedules shall not violate the federal laws and regulations governing federal guaranteed student loan programs.

Subd. 11. No moneys originating from state sources in the state treasury shall be made available for student loans and all student loans shall be made from moneys originating from non-state sources.

Sec. 49. [136A.1701] [SUPPLEMENTAL AND ADDITIONAL LOANS.]

Subdivision 1. [ESTABLISHMENT OF PROGRAM.] The higher education coordinating board may provide for programs of loans which may be made in lieu of or in addition to loans authorized under sections 136A.14 to 136A.17 and applicable provisions of federal law as provided in this section.

Subd. 2. [PURPOSE OF PROGRAM.] The purpose of the loan programs under this section is to provide financial assistance for the postsecondary education of students who are eligible students whether or not such students qualify for a loan or loans under other provisions of sections 136A.14 to 136A.17. Loans granted to students shall be used solely for educational purposes.

Subd. 3. [COMPLIANCE WITH CIVIL RIGHTS ACT.] The student loan programs shall be administered in compliance with Title VI of the Civil Rights Act of 1964.

Subd. 4. [TERMS AND CONDITIONS OF LOANS.] The board may loan money upon such terms and conditions as the board may prescribe. The principal amount of a loan to an undergraduate student for a single academic year may not exceed \$4,000. The aggregate principal amount of all loans made under this section to an undergraduate student may not exceed \$16,000. The principal amount of a loan to a graduate student for a single academic year shall not exceed \$6,000. The aggregate principal amount of all loans made under this section to a student as a graduate student shall not

exceed \$25,000.

Subd. 5. [MAXIMUM LOANS FOR STUDENTS.] Loans made under this section or sections 136A.14 to 136A.17 to an individual eligible student for vocational study may be made for a maximum of three academic years or their equivalent and loans made to any other individual eligible student may be made for a maximum of eight academic years or their equivalent.

Subd. 6. [RATE OF INTEREST.] The board shall determine the rate of interest to be charged on loans. The rate of interest on student loans however computed, shall not be subject to any provision of state law limiting the rate of interest to be charged for a loan of money.

Subd. 7. [REPAYMENT OF LOANS.] The board shall establish repayment procedures for loans made under this section, but in no event shall the period of permitted repayment exceed ten years from the eligible student's termination of his postsecondary academic or vocational program, or 15 years from the date of his first loan under this section, whichever is less.

Subd. 8. [BOARD POWERS.] The board may take, hold, and administer for any of its purposes, real or personal property and money, or any interest therein, and the income therefrom, either absolutely or in trust, for any purposes of the board. The board may acquire real or personal property or money for its purposes by purchase or lease and by gift, grant, bequest, devise, or loan, and may enter into contracts with profit or nonprofit corporations or institutions with the same or similar purposes as will benefit and improve the operation of the board and its loan programs.

Subd. 9. [VARIABLE REPAYMENT SCHEDULES.] The board may establish variable loan repayment schedules consistent with the need and anticipated income streams of borrowers.

Subd. 10. [PROHIBITION ON USE OF STATE MONEY.] No money originating from state sources in the state treasury shall be made available for student loans under this section and all student loans shall be made from money originating from nonstate sources.

Sec. 50. [136A.1702]

The board shall obtain approval from the legislative advisory commission prior to taking the following actions with regard to student loan programs described in this act:

(1) implementing a loan program for parents and students eligible for auxiliary loans as defined in section 136A.15, subdivision 7;

(2) acquiring student loans from other lenders to facilitate student loan programs provided for in section 136A.17; and

(3) providing for programs of supplemental and additional loans as defined in section 49.

Sec. 51. Minnesota Statutes 1982, section 136A.18, is amended to read:

136A.18 [~~CONTRACTUAL ARRANGEMENTS WITH PRIVATE COLLEGES; PURPOSE.~~]

The legislature has found and hereby declares that private colleges in Minnesota have the ~~potential~~ capacity for educating ~~larger~~ significant

numbers of Minnesota residents and that providing for the education of ~~additional~~ Minnesota residents in private colleges, rather than in state institutions of higher education, ~~would result~~ *results* in a savings of tax moneys. The ~~contractual arrangements with~~ Minnesota private colleges ~~authorized herein are designed to encourage and~~ *encouraged* to facilitate the education of ~~larger~~ *significant* numbers of Minnesota residents in private colleges located in Minnesota.

Sec. 52. Minnesota Statutes 1982, section 136A.26, is amended to read:

136A.26 [MEMBERSHIPS; OFFICERS; COMPENSATION; REMOVAL.]

Subdivision 1. The Minnesota higher education facilities authority shall consist of six members appointed by the governor with the advice and consent of the senate, and the executive director of the Minnesota higher education coordinating board. *The executive director of the coordinating board may designate a member of the director's staff to sit in the director's place as a member of the authority.*

All members to be appointed by the governor shall be residents of the state. At least one of the members shall be a person having a favorable reputation for skill, knowledge, and experience in the field of state and municipal finance; and at least one shall be a person having a favorable reputation for skill, knowledge, and experience in the building construction field; and at least one of the members shall be a trustee, director, officer, or employee of an institution of higher education.

Subd. 2. The membership terms, compensation, removal of members, and filling of vacancies for authority members other than the executive director of the higher education coordinating board *or the director's designee* shall be as provided in section 15.0575.

Sec. 53. Minnesota Statutes 1982, section 136A.29, subdivision 2, is amended to read:

Subd. 2. The authority shall annually elect one of its members as chairman, ~~and one as vice-chairman, and one as secretary,~~ as well as to elect additional officers deemed necessary by the authority. ~~The executive director of the higher education coordinating board shall be secretary of the authority.~~

Sec. 54. Minnesota Statutes 1982, section 136A.29, subdivision 9, is amended to read:

Subd. 9. The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed ~~\$100,000,000~~ *\$150,000,000* and to issue notes, bond anticipation notes, and revenue refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof.

Sec. 55. Minnesota Statutes 1982, section 136A.42, is amended to read:

136A.42 [ANNUAL REPORT.]

The authority shall keep an accurate account of all of its activities and all

of its receipts and expenditures and shall annually make a report thereof to the higher education coordinating board. ~~The authority's report shall be included in~~ The higher education coordinating board's biennial report board shall review and comment upon the report and make such recommendations as it deems necessary to the governor and the legislature.

Sec. 56. [INTENTION OF THE LEGISLATURE.]

It is the intention of the legislature to create a state board of vocational technical education to govern post-secondary and adult vocational education administered by an area vocational technical institute.

Further, it is the intention of the legislature that secondary vocational education be governed by the state board of education as an essential and integral part of the secondary instructional program.

Further, it is the intention of the legislature that adult vocational education not administered by an area vocational technical institute be governed by the state board of education.

Further, it is the intention of the legislature that the state board of education and the state board of vocational technical education conduct their affairs cooperatively to continue the coordination of secondary, post-secondary, and adult vocational education.

Further, it is the intention of the legislature, with respect to post-secondary and adult vocational education administered by an area vocational technical institute, that the present balance of powers, duties, and functions between school boards and the state be retained except as provided in this act.

Further, it is the intention of the legislature to allow for flexibility and the opportunity for participation by affected parties during the time preceding the assumption of governing responsibilities.

Finally, it is the intention of the legislature that the state board of vocational technical education commence its proceedings with due deliberation, demonstrating concern for existing successful programs, concern for present diverse programs, needs, and methods of delivery, and thoughtful consideration of the complexities of governing and coordinating the affected parties and programs.

Sec. 57. [136C.01] [ESTABLISHMENT.]

A state board of vocational technical education is established to govern post-secondary vocational education. It shall also govern adult vocational education administered by an area vocational technical institute.

Sec. 58. [136C.02] [DEFINITIONS.]

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

Subd. 2. [AREA VOCATIONAL TECHNICAL INSTITUTE.] "AVTI" means an area vocational technical institute.

Subd. 3. [POST-SECONDARY VOCATIONAL EDUCATION.] "Post-secondary vocational education" means post-secondary and adult vocational education administered by an AVTI.

Subd. 4. [STATE BOARD.] "State board" means the state board of vo-

cational technical education.

Subd. 5. [STATE DIRECTOR.] "State director" means the state director of vocational technical education.

Subd. 6. [DISTRICT.] "District" means a school district providing post-secondary vocational education or an intermediate district.

Subd. 8. [INTERMEDIATE DISTRICT.] "Intermediate district" means a district with a cooperative program which has been established under Laws 1967, chapter 822, as amended; Laws 1969, chapter 775, as amended; and Laws 1969, chapter 1060, as amended, offering integrated services for secondary, post-secondary, and adult students in the areas of vocational education, special education, and other authorized services.

Subd. 8. [SCHOOL BOARD.] "School board" means the school board of a district and, in the case of an intermediate district, the board of the intermediate district.

Sec. 59. [136C.03] [STATE BOARD MEMBERSHIP.]

Subdivision 1. [COMPOSITION AND SELECTION.] The state board shall consist of 11 members. One shall be from each congressional district, two shall represent the state at large, and one shall be a student to represent the state at large. The members shall be appointed by the governor with the advice and consent of the senate. Ten members shall be selected for their interest in vocational technical education, and consideration shall be given to applicants based on their knowledge of agriculture, business, economic development, industry, labor, and service for the handicapped. The student member shall be a full-time student enrolled in an area vocational technical institute or so enrolled within one year before appointment to the state board. Except for the student member, no member while serving on the state board may be an employee of or receiving compensation from a public or private institution providing post-secondary vocational education.

Subd. 2. [TERMS.] The membership terms, compensation, removal of members, and filling of vacancies on the state board shall be as provided in section 15.0575, except that the term of the student member shall be two years.

Subd. 3. [ADMINISTRATION.] The state board shall elect a chair and other officers as it may desire. It shall determine its meeting dates and places. The commissioner of administration shall provide the state board with appropriate offices.

Sec. 60. [FIRST STATE BOARD.]

Subdivision 1. [APPOINTMENT AND TERMS.] By July 1, 1983, the state board of vocational technical education shall be appointed by the governor according to the provisions of section 59, subdivision 1. The state board shall assume full responsibility for governance on January 1, 1984. The terms of the members of the first state board shall be as follows: the terms of two members shall end on the first Monday in January, 1988; the terms of three members shall end on the first Monday in January, 1987; the terms of three members shall end on the first Monday in January, 1986; and the terms of three members shall end on the first Monday in January, 1985.

Subd. 2. [DEVELOPMENT OF PROCEDURES AND REPORT.] The

state board shall develop procedures to transfer governance with the advice and consultation of the state board for vocational education, state board of education, appropriate state agencies, school boards, and other affected parties. The state board of vocational technical education and the state board of education shall cooperatively determine:

- (a) allocation of federal moneys;*
- (b) permanent designation of the sole state agency;*
- (c) provision of operational support services;*
- (d) assignment of operational support and adult vocational staff; and*
- (e) agreements involving the two boards.*

The state board of vocational technical education and the state board of education shall report their findings and recommendations, including proposals for statutory changes, to the education committees of the legislature by December 1, 1983.

Subd. 3. [TEMPORARY SOLE STATE AGENCY.] From January 1, 1984, to June 30, 1984, the state board of education shall serve as the sole state agency for the purpose of receiving federal vocational money. All federal money for post-secondary vocational education, as defined in section 58, shall be reallocated to the state board of vocational technical education.

Subd. 4. [FIRST STATE DIRECTOR.] Notwithstanding the provisions of section 61, subdivision 2, the governor, with the advice and consent of the senate, shall appoint the first state director.

Subd. 5. [STAFF.] The state board may employ necessary staff to carry out its duties under this section. On request of the state board, the department of education may temporarily assign any of its staff to assist the state board.

Sec. 61. [136C.04] [POWERS AND DUTIES OF THE STATE BOARD.]

Subdivision 1. [GENERAL.] The state board shall possess all powers necessary and incident to the management, jurisdiction, and governance of post-secondary vocational education. These powers shall include, but are not limited to, those enumerated in this section.

Subd. 2. [APPOINTMENT OF STATE DIRECTOR.] The state board shall appoint a state director of vocational technical education who shall serve in the unclassified service. The state director shall be qualified by training and experience in the field of education, vocational education, or administration. The state director shall possess powers and perform duties as delegated by the state board. The state board shall set the salary of the state director. The state director may be paid an allowance not to exceed \$2,000 annually for miscellaneous expenses in connection with duties of the office. The provisions of chapter 16A shall not apply to these expenditures, but the state board shall prescribe the manner, amount, and purpose of the expenditures and report to the legislature on the expenditures by December 1 of each even-numbered year.

Subd. 3. [STAFF.] The state board shall employ all subordinate staff and prescribe their duties consistent with chapter 43A.

Subd. 4. [BUDGET REQUESTS.] The state board shall review and ap-

prove, disapprove, or modify the biennial budget requests for post-secondary vocational education operations and facilities submitted by the state director. The state board shall submit the approved biennial budget requests to the governor.

Subd. 5. [PLANNING.] The state board shall develop a long-range plan for post-secondary vocational education which shall include goals and objectives for instructional programs, facilities, and use of resources. The plan shall be developed with the advice of appropriate state agencies, school boards, and other affected parties. The state board shall review this plan biennially to evaluate its success in meeting these goals and objectives.

Subd. 6. [ACCOUNTING AND REPORTING STANDARDS.] The state board shall maintain the uniform financial accounting and reporting system according to the provisions of sections 121.90 to 121.917.

Subd. 7. [ATTENDANCE AND COMPLETION.] The state board shall prescribe conditions of admission, tuition, fees, and other related matters. The state board shall prescribe requirements for completion of programs and approve the awarding of appropriate certificates or associate degrees consistent with the provisions of section 121.218. Chapter 14 shall not apply to the matters in this subdivision.

Subd. 8. [CONTRACTS AND COOPERATIVE AGREEMENTS.] The state board may enter into contracts or cooperative agreements with the state board of education, higher education governing boards, educational institutions, or appropriate state agencies.

Subd. 9. [LICENSURE.] The state board may promulgate rules, according to the provisions of chapter 14, for licensure of teaching, support, and supervisory personnel in post-secondary and adult vocational education.

Subd. 10. [ALLOCATION.] The state board shall allocate state and federal money for post-secondary vocational education. Money received from federal sources other than as provided in chapter 124, and money received from other sources, not including the state, shall not be taken into account in determining appropriations or allocations.

Subd. 11. [SHORT TERM PROGRAMS.] The state board may approve a short term program of two years or less, as an economic development initiative, which will not become a permanent part of the curriculum. The short term program shall have an approved program length of not more than two years and be operated for a specified duration.

Subd. 12. [PROGRAMS.] The state board shall approve, disapprove, and coordinate programs. After consultation with affected school boards, the state board may add, eliminate, transfer, or change programs as it determines advisable. The state board shall consider the integrated services of secondary, post-secondary, and adult vocational education when it reviews intermediate district programs.

In the case of intermediate districts, the state board may apply the following criteria when adding, eliminating, transferring, or changing programs: (a) the school board may be allowed to continue offering integrated secondary, post-secondary, and adult programs; and (b) the school board may determine the use of facilities and equipment for secondary, post-secondary,

adult, and special education programs and educational services for low incidence populations.

Subd. 13. [CLOSING AUTHORITY.] The state board, after consultation with the affected school board, may require that school board to discontinue operation of its AVTI. The state board shall first hold a public hearing on the issue in that geographic area. Affected parties shall have an opportunity to present testimony. At the request of the school board, the hearing shall be conducted by a hearing examiner of the office of administrative hearings. The hearing examiner shall prepare a summary of testimony for the state board. The state board shall publish notice in the State Register and in a newspaper of general circulation in the geographic area at least 30 days before the scheduled hearing.

Subd. 14. [REORGANIZATION.] The state board, after consulting with the affected school boards, may merge or reorganize institutes or establish regional service areas for the purpose of increased efficiency, use of personnel, placement of programs, student access, and other needs as determined by the state board.

Subd. 15. [PUBLIC HEARINGS.] The state board shall conduct public hearings when merging or reorganizing institutions and when allocating money. Notice shall be given to affected persons in the manner determined by the state board. All affected persons shall be given the opportunity to be heard, but the state board may impose reasonable restrictions on time. The state board shall take final action at a meeting held at least seven days after the public hearing.

Subd. 16. [TIMING OF ACTIONS.] The state board may consider the provisions of sections 125.12, subdivision 4, and 125.17, subdivision 3, when it takes actions under subdivisions 12, 13, and 14.

Subd. 17. [COOPERATION FOR VOCATIONAL EDUCATION.] The state board of education shall cooperate with the state board of vocational technical education to promote establishment of policies and methods to improve the quality and efficiency of secondary, post-secondary, and adult vocational education in the state.

Sec. 62. [136C.05] [POWERS AND DUTIES OF THE SCHOOL BOARD.]

Subdivision 1. [PERSONNEL.] The school board shall employ instructors, support personnel, and supervisory personnel for post-secondary vocational education. The school board may appoint the local director.

Subd. 2. [FINANCE.] The school board shall prepare and submit budgets as required by the state board. The school board shall approve all expenditures.

Subd. 3. [INSTRUCTIONAL PROGRAM.] The school board shall operate and maintain post-secondary vocational education, subject to the supervision of the state board as provided in section 61. The school board may determine area employment needs and make recommendations to the state board.

Subd. 4. [FACILITIES AND EQUIPMENT.] The school board shall operate and maintain all facilities and equipment and shall employ personnel

to do so.

Sec. 63. [EFFECT OF TRANSFER.]

Subdivision 1. [BOARD TRANSFER.] The state board for vocational education is abolished on December 31, 1983. Except as explicitly provided otherwise in this act, the powers, duties, and functions of the state board for vocational education relating to post-secondary and adult vocational education are transferred to the state board of vocational technical education. Rules of the state board for vocational education relating to adult vocational education, other than licensure rules, are not affected by this transfer with respect to adult vocational education not administered by area vocational technical institutes. Rules of the state board for vocational education relating to post-secondary vocational education, as defined in section 58, other than licensure rules, shall have no force and effect on January 1, 1984, and thereafter. Rules of the state board for vocational education for post-secondary and adult vocational education licensure are transferred to the state board of vocational technical education.

Subd. 2. [TRANSFER NOT TO AFFECT LEGAL ACTION.] The transfer of powers, duties, and functions shall not affect any action or proceeding, whether administrative, civil, or criminal, pending at the time of the transfer. The action shall be continued in the name of the state board of vocational technical education which, upon application to the appropriate court, shall be substituted as a party to the action or proceeding.

Subd. 3. [TRANSFER OF PROPERTY.] All books, maps, plans, papers, records, contracts, documents, and property of every description in the possession or control of the state board for vocational education or the state board of education, relating to post-secondary vocational education, as defined in section 58, shall be transferred to the state board of vocational technical education. The transfer shall be made in accordance with the directions of the state board of vocational technical education.

Subd. 4. [TRANSFER OF FUNDS.] The unencumbered and unexpended balance of all funds appropriated to the state board for vocational education for post-secondary vocational education, as defined in section 58, shall be transferred and reappropriated to the state board of vocational technical education. All federal money for post-secondary vocational education, as defined in section 58, shall be transferred to the state board of vocational technical education.

Subd. 5. [CONSTRUCTION OF STATUTES, CONTRACTS, AND DOCUMENTS.] Whenever the state board for vocational education or its officer is referred to or designated in a statute, contract, or document, in the context of post-secondary vocational education, as defined in section 58, the reference or designation shall be construed to mean the state board of vocational technical education or its officer.

Subd. 6. [TRANSFER OF POSITIONS.] Notwithstanding any law to the contrary, the positions of the managers of vocational relations, adult vocational extension, post-secondary vocational section, and operational services of the vocational technical education division of the department of education shall be declassified effective July 1, 1983. Incumbent employees may exercise layoff rights within the department of education provided by the

applicable plan pursuant to Minnesota Statutes, section 43A.18. The layoff rights shall be exercised no later than December 31, 1983. The provisions of Minnesota Statutes, sections 43A.08, subdivision 6 and 43A.081 shall not apply to the declassification of these positions.

All classified positions and incumbent employees in the adult vocational technical education, post-secondary vocational technical education, and operational services sections of the vocational technical education division of the department of education, including the confidential secretary to the assistant commissioner of vocational technical education, are transferred to the state board of vocational technical education on January 1, 1984. The position of assistant commissioner of vocational technical education and the positions declassified in this subdivision are transferred to the state board of vocational technical education on January 1, 1984. The board of vocational technical education and the commissioner of education in consultation with the commissioner of employee relations and the commissioner of finance shall determine which additional positions shall be transferred. The positions transferred to the board of vocational technical education are abolished in the department of education. The approved staff complement for that agency is decreased accordingly.

Except as specifically provided, nothing in this subdivision shall be construed as abrogating or modifying any rights now enjoyed by affected employees under the managerial or commissioner's plans or the terms of an agreement between the exclusive representatives of public employees and the state or one of its appointing authorities.

Sec. 64. [PLAN FOR COOPERATION.]

Subdivision 1. [PLAN.] For increased financial efficiency and effectiveness in serving its community and in responding to changing enrollment needs, each AVTI and community college located in the same community or in nearby communities shall jointly develop a plan for cooperation. The institutions included are those located in Thief River Falls, Hibbing, Virginia-Eveleth, Brainerd, Willmar, Rochester, Austin, White Bear Lake, Minneapolis, Brooklyn Park, Anoka-Coon Rapids, Rosemount-Inver Grove Heights, and Bloomington-Eden Prairie.

Subd. 2. [CONTENTS OF PLAN.] Each plan shall propose a strategy for sharing of facilities, personnel, and resources. These strategies may include campus reorganizations, discontinuation of programs, changes in governance, and other such methods. Each plan shall identify estimated savings and the manner in which the savings will be achieved.

Subd. 3. [SUBMISSION OF PLANS.] Each plan shall be submitted to the chancellor for community colleges and the state director of vocational technical education by November 1, 1983. They shall review the plans and approve or disapprove them. A disapproved plan shall be returned to the institutions where it shall be modified and resubmitted to the chancellor and state director. The chancellor and state director shall submit all approved plans to their governing boards for review.

Subd. 4. [REVIEW AND COMMENT.] By January 1, 1984, the governing boards shall submit all approved plans to the higher education coordinating board for review and comment. The higher education coordinating

board, the state board for community colleges, and the state board of vocational technical education shall report the plans to the legislature by February 1, 1984.

Sec. 65. Minnesota Statutes 1982, section 158.05, is amended to read:

158.05 [ACTUAL COST TO BE CHARGED PATIENTS.]

The University of Minnesota hospitals shall treat patients admitted on certificate of the board of county commissioners of any county at rates based on actual cost, as determined by the board of regents of the University of Minnesota. ~~Seventy Sixty~~ percent of the first ~~\$5,000~~ \$11,000 in charges against a patient, and all of the charges against a patient in excess of ~~\$5,000~~ \$11,000, will be paid by the state from appropriations made to the university for this purpose. *Before charges are billed to this program, the University of Minnesota hospitals and clinics shall seek payment from any third-party insurance that is liable for coverage of the patients care. This program shall be billed for the balance after the third-party payment according to the formula noted above.* Any resident of the state, upon a proper showing to the board of regents of the University of Minnesota that he is unable to pay ordinary physician's fees and hospital charges, may be received upon paying the same rate as charged for county patients. It shall be the duty of the board of regents to investigate applications made for such treatment under this section; and, if satisfied of the truth of the allegations made and of the necessity for treatment, the board of regents shall admit such patients when there is room in the hospitals.

Students of the University of Minnesota and such other patients as the board of regents, to an extent that will not interfere with the primary purpose of the hospitals, as set forth in section 158.02, may direct, may be received in the hospitals when there is room and any fees received from such patients shall be used for the purposes of the hospitals.

Sec. 66. [STUDY OF STUDENT PROGRESS.]

Subdivision 1. [HIGHER EDUCATION COORDINATING BOARD.] The higher education coordinating board shall conduct a study of policies and standards relating to student progress toward completion of programs in Minnesota higher education systems and institutions. This study shall result in a report and recommendations for improving policies on student progress. The report shall be submitted to the legislature by December 1, 1983.

Subd. 2. [FACTORS.] The study shall consider such factors as trends toward longer academic residency of students, the relationship between the retention of students and sources of institutional revenue, the retention of students whose grades are below average, counseling and advising of students regarding completion of programs, changes in standards which measure performance and progress, and other factors relevant to student progress.

Sec. 67. [ADOPT TEMPORARY RULES.]

The higher education coordinating board shall adopt temporary rules pursuant to Minnesota Statutes, sections 14.29 to 14.36 to implement the provisions of section 49, for the 1983-1984 academic year. Notwithstanding Minnesota Statutes, section 14.35, the temporary rules may be effective until

permanent rules are adopted or June 30, 1984, whichever is earlier.

Sec. 68. [CONGRESSIONAL DISTRICTS FOR REGENTS.]

The provisions of Minnesota Statutes, section 137.024, requiring at least one member of the board of regents of the University of Minnesota to be a resident of each congressional district, shall not apply from the effective date of this act until the first Monday in February of 1985.

Sec. 69. [UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS ADVISORY COUNCIL.]

Notwithstanding the provisions of any other law to the contrary, the uniform financial accounting and reporting advisory council shall not terminate before June 30, 1985.

Sec. 70. [ESV COMPUTER COUNCIL.]

Notwithstanding the provisions of any other law to the contrary, the elementary-secondary-vocational computer council shall not terminate before June 30, 1985.

Sec. 71. [HIGHER EDUCATION ADVISORY COUNCIL.]

Notwithstanding the provisions of any other law to the contrary, the higher education advisory council shall not terminate before June 30, 1985.

Sec. 72. [REPEALER.]

Subdivision 1. Minnesota Statutes 1982, sections 120.82 and 136.034 are repealed.

Subd. 2. Minnesota Statutes 1982, sections 121.902, subdivision 1a; 121.936, subdivision 6; 136A.144; 136A.145; 136A.146; 136A.161; 136A.19; 136A.20; 136A.21; 136A.22; 136A.236; and 136A.237, are repealed.

Subd. 3. Minnesota Statutes 1982, sections 121.11, subdivision 1, and 124.53, are repealed.

Sec. 73. [EFFECTIVE DATE.]

Subdivision 1. Except where the language of this act explicitly provides otherwise, the sections of this act are effective as provided in this section.

Subd. 2. Sections 9, 10, 14 to 21, 35, 56, 60, 65, and 72, subdivision 1, are effective the day after final enactment.

Subd. 3. Sections 1 to 8, 11, 12, 13, 22 to 34, 36 to 55, 57, 58, 64, 66 to 71, and 72, subdivision 2, are effective July 1, 1983.

Subd. 4. Sections 59, 61, 62, 63, and 72, subdivision 3, are effective January 1, 1984."

Delete the title in its entirety and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for education and related purposes to the department of education, higher education coordinating board, state university board, state community college board, University of Minnesota, and the Mayo medical foundation, with certain conditions; establishing a state

board of vocational-technical education; providing certain powers and duties relating to vocational technical education to the state board and school districts; changing the authority and duties of agencies and their advisory councils with respect to governance, membership, duration of existence, funding policy, disposition of property, employment and compensation of personnel, tuition, institutional closings, gifts, expenditure approval, regent residency, appropriations, parking fees, subscription fees, scholarships, grants-in-aid, planning, hospital charges, relations with private colleges, augmented bonding authority, and related educational matters; requiring certain reports and studies with respect thereto; amending Minnesota Statutes 1982, sections 3.732, subdivision 1; 10A.01, subdivision 18; 43A.08, subdivision 1a; 43A.18, subdivision 4; 120.17, subdivision 7a; 120.81; 121.11, by adding a subdivision; 121.212, subdivision 2; 121.931, subdivision 7; 121.934, subdivision 2; 123.742, by adding a subdivision; 123.743; 124.48; 136.03; 136.144; 136.62, by adding a subdivision; 136.67, by adding a subdivision; 136A.121; 136A.14; 136A.141; 136A.143; 136A.15; 136A.16; 136A.17; 136A.18; 136A.26; 136A.29, subdivisions 2 and 9; 136A.42; 158.05; proposing new law coded in Minnesota Statutes, chapters 120, 136, and 136A; proposing new law coded as Minnesota Statutes, chapters 135A and 136C; repealing Minnesota Statutes 1982, sections 120.82; 121.11, subdivision 1; 121.902, subdivision 1a; 121.936, subdivision 6; 124.53; 136.034; 136A.144; 136A.145; 136A.146; 136A.161; 136A.19; 136A.20; 136A.21; 136A.22; 136A.236; and 136A.237."

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

House Conferees: (Signed) Lyndon R. Carlson, James I. Rice, Dick Welch, James C. Swanson, Wendell O. Erickson

Senate Conferees: (Signed) Gene Waldorf, Tom A. Nelson, Ronald R. Dicklich, Jerome M. Hughes, Glen Taylor

Mr. Waldorf moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1283 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

CALL OF THE SENATE

Mr. Waldorf imposed a call of the Senate for the balance of the proceedings on H.F. No. 1283. The Sergeant at Arms was instructed to bring in the absent members.

H.F. No. 1283 was read the third time as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 50 and nays 10, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Laidig	Novak	Samuelson
Anderson	Frederickson	Langseth	Olson	Schmitz
Berg	Freeman	Lantry	Pehler	Sieloff
Berglin	Hughes	Lessard	Peterson, D. C.	Solon
Bernhagen	Isackson	Luther	Peterson, D. L.	Spear
Bertram	Johnson, D. E.	McQuaid	Peterson, R. W.	Stumpf
Brataas	Johnson, D. J.	Mehrkens	Petty	Taylor
Dahl	Knaak	Moe, D. M.	Pogemiller	Ulfand
Dicklich	Kroening	Moe, R. D.	Ramstad	Waldorf
Diessner	Kronbusch	Nelson	Reichgott	Willet

Those who voted in the negative were:

Belanger	Davis	Frank	Kamrath	Purfeerst
Benson	DeCramer	Jude	Merriam	Storm

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

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 1310: Messrs. Waldorf, Langseth, Kroening, Samuelson and Bernhagen.

S.F. No. 911: Messrs. Frank, Dicklich and Mrs. McQuaid.

S.F. No. 87: Substitute the name of Mr. Sieloff for Mr. Laidig.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

SPECIAL ORDER

S.F. No. 709: A bill for an act relating to liens on personal property; adopting the Council of State Government Model Act; proposing new law coded in Minnesota Statutes, chapter 514.

Mr. Peterson, R.W. moved to amend S. F. No. 709 as follows:

Page 1, line 24, delete *"bank or building and loan association"* and insert *"financial institution"*

Page 2, line 1, delete *"bank's or building and"*

Page 2, line 2, delete *"loan association's"* and insert *"financial institution's"*

Page 2, line 15, delete *"animate or"*

Page 3, delete lines 5 to 36

Delete pages 4 to 6

Page 7, delete lines 1 to 5 and insert:

“Subdivision 1. [PROCEDURE.] An owner’s lien created by this act for a claim that has become due may be enforced in the same manner as a warehouseman’s lien pursuant to section 336.7-210, subsections (1) to (9).”

Page 7, line 6, delete “(r)” and insert:

“Subd. 2. [DISPOSAL OF PROPERTY NOT SOLD AT AUCTION.]”

Amend the title as follows:

Page 1, line 3, after “Act” insert “on self-storage of personal property”

The motion prevailed. So the amendment was adopted.

Mr. Isackson moved to amend S.F. No. 709, as follows:

Page 2, line 20, after “facility” insert “located in territory included in the counties of Anoka, Hennepin, Ramsey, Washington, Scott, Carver, or Dakota”

Delete the title and insert:

“A bill for an act relating to liens on personal property; establishing a lien on personal property in certain self-service storage facilities; providing for the enforcement of this lien; proposing new law coded in Minnesota Statutes, chapter 514.”

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Mr. Wegscheid imposed a call of the Senate for the balance of the proceedings on S.F. No. 709. The Sergeant at Arms was instructed to bring in the absent members.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Peterson, C.C. moved that the following members be excused for a Conference Committee on S.F. No. 634 from 3:00 to 4:15 p.m.:

Messrs. Peterson, C.C.; Johnson, D.J.; Bernhagen; Merriam and Kroening. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Vega moved that the following members be excused for a Conference Committee on H.F. No. 300 at 4:00 p.m.:

Messrs. Vega; Freeman; Moe, D.M.; Pogemiller and Renneke. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Freeman moved that the following members be excused for a Conference Committee on S.F. No. 473 at 4:00 p.m.:

Messrs. Luther, Freeman, Ms. Reichgott, Messrs. Knaak and Ramstad. The motion prevailed.

Mr. Wegscheid moved to amend S.F. No. 709, as follows:

Page 1, lines 8 and 11, delete "4" and insert "6"

Page 7, after line 19, insert:

"Sec. 6. [REGISTRATION AND BOND REQUIREMENTS.]

All owners shall file a surety bond with the commissioner of the securities and real estate division. The bond must be in the amount of \$50,000 and must be conditioned on the faithful performance of all duties imposed on owners by this act.

The commissioner may impose a reasonable annual filing fee to cover the costs of administering this section.

Failure to file or maintain the bond required by this section is a misdemeanor."

Delete the title and insert:

"A bill for an act relating to liens on personal property; establishing a lien on personal property held in self-service storage facilities; providing for the enforcement of these liens; establishing registration and bonding requirements; proposing new law coded in Minnesota Statutes, chapter 514."

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Adkins	Frank	Lessard	Sieloff	Wegscheid
Bertram	Freeman	Merriam	Solon	
Davis	Jude	Novak	Stumpf	
DeCramer	Kamrath	Renneke	Vega	

Those who voted in the negative were:

Anderson	Dieterich	Kronebusch	Pehler	Schmitz
Benson	Frederick	Laidig	Peterson,C.C.	Spear
Berglin	Frederickson	Langseth	Peterson,D.L.	Storm
Bernhagen	Hughes	Lantry	Peterson,R.W.	Ulland
Chmielewski	Isackson	Luther	Petty	
Dahl	Johnson, D.E.	McQuaid	Pogemiller	
Dicklich	Johnson, D.J.	Mehrkens	Purfeerst	
Diessner	Knaak	Olson	Ramstad	

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

Mr. Freeman moved to amend S. F. No. 709 as follows:

Delete everything after the enacting clause and insert:

"Section 1. [504.29] [APPLICABILITY; SELF-SERVICE STORAGE FACILITY.]

To the extent that they are applicable, the provisions of this chapter apply to self-service storage facilities. "Self-service storage facility" means any real property that is designed and used only for the purpose of renting or leasing individual storage space in the facility under the following condi-

tions:

(1) *The occupants have access to the storage space only for the purpose of storing and removing personal property.*

(2) *The owner does not issue a warehouse receipt, bill of lading, or other document of title for the personal property stored in the storage space.*

(3) *The property has 50 or more individual storage spaces.*

“Self-service storage facility” does not include any garage used principally for parking motor vehicles or any property of a bank or financial institution that contains vaults, safe deposit boxes, or other receptacles for the uses, purposes, and benefits of the bank’s or financial institution’s customers.

Sec. 2. [566.40] [APPLICABILITY; SELF-SERVICE STORAGE FACILITY.]

To the extent they are applicable, the provisions of this chapter apply to self-service storage facilities as defined in section 1.”

Delete the title and insert:

“A bill for an act relating to landlords and tenants; providing that self service storage facilities are subject to certain laws; proposing new law coded in Minnesota Statutes, chapters 504 and 566.”

The question was taken on the adoption of the amendment.

Mr. Peterson, R.W. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 20 and nays 30, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Freeman	Kroening	Sieloff
Anderson	DeCramer	Isackson	Novak	Storm
Belanger	Diessner	Johnson, D.J.	Pehler	Stumpf
Bertram	Frank	Kamrath	Renneke	Wegscheid

Those who voted in the negative were:

Benson	Dieterich	Laidig	Merriam	Petty
Berg	Frederick	Lantry	Olson	Pogemiller
Berglin	Frederickson	Lessard	Peterson, C.C.	Ramstad
Bernhagen	Hughes	Luther	Peterson, D.C.	Schmitz
Dahl	Johnson, D.E.	McQuaid	Peterson, D.L.	Spear
Dicklich	Knaak	Mehrkens	Peterson, R.W.	Ulland

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

Mr. Stumpf moved to amend S.F. No. 709 as follows:

Page 7, after line 13, insert:

“Sec. 5. [514.99] [DEFENSES TO LIEN.]

The lien established by this act may not be enforced if:

(1) *the storage facility becomes untenable or unfit through no fault of the occupant;*

(2) *the rent has been increased without the execution of a new rental*

agreement or the written modification of an existing rental agreement;

(3) the owner has reduced the size, suitability, or accessibility of the storage facility or has reduced services connected with the use of it without the written approval of the occupant;

(4) the personal property of the occupant is damaged due to the negligence or intentional misconduct of the owner or the owner's agents;

(5) the rental agreement contains an automatic renewal provision; or

(6) the owner violates, or permits the violation of, any applicable health, safety, or fire code.

Sec. 6. [514.995] [WAIVERS PROHIBITED.]

A waiver of a duty or obligation imposed by this act on an owner is void and unenforceable."

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to liens on personal property; establishing a lien on personal property in self-service storage facilities; providing for enforcement of this lien; providing defenses; prohibiting certain waivers; proposing new law coded in Minnesota Statutes, chapter 514."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 18 and nays 32, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Novak	Stumpf
Anderson	Frank	Kamrath	Pehler	Wegscheid
Belanger	Freeman	Kroening	Sieloff	
Bertram	Isackson	Lessard	Storm	

Those who voted in the negative were:

Benson	Dieterich	Laidig	Nelson	Ramstad
Berg	Frederick	Langseth	Olson	Samuelson
Berglin	Hughes	Lantry	Peterson, D.C.	Schmitz
Bernhagen	Johnson, D.E.	Luther	Peterson, R.W.	Ulland
Davis	Johnson, D.J.	McQuaid	Petty	
DeCramer	Knaak	Mehrkens	Pogemiller	
Dicklich	Kronebusch	Merriam	Purfeerst	

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

Mr. Wegscheid moved to amend S.F. No. 709, as follows:

Page 1, lines 8 and 11, delete "4" and insert "6"

Page 7, after line 19, insert:

"Sec. 6. [514.99] [ADVERTISING.]

No owner shall advertise or represent its services, or permit its services to be advertised or represented, in a manner which uses the words "warehouse" or "storage," unless the owner is licensed and bonded as provided in Minnesota Statutes, chapter 231.

Nothing in this section prohibits the use of the term "self-service storage

facility" in any advertisement or representation."

Delete the title and insert:

"A bill for an act relating to liens on personal property; establishing a lien on personal property held in self-service storage facilities; providing for the enforcement of these liens; providing for the regulation of advertising of self-storage facilities; proposing new law coded in Minnesota Statutes, chapter 514."

Mr. Peterson, R.W. moved to amend the Wegscheid amendment to S.F. No. 709 as follows:

Page 1, line 7, delete "words" and insert "word" and delete "or storage,""

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

The question recurred on the Wegscheid amendment, as amended.

The motion prevailed. So the amendment, as amended, was adopted.

S.F. No. 709 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 38 and nays 16, as follows:

Those who voted in the affirmative were:

Anderson	Dieterich	Kroening	Nelson	Ramstad
Berg	Frederick	Laidig	Olson	Samuelson
Berglin	Hughes	Langseth	Peterson, D.C.	Schmitz
Bernhagen	Isackson	Lantry	Peterson, D.L.	Taylor
Bertram	Johnson, D.E.	Lessard	Peterson, R.W.	Ulland
Chmielewski	Johnson, D.J.	Luther	Petty	Vega
Dahl	Jude	McQuaid	Pogemiller	
Dicklich	Knaak	Mehrkens	Purfeerst	

Those who voted in the negative were:

Adkins	Frank	Kronebusch	Pehler	Stumpf
Belanger	Freeman	Merriam	Sieloff	Wegscheid
Davis	Kamrath	Novak	Storm	Willet
DeCramer				

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

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 1097: A bill for an act relating to agriculture; making certain changes in the grain buyers act; changing the place of filing of farm product

liens; imposing a penalty; amending Minnesota Statutes 1982, sections 223.16, subdivisions 1, 7, 8, 11, and by adding subdivisions; 223.17; 223.18; 223.19; and 336.9-401; Laws 1982, chapter 635, section 9; proposing new law coded in Minnesota Statutes, chapter 223.

Senate File No. 1097 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. Stumpf moved that the Senate do not concur in the amendments by the House to S.F. No. 1097, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 428: A bill for an act relating to state government; extending the expiration date of certain advisory committees and councils; repealing certain inactive advisory councils, committees, and task forces; amending Minnesota Statutes 1982, sections 3.9223, subdivision 1; 4.31, subdivision 5; 11A.08, subdivision 4; 15.059, subdivision 5; 16.02, subdivision 28; 16.872, subdivision 3; 21.112, subdivision 2; 41.54, subdivision 2; 52.062, subdivisions 1 and 2; 115A.12, subdivision 1; 121.938; 123.581, subdivision 1; 126.531; 145.919; 145.93, subdivision 3; 145.98, subdivision 1; 148.191, subdivision 2; 152.02, subdivision 13; 155A.06, subdivision 5; 156A.06, subdivision 1; 161.1419, by adding a subdivision; 198.055, by adding a subdivision; 241.64; 241.71; 246.017, subdivision 2; 256B.58; 268.12, subdivision 6; and 507.09; Laws 1975, chapter 235, section 2; Laws 1976, chapter 314, section 3; and Laws 1980, chapter 614, section 192; repealing Minnesota Statutes 1982, sections 16.91; 16.853; 31.60, subdivisions 2 and 3; 43A.31, subdivision 4; 52.061; 52.062, subdivision 3; 82.30; 84.524; 86A.10; 115A.12, subdivision 2; 116J.04; 121.934; 123.581, subdivisions 2, 3, 4, 5, and 7; 124.215; 128A.03; 129B.09, subdivision 8; 136A.02, subdivision 6; 141.24; 144.011, subdivision 2; 144.571; 144A.17; 144A.55; 145.93, subdivision 2; 151.13, subdivision 2; 152.02, subdivision 11; 184.23; 214.14; 222.65; 245.84, subdivision 4; and 363.04, subdivisions 4, 4a, and 5.

Senate File No. 428 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. Pogemiller moved that the Senate do not concur in the amendments by the House to S.F. No. 428, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 132: A bill for an act relating to state government; providing for chiropractic positions in state government civil service; providing for the provision of chiropractic services; proposing new law coded in Minnesota Statutes, chapters 43A and 148.

Senate File No. 132 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. Luther, for Mr. Kroening, moved that the Senate do not concur in the amendments by the House to S.F. No. 132, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

MEMBERS EXCUSED

Mr. Kroening was excused from the Session of today from 1:30 to 4:00 p.m. Mr. Johnson, D.J. was excused from the Session of today at 3:00 p.m. Ms. Reichgott was excused from the Session of today from 4:00 to 5:15 p.m.

RECESS

Mr. Luther moved that the Senate do now recess until 9:00 p.m. The motion prevailed.

The hour of 9:00 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 463 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 463

A bill for an act relating to port authorities; authorizing revenue bond financing of certain facilities; eliminating the interest rate limit on revenue bonds and authorizing private sale; clarifying contractual and operational authority of port authorities; amending Minnesota Statutes 1982, sections 458.192, subdivisions 1, 4, and by adding a subdivision; 458.194, subdivisions 2, 3, and by adding a subdivision; and 458.195, by adding a subdivision.

May 11, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 463, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 463 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 458.192, subdivision 1, is amended to read:

Subdivision 1. In addition to all powers conferred on ~~such~~ the port authority under sections 458.09 to 458.19, ~~such~~ the port authority, or ~~any~~ a city authorized by ~~any general or special~~ law to exercise the powers of a port authority, to accomplish the purposes set forth in section 458.191, subdivision 1, shall have ~~such additional~~ the powers as provided in ~~subdivisions 2 to 15~~ this section.

Sec. 2. Minnesota Statutes 1982, section 458.192, subdivision 4, is amended to read:

Subd. 4. It may contract and be contracted with in any matter connected with the purpose of industrial development within the powers of the port authority herein given. *It may enter into a partnership agreement with one or more other persons under which the port authority serves as a limited partner only.*

Sec. 3. Minnesota Statutes 1982, section 458.192, is amended by adding a subdivision to read:

Subd. 16. It may operate and maintain a public parking or other public facility to promote development in a development district.

Sec. 4. Minnesota Statutes 1982, section 458.194, subdivision 2, is amended to read:

Subd. 2. The bonds of each series issued by the port authority under the provisions of this section shall bear interest at a rate or rates ~~not exceeding eight percent per annum payable semiannually~~ and, shall mature at such time or times within 30 years from the date of issuance; and shall be in such form, whether payable to bearer, registrable as to principal, or fully registrable, as may be determined by the port authority. The provisions of section 458.193, subdivision 6 shall apply to all bonds issued ~~hereunder~~ under this section, and ~~such~~ the bonds and ~~any~~ their coupons ~~appurtenant thereto~~, when payable to bearer, shall be negotiable instruments.

Sec. 5. Minnesota Statutes 1982, section 458.194, subdivision 3, is amended to read:

Subd. 3. The sale of ~~such~~ revenue bonds issued by the port authority shall be at public *or private* sale ~~pursuant to section 475.60, or in accordance with the procedures set forth in sections 474.01 to 474.13.~~ *Such* The bonds may be sold in the manner and for the price that the port authority determines to be

for the best interest of the port authority; but no such sale shall be made at a price so low as to require the payment of interest on the money received therefor at more than eight percent per annum, computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values, excluding from such computation the amount of any premium to be paid on redemption of any bonds prior to maturity. Such *The* bonds may be made callable, and if so issued may be refunded.

Sec. 6. Minnesota Statutes 1982, section 458.194, is amended by adding a subdivision to read:

Subd. 7. If revenue bonds are to be issued under the provisions of this section and chapter 474, the provisions of section 474.01, subdivisions 7a, 7b and 8 and section 474.02, subdivision 1d, shall not apply if the interest on the revenue bonds is subject to both state and federal income taxation or if the revenue bond proceeds are not loaned by the port authority to a private person through a financing lease, loan agreement or otherwise.

Sec. 7. Minnesota Statutes 1982, section 458.195, is amended by adding a subdivision to read:

Subd. 8. The proceeds of obligations issued by a port authority under section 458.194 and temporary loans obtained under this section in connection with them may be used to make or purchase loans for port, industrial or economic facilities which the authority estimates will require financing. For the purpose of making or purchasing the loans, the port authority may enter into loan agreements and other related agreements, both before and after the issuance of the obligations, with persons, firms, public or private corporations, federal or state agencies, and governmental units and under terms and conditions as the port authority deems appropriate. Any governmental unit in the state may apply, contract for and receive the loans, and the provisions of chapter 475 shall not apply to the loans.

Sec. 8. [EFFECTIVE DATE.]

This act shall take effect the day following final enactment."

Delete the title and insert:

"A bill for an act relating to port authorities; authorizing revenue bond financing of certain facilities; eliminating the interest rate limit on revenue bonds and authorizing private sale; clarifying contractual and operational authority of port authorities; amending Minnesota Statutes 1982, sections 458.192, subdivisions 1, 4, and by adding a subdivision; 458.194, subdivisions 2, 3, and by adding a subdivision; and 458.195, by adding a subdivision."

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

Senate Conferees: (Signed) Marilyn M. Lantry, Robert J. Schmitz, William V. Belanger, Jr.

House Conferees: (Signed) Richard J. Cohen, Phillip J. Riveness, Sidney Pauly

Mrs. Lantry moved that the foregoing recommendations and Conference Committee Report on S.F. No. 463 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

So the recommendations and Conference Committee Report were adopted.

S.F. No. 463 was read the third time as amended by the Conference Committee, and placed on its repassage.

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

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

The roll was called, and there were yeas 41 and nays 8, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kronebusch	Olson	Solon
Anderson	Dicklich	Laidig	Pehler	Storm
Belanger	Diessner	Langseth	Peterson, D.C.	Stumpf
Berg	Frank	Lantry	Petty	Ulland
Bernhagen	Frederick	Lessard	Pogemiller	Wegscheid
Bertram	Frederickson	Luther	Purfeerst	
Brataas	Hughes	Mehrrens	Ramstad	
Chmielewski	Johnson, D.E.	Moe, R. D.	Reichgott	
Davis	Jude	Nelson	Schmitz	

Those who voted in the negative were:

Benson	Kamrath	McQuaid	Peterson, R.W.	Waldorf
Isackson	Knaak	Merriam		

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Luther moved that the following members be excused for a Conference Committee on H.F. No. 1290 at 9:00 p.m.:

Messrs. Luther, Kroening, Dahl, Solon and Willet. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Nelson moved that the following members be excused for a Conference Committee on H.F. No. 92 at 9:00 p.m.:

Messrs. Nelson; Merriam; Peterson, R.W.; Pehler and Peterson, D.L. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Merriam moved that the following members be excused for a Conference Committee on S.F. No. 634 at 9:30 p.m.:

Messrs. Merriam; Peterson, C.C.; Johnson, D.J. and Bernhagen. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 159 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 159

A bill for an act relating to occupations and professions; regulating chiro-

practic practice; providing rulemaking authority for the board of chiropractic examiners; creating a legislative study commission; amending Minnesota Statutes 1982, sections 148.01; 148.06; and 148.08, and by adding a subdivision.

May 19, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 159, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 159 be further amended as follows:

Page 3, after line 24, insert:

“Sec. 3. Minnesota Statutes 1982, section 148.07, subdivision 2, is amended to read:

Subd. 2. [EXPENSES.] The expenses of administering sections 148.01 to 148.101 shall be paid from the appropriation made to the state board of chiropractic examiners. *Expenditures and revenues must be managed in accordance with the statewide accounting principles and requirements of the commissioner of finance.*”

Page 3, after line 33, insert:

“Sec. 5. Minnesota Statutes 1982, section 148.10, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] The state board of chiropractic examiners may refuse to grant, or may revoke, suspend, condition, limit, restrict or qualify a license to practice chiropractic, or may cause the name of a person licensed to be removed from the records in the office of the clerk of the district court for:

(1) the publishing or distributing, or causing to be published or distributed, in newspapers, magazines, directories, pamphlets, posters, cards, or in any other manner by advertisement, wherein the term “cure” or “guarantee to cure” or similar terms are used; which is hereby declared to be fraudulent and misleading to the general public;

(2) the employment of fraud or deception in applying for a license or in passing the examination provided for in section 148.06;

(3) the practice of chiropractic under a false or assumed name or the impersonation of another practitioner of like or different name;

(4) the conviction of a crime involving moral turpitude;

(5) habitual intemperance in the use of alcohol or drugs;

(6) failure to pay the annual renewal license fee;

(7) Advanced physical or mental disability;

(8) The revocation or suspension of a license to practice chiropractic; or

other disciplinary action against the licensee; or the denial of an application for a license by the proper licensing authority of another state, territory or country;

(9) The violation of, or failure to comply with, the provisions of sections 148.01 to 148.101, the rules of the state board of chiropractic examiners, or a lawful order of the board; or

(10) Unprofessional conduct; or

(11) Being unable to practice chiropractic with reasonable skill and safety to patients by reason of illness, professional incompetence, senility, drunkenness, use of drugs, narcotics, chemicals or any other type of material, or as a result of any mental or physical condition. If the board has probable cause to believe that a person comes within this clause, it shall direct the person to submit to a mental or physical examination. For the purpose of this clause, every person licensed under this chapter shall be deemed to have given his consent to submit to a mental or physical examination when directed in writing by the board and further to have waived all objections to the admissibility of the examining physicians' testimony or examination reports on the ground that the same constitute a privileged communication. Failure of a person to submit to such examination when directed shall constitute an admission of the allegations against him, unless the failure was due to circumstances beyond his control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence. A person affected under this clause shall at reasonable intervals be afforded an opportunity to demonstrate that he can resume the competent practice of chiropractic with reasonable skill and safety to patients.

In any proceeding under this clause, neither the record of proceedings nor the orders entered by the board shall be used against a person in any other proceeding.

For the purposes of clause (4), conviction shall be deemed to include a criminal proceeding in which a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered.

For the purposes of clauses (4) and (5), a copy of the judgment or proceeding under seal of the clerk of the court or of the administrative agency which entered the same shall be admissible into evidence without further authentication and shall constitute prima facie evidence of its contents.

For the purposes of clause (10), unprofessional conduct means any unethical, deceptive or deleterious conduct or practice harmful to the public, any departure from or the failure to conform to the minimal standards of acceptable chiropractic practice, or a willful or careless disregard for the health, welfare or safety of patients, in any of which cases proof of actual injury need not be established. Unprofessional conduct shall include, but not be limited to, the following acts of a chiropractor:

- (a) Gross ignorance of, or incompetence in, the practice of chiropractic;
- (b) Making suggestive, lewd, lascivious or improper advances to a patient;
- (c) Performing unnecessary services;
- (d) Charging a patient an unconscionable fee or charging for services not

rendered;

(e) Directly or indirectly engaging in threatening, dishonest, or misleading fee collection techniques;

(f) Perpetrating fraud upon patients, third party payers, or others, relating to the practice of chiropractic; and

(g) Any other act that the board by rule may define.

Sec. 6. Minnesota Statutes 1982, section 148.10, subdivision 3, is amended to read:

Subd. 3. [REPRIMAND; PENALTIES; PROBATION.] In addition to the other powers granted to the board under this chapter, the board may, in connection with any person whom the board, after a hearing, adjudges unqualified or whom the board, after a hearing, finds to have performed one or more of the acts described in subdivision 1:

(a) Publicly reprimand or censure the person; ~~and~~

(b) Place the person on probation for the period and upon the terms and conditions that the board may prescribe; *and*

(c) *Require payment of all costs of proceedings resulting in the disciplinary action.*

Sec. 7. Minnesota Statutes 1982, section 148.10, is amended by adding a subdivision to read:

Subd. 4. [TEMPORARY SUSPENSION.] In addition to any other remedy provided by law, the board may, without a hearing, temporarily suspend a license for not more than 60 days if the board finds that a person has violated a statute or rule which the board is empowered to enforce and continued practice by the person would create an imminent risk of harm to others. The suspension shall take effect upon written notice to the person, specifying the statute or rule violated. At the time it issues the suspension notice, the board shall schedule a disciplinary hearing to be held pursuant to the administrative procedure act. The person shall be provided with at least 20 days notice of any hearing held pursuant to this subdivision."

Page 4, line 3, delete "December" and insert "October"

Page 4, line 10, delete "4" and insert "8"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to occupations and professions; regulating chiropractic practice; providing for the management of expenditures and revenues of the board; providing grounds for revocation, suspension, or refusal to renew licenses; providing for the payment of costs of disciplinary proceedings; authorizing temporary license suspensions; providing rulemaking authority to the board; creating a legislative study commission; amending Minnesota Statutes 1982, sections 148.01; 148.06; 148.07, subdivision 2; 148.08, by adding a subdivision; and 148.10, subdivisions 1, 3, and by adding a subdivision."

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

Senate Conferees: (Signed) Don B. Samuelson, Gregory L. Dahl, Don A. Anderson

House Conferees: (Signed) Paul Anders Ogren, Merlyn O. Valan, Bob McEachern

Mr. Samuelson moved that the foregoing recommendations and Conference Committee Report on S.F. No. 159 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 159 was read the third time as amended by the Conference Committee, and placed on its repassage.

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

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

The roll was called, and there were yeas 47 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kamrath	Merriam	Schmitz
Anderson	Dieterich	Knutson	Moe, R. D.	Sieloff
Belanger	Frank	Kronebusch	Novak	Spear
Benson	Frederick	Laidig	Olson	Storm
Berg	Frederickson	Langseth	Peterson, D.C.	Taylor
Bertram	Hughes	Lantry	Petty	Ulland
Chmielewski	Isackson	Lessard	Purfeerst	Waldorf
Davis	Johnson, D.E.	Luther	Ramstad	
DeCramer	Johnson, D.J.	McQuaid	Reichgott	
Dicklich	Jude	Mehrrens	Samuelson	

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

SPECIAL ORDER

H.F. No. 274: A bill for an act relating to the legislature; providing for the majority leader of the senate rather than the president of the senate to serve as chairman of the legislative coordinating commission; changing the term of the chairman of the commission from one year to two years; amending Minnesota Statutes 1982, section 3.303, subdivision 3.

CALL OF THE SENATE

Mr. Belanger imposed a call of the Senate for the balance of the proceedings on H.F. No. 274. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Chmielewski moved to amend H. F. No. 274, the unofficial engrossment, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 43A.23, is amended by adding a subdivision to read:

Subd. 3. [CONTRACT WITH INSURANCE CARRIERS.] The commis-

sioner of labor and industry may contract with carriers authorized to provide coverage under the state employees group insurance plan to extend coverage to eligible employees who incur medical expenses due to a personal injury which results from their state employment which is compensable under chapter 176.

Sec. 2. Minnesota Statutes 1982, section 79.071, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall adopt a schedule of workers' compensation insurance rates for use in this state for each classification under which business is written until January 1, ~~1986~~ 1984. The schedule of rates shall not be excessive, inadequate, or unfairly discriminatory. In adopting a schedule of rates, the commissioner may act on the written petition of the association or any other interested party requesting that a hearing be held for modification of the schedule of rates. The commissioner may include the expense of a reasonable charge for the services of an agent of record, for the service of rejected risks as set forth in sections 79.24 to 79.27.

Sec. 3. Minnesota Statutes 1982, section 79.071, subdivision 1a, is amended to read:

Subd. 1a. If the legislature enacts amendments to the workers' compensation laws of this state which indicate a reduction in the schedule of rates, or the commissioner determines that the loss experience of Minnesota workers' compensation insurers indicates a change in the existing schedule of rates, the commissioner may, in his discretion, order a change in the schedule of rates or order a hearing to determine whether and by what percentage the schedule of rates should be changed. A hearing held pursuant to this subdivision is not subject to the contested case proceeding requirements of sections 79.071 and 79.072, notwithstanding section 79.076. *The commissioner is prohibited from granting approval of any proposed increase in rates after May 1, 1983.*

Sec. 4. Minnesota Statutes 1982, section 79.211, subdivision 2, is amended to read:

Subd. 2. [DIVISION OF PAYROLL.] An insurer shall permit an employer to divide his payroll among the rating classifications most closely fitting the work actually performed *by each employee in a four-hour block or more* for purposes of premium calculation when the employer's records provide adequate support for a division.

Sec. 5. Minnesota Statutes 1982, section 79.251, is amended to read:

79.251 [ADMINISTRATION OF ASSIGNED RISK PLAN.]

Subdivision 1. [ASSIGNED RISK PLAN REVIEW BOARD.] (1) An assigned risk plan review board is created for the purposes of review of the operation of sections ~~79.24 to 79.27~~ 6 and 79.251. The board shall have all the usual powers and authorities necessary for the discharge of its duties under this section and may contract with individuals in discharge of those duties.

(2) The board shall consist of ~~five~~ six members to be appointed by the commissioner of insurance. ~~Two~~ Three members shall be insureds holding

policies or contracts of coverage issued pursuant to ~~section 79.25~~ subdivision 4. Two members shall be ~~members of the association~~ insurers licensed pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b). The commissioner shall be the ~~fifth sixth~~ member and shall vote.

Initial appointments shall be made by September 1, 1981, and terms shall be for three years duration. Removal, the filling of vacancies and compensation of the members other than the commissioner shall be as provided in section 15.059.

(3) The assigned risk plan review board shall audit the reserves established by ~~insurers~~ (a) for individual cases arising under policies and contracts of coverage issued under ~~section 79.25~~ subdivision 4 and (b) for the total book of business issued under ~~section 79.25~~ subdivision 4.

(4) The assigned risk plan review board shall monitor the operations of sections ~~79.24 to 79.27~~ 6 and 79.251 and shall periodically make recommendations to the commissioner, and to the governor and legislature when appropriate, for improvement in the operation of those sections.

(5) All ~~members of the association~~ insurers and self-insurance administrators issuing policies or contracts under ~~section 79.25~~ subdivision 4 shall pay and the commissioner shall receive and disburse, on behalf of the board, a .25 percent assessment on premiums for policies and contracts of coverage issued under ~~section 79.25~~ subdivision 4 for the purpose of defraying the costs of the assigned risk plan review board.

(6) *The assigned risk plan and the assigned risk plan review board shall not be deemed a state agency.*

Subd. 2. [APPROPRIATE MERIT RATING PLAN.] The commissioner shall develop an appropriate merit rating plan which shall be applicable to all insureds holding policies or contracts of coverage issued pursuant to ~~section 79.25~~ whose premium is less than the amount necessary to qualify for experience rating subdivision 4 and to the insurers or self-insurance administrators issuing those policies or contracts. The plan shall provide a maximum merit payment adjustment equal to ten percent of earned premium. The actual payment adjustment may vary with insured's loss experience.

Subd. 3. [RATES.] *Insureds served by the assigned risk plan shall be charged premiums based upon a rating plan, including a merit rating plan adopted by the commissioner by rule. The commissioner shall annually, not later than January 1 of each year, establish the schedule of rates applicable to assigned risk plan business. Assigned risk premiums shall not be lower than rates generally charged by insurers for the business. The commissioner shall fix the compensation received by the agent of record. The establishment of the assigned risk plan rates and agent fees are not subject to chapter 14.*

Subd. 4. [ADMINISTRATION.] *The commissioner shall enter into service contracts as necessary or beneficial for accomplishing the purposes of the assigned risk plan. Services related to the administration of policies or contracts of coverage shall be performed by one or more qualified insurance companies licensed pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b), or self-insurance administrators licensed pursuant to section 176.181, subdivision 2, clause (2), paragraph (a). A qualified insurer or self-insurance administrator shall possess sufficient financial, professional,*

administrative, and personnel resources to provide the services contemplated in the contract. Services related to assignments, data management, assessment collection, and other services shall be performed by a licensed data service organization. The cost of those services is an obligation of the assigned risk plan.

Subd. 5. [ASSESSMENTS.] The commissioner shall assess all insurers licensed pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b) an amount sufficient to fully fund the obligations of the assigned risk plan, if the commissioner determines that the assets of the assigned risk plan are insufficient to meet its obligations. The assessment of each insurer shall be in a proportion equal to the proportion which the amount of compensation insurance written in this state during the preceding calendar year by that insurer bears to the total compensation insurance written in this state during the preceding calendar year by all licensed insurers.

Sec. 6. [79.252] [ASSIGNED RISK PLAN.]

Subdivision 1. [PURPOSE.] The purpose of the assigned risk plan is to provide workers' compensation coverage to employers rejected by a licensed insurance company, pursuant to subdivision 2.

Subd. 2. [REJECTED RISKS.] An insurer that refuses to write insurance for an employer shall furnish the employer a written notice of refusal. The employer shall file a copy of the notice of refusal with the data service organization under contract with the commissioner pursuant to section 79.251, subdivision 4.

Subd. 3. [COVERAGE.] Policies and contracts of coverage issued pursuant to section 79.251, subdivision 4, shall contain the usual and customary provisions of workers' compensation insurance policies, and shall be deemed to meet the mandatory workers' compensation insurance requirements of section 176.181, subdivision 2.

Subd. 4. [RESPONSIBILITIES.] Assigned risk policies and contracts of coverage shall be subject to premium tax pursuant to section 60A.15, and special compensation fund assessments pursuant to section 176.131, subdivision 10. The assigned risk plan shall be a member of the reinsurance association for the purposes of sections 79.34 to 79.40 and shall be deemed to have selected the higher retention limit provided in section 79.34, subdivision 2.

Subd. 5. [RULES.] The commissioner may adopt rules, including temporary rules, as may be necessary to implement sections 6 and 79.251.

Sec. 7. Minnesota Statutes 1982, section 79.34, subdivision 1, is amended to read:

Subdivision 1. A nonprofit association known as the workers' compensation reinsurance association is created, which may be incorporated under chapter 317 with all the powers of a corporation formed under that chapter, except that if the provisions of that chapter are inconsistent with sections 79.34 to 79.40 or any amendments thereto, sections 79.34 to 79.40 shall govern. Each insurer as defined by section 79.01, subdivision 2, shall as a condition of its authority to transact workers' compensation insurance in this state, be a member of the reinsurance association and shall be bound by

the plan of operation of the reinsurance association; provided, that all affiliated insurers within a holding company system as defined in sections 60D.01 to 60D.13 shall be considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association. Each self-insurer approved pursuant to section 176.181 and each political subdivision which self-insures shall, as a condition of its authority to self-insure workers' compensation liability in this state, be a member of the reinsurance association and shall be bound by its plan of operation; provided, that (a) all affiliated companies within a holding company system, as determined by the commissioner in a manner consistent with the standards and definitions in sections 60D.01 to 60D.13, shall be considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association, and (b) all group self-insurers granted authority to self-insure pursuant to section 176.181 shall be considered a single entity for purposes of the exercise of all the rights and duties of membership in the reinsurance association. *As a condition of its authority to self-insure workers' compensation liability, and for losses incurred on or after January 1, 1984, the state shall be a member of the reinsurance association and is bound by its plan of operation. The commissioner of labor and industry represents the state in the exercise of all the rights and duties of membership in the reinsurance association. The state treasurer shall pay the premium to the reinsurance association from the state compensation revolving fund upon warrants of the commissioner of labor and industry. For the purposes of this section "state" means the administrative branch of state government, the legislative branch, the judicial branch, the University of Minnesota, and any other entity whose workers' compensation liability is paid from the state revolving fund. The commissioner may calculate, prorate, and charge a department or agency the portion of premiums paid to the reinsurance association for employees who are paid wholly or in part by federal funds, dedicated funds, or special revenue funds.* The reinsurance association ~~shall~~ is not be deemed a state agency. Actions of the reinsurance association and its board of directors and actions of the commissioner of insurance with respect to the reinsurance association ~~shall~~ are not be subject to ~~chapter~~ chapters 13, 14, and 15. The reinsurance association ~~shall be~~ is exempt from taxation under the laws of this state and all property owned by the association ~~shall be~~ is exempt from taxation. The reinsurance association ~~shall~~ is not be obligated to make any payments or pay any assessments to any funds or pools established pursuant to this chapter or chapter 176 or any other law.

Sec. 8. Minnesota Statutes 1982, section 79.34, subdivision 2, is amended to read:

Subd. 2. The reinsurance association shall provide and each member shall accept indemnification for 100 percent of the amount of ultimate loss sustained in each loss occurrence relating to one or more claims arising out of a single compensable event, including aggregate losses related to a single event or occurrence which constitutes a single loss occurrence, under chapter 176 on and after October 1, 1979, in excess of \$300,000 or \$100,000 retention limit, at the option of the member. In case of occupational disease causing disablement on and after October 1, 1979, each person suffering ~~such~~ disablement ~~shall be due to occupational disease~~ is considered to be involved in a separate loss occurrence. The ~~lesser~~ lower retention limit shall be increased to the nearest \$10,000, on January 1, 1982 and on each January 1 thereafter by the percentage increase in the statewide average weekly wage, as determined in accordance with section 176.011, subdivision 20. On January 1, 1982 and on each January 1 thereafter, the

~~greater~~ *higher* retention limit shall be increased by the amount necessary to retain a \$200,000 difference between the two retention limits. Ultimate loss as used in this section means the actual loss amount which a member is obligated to pay and which is paid by the member for workers' compensation benefits payable under chapter 176 and shall not include claim expenses, assessments, damages or penalties. *For losses incurred on or after January 1, 1979, any amounts paid by a member pursuant to sections 176.183, 176.221, 176.225, and 176.82 shall not be included in ultimate loss and shall not be indemnified by the reinsurance association.* A loss is incurred by the reinsurance association on the date on which the accident or other compensable event giving rise to the loss occurs, and a member is liable for a loss up to its retention limit in effect at the time that the loss was incurred, except that members which are determined by the reinsurance association to be controlled by or under common control with another member, and which are liable for claims from one or more employees entitled to compensation for a single compensable event, including aggregate losses relating to a single loss occurrence, may aggregate their losses and obtain indemnification from the reinsurance association for the aggregate losses in excess of the higher retention limit in effect at the time the loss was incurred. Each member is liable for payment of its ultimate loss and shall be entitled to indemnification from the reinsurance association for the ultimate loss in excess of the member's retention limit in effect at the time of the loss occurrence.

A member that chooses the higher retention limit shall retain the liability for all losses below the higher retention limit itself and shall not transfer the liability to any other entity or reinsure or otherwise contract for reimbursement or indemnification for losses below its retention limit, except in the following cases: (a) when the reinsurance or contract is with another member which, directly or indirectly, through one or more intermediaries, control or are controlled by or are under common control with the member; (b) when the reinsurance or contract provides for reimbursement or indemnification of a member if and only if the total of all claims which the member pays or incurs, but which are not reimbursable or subject to indemnification by the reinsurance association for a given period of time, exceeds a dollar value or percentage of premium written or earned and stated in the reinsurance agreement or contract; (c) when the reinsurance or contract is a pooling arrangement with other insurers where liability of the member to pay claims pursuant to chapter 176 is incidental to participation in the pool and not as a result of providing workers' compensation insurance to employers on a direct basis under chapter 176; (d) when the reinsurance or contract is limited to all the claims of a specific insured of a member which are reimbursed or indemnified by a reinsurer which, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the insured of the member so long as any subsequent contract or reinsurance of the reinsurer relating to the claims of the insured of a member is not inconsistent with the bases of exception provided under clauses (a), (b) and (c) above; or (e) when the reinsurance or contract is limited to all claims of a specific self-insurer member which are reimbursed or indemnified by a reinsurer which, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the self-insurer member so long as any subsequent contract or reinsurance of the reinsurer relating to the claims of the self-insurer member are not inconsistent with the bases for exception provided under clauses (a), (b) and (c) above.

Whenever it appears to the commissioner that any member that chooses

the higher retention limit has participated in the transfer of liability to any other entity or reinsured or otherwise contracted for reimbursement or indemnification of losses below its retention limit in a manner inconsistent with the bases for exception provided under clauses (a), (b), (c), (d), and (e), the commissioner may, after giving notice and an opportunity to be heard, order the member to pay to the state of Minnesota an amount not to exceed twice the difference between the reinsurance premium for the higher and lower retention limit applicable to the member for each year in which the prohibited reinsurance or contract was in effect. Any member subject to this penalty provision shall continue to be bound by its selection of the higher retention limit for purposes of membership in the reinsurance association.

Sec. 9. Minnesota Statutes 1982, section 79.34, is amended by adding a subdivision to read:

Subd. 7. For losses incurred on or after January 1, 1984, the reinsurance association shall indemnify the member for the ultimate loss, in excess of the retention limit in effect at the time of the loss occurrence, sustained in each loss occurrence relating to one or more claims arising out of a single compensable event in another state provided that:

(a) the injured worker is eligible for benefits under section 176.041, subdivision 2 or 3, but elects to receive benefits under the workers' compensation statute of another state in lieu of benefits under chapter 176; and

(b) the ultimate loss indemnified by the reinsurance association shall be determined as provided in this chapter, except that the benefits shall be equal to those required to be paid under the workers' compensation statute of the state elected.

Sec. 10. Minnesota Statutes 1982, section 79.35, is amended to read:

79.35 [DUTIES; RESPONSIBILITIES; POWERS.]

The reinsurance association shall do the following on behalf of its members:

(a) Assume 100 percent of the liability as provided in section 79.34;

(b) Establish procedures by which members shall promptly report to the reinsurance association each claim which, on the basis of the injury sustained, may reasonably be anticipated to involve liability to the reinsurance association if the member is held liable under chapter 176. Solely for the purpose of reporting claims, the member shall in all instances consider itself legally liable for the injury. The member shall advise the reinsurance association of subsequent developments likely to materially affect the interest of the reinsurance association in the claim;

(c) Maintain relevant loss and expense data relative to all liabilities of the reinsurance association and require each member to furnish statistics in connection with liabilities of the reinsurance association at the times and in the form and detail as may be required by the plan of operation;

(d) Calculate and charge to members a total premium sufficient to cover the expected liability which the reinsurance association will incur in excess of the higher retention limit but less than the prefunded limit, together with

incurred or estimated to be incurred operating and administrative expenses for the period to which this premium applies and actual claim payments to be made by members, during the period to which this premium applies, for claims in excess of the prefunded limit in effect at the time the loss was incurred. The prefunded limit shall be \$2,500,000 on and after October 1, 1979, provided that the prefunded limit shall be increased on January 1, 1983 and on each January 1 thereafter by the percentage increase in the statewide average weekly wage, to the nearest \$100,000, as determined in accordance with section 176.011, subdivision 20. Each member shall be charged a proportion of the total premium in an amount equal to its proportion of the ~~total standard earned premium exposure base~~ of all members during the period to which the reinsurance association premium will apply, ~~as determined by the commissioner.~~ *The exposure base shall be determined by the board and is subject to the approval of the commissioner. In determining the exposure base, the board shall consider, among other things, equity, administrative convenience, records maintained by members, amenability to audit, and degree of risk refinement.* Each member exercising the lower retention option shall also be charged a premium established by the board as sufficient to cover incurred or estimated to be incurred claims for the liability the reinsurance association is likely to incur between the lower and higher retention limits for the period to which the premium applies. Each member shall also be charged a premium determined by the board to equitably distribute excess or deficient premiums from previous periods including any excess or deficient premiums resulting from a retroactive change in the prefunded limit. ~~An equitable basis for determining standard earned premium for self-insurers shall be established by the commissioner.~~ The premiums charged to members shall not be unfairly discriminatory as defined in section 79.074. All premiums shall be approved by the commissioner;

(e) Require and accept the payment of premiums from members of the reinsurance association;

(f) Receive and distribute all sums required by the operation of the reinsurance association;

(g) Establish procedures for reviewing claims procedures and practices of members of the reinsurance association. If the claims procedures or practices of a member are considered inadequate to properly service the liabilities of the reinsurance association, the reinsurance association may undertake, or may contract with another person, including another member, to adjust or assist in the adjustment of claims which create a potential liability to the association ~~and~~. *The reinsurance association may charge the cost of the adjustment under this paragraph to the member, except that any penalties or interest incurred under sections 176.183, 176.221, 176.225, and 176.82 as a result of actions by the reinsurance association after it has undertaken adjustment of the claim shall not be charged to the member but shall be included in the ultimate loss and listed as a separate item; and*

(h) Provide each member of the reinsurance association with an annual report of the operations of the reinsurance association in a form the board of directors may specify.

Sec. 11. Minnesota Statutes 1982, section 79.37, is amended to read:

79.37 [BOARD OF DIRECTORS.]

A board of directors of the reinsurance association is created and ~~shall be~~ is responsible for the operation of the reinsurance association consistent with the plan of operation and sections 79.34 to 79.42. The board ~~shall consist~~ consists of ~~nine~~ 13 directors and the ~~commissioner~~ commissioners of insurance and labor and industry who shall be ~~an~~ ex officio ~~member~~ members. Four members of the board shall represent insurers, ~~three~~ six members of the board shall represent employers, at least one, but not more than ~~two~~ three, of whom shall represent self-insurers, and ~~two~~ three members of the board shall represent employees. Members shall elect the insurer directors, and the commissioner of insurance shall appoint the employer and employee directors from a list presented to the commissioner by the workers' compensation advisory council established in chapter 175, for the terms authorized in the plan of operation. Each board member ~~shall be~~ is entitled to one vote. Terms of the directors shall be staggered so that the terms of all the directors do not expire at the same time and so that a director does not serve a term of more than four years. The board shall select a chairman and other officers it deems appropriate.

A majority of the board ~~shall constitute~~ constitutes a quorum, notwithstanding any vacancies. Action may be taken by a majority vote of the directors present.

Sec. 12. Minnesota Statutes 1982, section 79.51, subdivision 3, is amended to read:

Subd. 3. [RULES; SUBJECT MATTER.] (a) The commissioner in issuing rules shall consider:

(1) Data reporting requirements, including types of data reported, such as loss and expense data;

(2) Experience rating plans;

(3) Retrospective rating plans;

(4) General expenses and related expense provisions;

(5) Minimum premiums;

(6) Classification systems and assignment of risks to classifications;

(7) Loss development and trend factors;

(8) The workers' compensation reinsurance association;

~~(9) Restrictions, prohibitions, and requirements with respect to the activities of the workers' compensation insurers rating association of Minnesota during the period from July 1, 1983 to January 1, 1986;~~

~~(10) Requiring substantial compliance with the rules mandated by this section as a condition of workers' compensation carrier licensure;~~

~~(11) (10) Imposing limitations on the functions of workers' compensation data service organizations consistent with the introduction of competition;~~

~~(12) (11) The rules contained in the workers' compensation rating manual adopted by the workers' compensation insurers rating association; and~~

~~(13) (12) Any other factors that the commissioner deems relevant to achieve the purposes of chapter 79.~~

(b) The rules shall provide for the following:

(1) Competition in workers' compensation insurance rates in such a way that the advantages of competition are introduced with a minimum of employer hardship ~~during the transition period~~;

(2) Adequate safeguards against excessive or discriminatory rates in workers' compensation ~~during the transition period~~;

(3) Encouragement of workers' compensation insurance rates which are as low as reasonably necessary, but shall make provision against inadequate rates, insolvencies and unpaid benefits;

(4) Assurances that employers are not unfairly relegated to the assigned risk pool;

(5) Requiring all appropriate data and other information from insurers for the purpose of issuing rules ~~and~~, making legislative recommendations pursuant to this section ~~and monitoring the effectiveness of competition~~; and

(6) Preserving a framework for risk classification, data collection, and other appropriate joint insurer services where these will not impede the introduction of competition in premium rates.

~~(c) The rules shall expire on January 1, 1986.~~

Sec. 13. Minnesota Statutes 1982, section 79.52, is amended by adding a subdivision to read:

Subd. 16. [ATTORNEY'S FEES.] No loss adjustment expense used to pay attorney fees or other costs in defense of a workers' compensation claim shall be charged to an insured in a merit rating plan or to a plan under section 79.251, subdivision 2.

Sec. 14. Minnesota Statutes 1982, section 79.53, is amended to read:

79.53 [PREMIUM CALCULATION.]

Subdivision 1. [METHOD OF CALCULATION.] Each insurer shall establish premiums to be paid by an employer according to its filed rates and rating plan as follows:

Rates shall be applied to an exposure base to yield a base premium which may be further modified by merit rating, premium discounts, and other appropriate factors contained in the rating plan of an insurer to produce premium. Nothing in this chapter shall be deemed to prohibit the use of any premium, provided the premium is not excessive, inadequate or unfairly discriminatory.

Subd. 2. [STUDY; REPORT.] The commissioner of insurance shall conduct a comparative actuarial study of the exposure bases of employers located within and outside of the seven county metropolitan area. In addition to the factors required to be considered by a data service organization under section 79.61, subdivision 1, the study shall include the activity permitted under section 79.61, subdivision 2, and specifically, shall include a comparative study of the incidence of litigation in relationship to first reports of injuries as between employers within and outside the metropolitan area.

For the purposes of this section, "metropolitan area" has the meaning as

defined in section 473.121, subdivision 2.

A report on the study shall be made by the commissioner to the legislature by January 15, 1984.

Sec. 15. Laws 1981, chapter 346, section 145, is amended to read:

Sec. 145. [REPEALER.]

Minnesota Statutes 1980, Sections ~~79.071, Subdivision 1; 79.074, Subdivision 1; 79.075; 79.076; 79.08; 79.09; 79.11; 79.12; 79.13; 79.14; 79.15; 79.16; 79.17; 79.171; 79.18; 79.19; 79.20; 79.21; 79.22, Subdivision 1; 79.221; 79.23; 79.24; 79.25; and 79.26; 79.27; 79.28; 79.29; 79.30; 79.31; 79.32; and 79.33~~ are repealed effective July 1, 1983. Minnesota Statutes 1980, Sections ~~79.071; Subdivisions 2, 3, 4, 5, 6, and 7; 79.072; and 79.073; 79.074, Subdivision 1; 79.075; 79.076; 79.08; 79.09; 79.11; 79.12; 79.13; 79.14; 79.15; 79.16; 79.17; 79.171; 79.18; 79.19; 79.20; 79.21; 79.22, Subdivision 1; 79.221; 79.23; 79.27; 79.28; 79.29; 79.30; 79.31; 79.32; and 79.33~~ are repealed effective January 1, 1984. Minnesota Statutes 1980, Sections 175.006, Subdivisions 1a and 2; 175.0061; 175.09; 176.11, Subdivision 11; and 176.441, Subdivision 2, are repealed.

Sec. 16. Laws 1981, chapter 346, section 146, is amended to read:

Sec. 146. [EFFECTIVE DATE.]

Sections 11, 21, 22, 23, 35, 36, 37, 38, 53, 54, 141, and 142 are effective the day following enactment. Sections 1 to 8, 12, 39 to 52, 55 to 95, 99 to 138, 140, and 143 to 145 are effective July 1, 1981. Sections 96 to 98 are effective October 1, 1981. Sections 9, 10, and 13 to 20 are effective January 1, 1982. Sections 24 30 to 34 are effective July 1, 1983. *Sections 24 to 29 are effective January 1, 1984.* Section 139 is effective retroactively to April 12, 1980.

Sec. 17. Minnesota Statutes 1982, section 147.02, is amended by adding a subdivision to read:

Subd. 3. [CONTINUING EDUCATION.] The board shall adopt rules requiring continuing education for physicians, surgeons, and osteopaths licensed under this chapter who regularly practice in the area of workers' compensation. These rules shall include rules relating to continuing education designed to assure the coordination of treatment, rehabilitation, and other medical services provided to injured employees under chapter 176. Rules relative to education regarding treatment under chapter 176 shall be adopted jointly with the commissioner of labor and industry. These rules shall be consistent with section 214.12.

Sec. 18. [148.031] [CONTINUING EDUCATION.]

The board shall adopt rules requiring continuing education for chiropractors licensed under this chapter who regularly practice in the area of workers' compensation. These rules shall include rules relating to continuing education designed to assure the coordination of treatment, rehabilitation, and other chiropractic services provided to injured employees under chapter 176. Rules relative to education under chapter 176 shall be adopted jointly with the commissioner of labor and industry. These rules shall be consistent with section 214.12.

Sec. 19. Minnesota Statutes 1982, section 175.006, subdivision 1, is amended to read:

Subdivision 1. [CREATION AND ORGANIZATION.] The division of workers' compensation, generally administering the workers' compensation law, is created within the department of labor and industry. ~~There is created as a separate appellate tribunal for workers' compensation, the workers' compensation court of appeals.~~

~~The workers' compensation court of appeals shall be composed of five judges each serving in the unclassified service of the state civil service. Of the five judges, at least three shall be learned in the law. Each judge of the workers' compensation court of appeals shall be appointed by the governor, by and with the advice and consent of the senate, for a term of six years. The judges of the workers' compensation court of appeals as now created shall be the judges of the workers' compensation court of appeals until the expiration of the terms for which they have been appointed and qualified.~~

Sec. 20. Minnesota Statutes 1982, section 175.007, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall appoint an advisory council on workers' compensation, which ~~shall consist~~ *consists* of five representatives of employers and five representatives of employees and ~~three~~ *five nonvoting* members representing the general public. The council may consult with the ~~judges of the workers' compensation court of appeals~~ *any party it desires*. The ~~council shall expire and the terms,~~ *compensation and removal of members shall be as provided in section 15.059. The council is not subject to section 15.059, subdivision 5.*

Sec. 21. Minnesota Statutes 1982, section 175.08, is amended to read:

175.08 [OFFICE.]

~~The workers' compensation court of appeals and the department of labor and industry shall maintain their~~ *its* ~~main offices~~ *office* within the Minneapolis-Saint Paul metropolitan area and be provided by the commissioner of administration with suitable rooms and necessary furniture. ~~The offices of the workers' compensation court of appeals and the department of labor and industry shall be in separate buildings. They~~ *It* may hold sessions at any other place in the state when ~~their convenience and that of the parties interested so requires~~ *it is convenient*.

Sec. 22. Minnesota Statutes 1982, section 175.10, is amended to read:

175.10 [SESSIONS TO BE PUBLIC.]

The department of labor and industry shall be open for the transaction of business during all business hours of each and every day, excepting Saturdays, Sundays and legal holidays. The hearings of ~~the workers' compensation court of appeals and the workers' compensation division shall be~~ *are* open to the public and may be adjourned from time to time. All the proceedings of ~~the workers' compensation court of appeals and the division shall be shown on their~~ *its* records, which ~~shall be~~ *are* public records.

Sec. 23. Minnesota Statutes 1982, section 175.101, subdivision 1, is amended to read:

Subdivision 1. It is the legislative purpose in creating a division of workers' compensation, and in assigning to the commissioner of the department of labor and industry specific duties and responsibilities, to:

(a) provide for a unified department of labor and industry for the limited purposes of organization and administration of common administrative functions; *and*

(b) assure the autonomy and maximum independence of the necessary adjudicative functions and quasi-legislative administrative duties of the division; *and*;

(c) separate and limit the functions and responsibilities of the existing workers' compensation court of appeals to those appropriate to an independent appellate reviewing body.

The commissioner of the department of labor and industry as head of the workers' compensation division is the administrator of the workers' compensation division. ~~He~~ *The commissioner* shall possess only ~~such the~~ powers and shall perform only ~~such the~~ duties as are specifically prescribed by law.

Sec. 24. Minnesota Statutes 1982, section 175.101, subdivision 2, is amended to read:

Subd. 2. The commissioner of the department of labor and industry shall keep a full and true record of all proceedings of the workers' compensation division ~~and the workers' compensation court of appeals~~, issue all necessary processes, writs, warrants, and notices which the division ~~or workers' compensation court of appeals~~ *is* required or authorized to issue and generally act as the administrator of the division of workers' compensation in the department of labor and industry. Notices and other documents required to be served or filed on the division of workers' compensation or the workers' compensation court of appeals shall be served on the commissioner of the department of labor and industry.

Sec. 25. Minnesota Statutes 1982, section 176.001, is amended to read:

176.001 [INTENT OF THE LEGISLATURE.]

It is the intent of the legislature that chapter 176 be interpreted so as to assure the quick and efficient delivery of indemnity and medical benefits to injured workers at a reasonable cost to the employers who are subject to the provisions of chapter 176. *It is the specific intent of the legislature that workers' compensation cases shall be decided on their merits and that the common law rule of "liberal construction" based on the supposed "remedial" basis of workers' compensation legislation shall not apply in such cases. The workers' compensation system in Minnesota is based on a mutual renunciation of common law rights and defenses by employers and employees alike. Employees' rights to sue for damages over and above medical and health care benefits and wage loss benefits are to a certain degree limited by the provisions of this chapter, and employers' rights to raise common law defenses such as lack of negligence, contributory negligence on the part of the employee, and others, are curtailed as well. Accordingly, the legislature hereby declares that the workers' compensation laws are not remedial in any sense and are not to be given a broad liberal construction in favor of the claimant or employee on the one hand, nor are the rights and interests of the*

employer to be favored over those of the employee on the other hand.

Sec. 26. Minnesota Statutes 1982, section 176.011, subdivision 9, is amended to read:

Subd. 9. [EMPLOYEE.] "Employee" means any person who performs services for another for hire; and includes the following:

(1) an alien;

(2) a minor;

(3) a sheriff, deputy sheriff, constable, marshal, policeman, firefighter, a county highway engineer, and a peace officer while engaged in the enforcement of peace or in and about the pursuit or capture of any person charged with or suspected of crime and any person requested or commanded to aid an officer in arresting any person, or in retaking any person who has escaped from lawful custody, or in executing any legal process in which case, for purposes of calculating compensation payable under this chapter, the daily wage of the person requested or commanded to assist an officer or to execute a legal process shall be the prevailing wage for similar services where the services are performed by paid employees;

(4) a county assessor;

(5) an elected or appointed official of the state, or of any county, city, town, school district or governmental subdivision therein but an officer of a political subdivision elected or appointed for a regular term of office or to complete the unexpired portion of any such regular term, shall be included only after the governing body of the political subdivision has adopted an ordinance or resolution to that effect;

(6) an executive officer of a corporation except an officer of a family farm corporation as defined in section 500.24, subdivision 1, clause (c), nor shall it include an executive officer of a closely held corporation who is referred to in section 176.012;

(7) a voluntary uncompensated worker, other than an inmate, rendering services in state institutions under the commissioner of public welfare and state institutions under the commissioner of corrections similar to those of officers and employees of these institutions, and whose services have been accepted or contracted for by the commissioner of public welfare or the commissioner of corrections as authorized by law, shall be employees within the meaning of this subdivision. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(8) a voluntary uncompensated worker engaged in peace time in the civil defense program when ordered to training or other duty by the state or any political subdivision thereof, shall be an employee. The daily wage of the worker for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services where the services are performed by paid employees;

(9) a voluntary uncompensated worker participating in a program estab-

lished by a county welfare board shall be an employee within the meaning of this subdivision. In the event of injury or death of the voluntary uncompensated worker, the wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid in the county at the time of the injury or death for similar services where the services are performed by paid employees working a normal day and week;

(10) a voluntary uncompensated worker accepted by the commissioner of natural resources who is rendering services as a volunteer pursuant to section 84.089 shall be an employee. The daily wage of the worker for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of injury or death for similar services where the services are performed by paid employees;

(11) a member of the military forces, as defined in section 190.05, while in "active service" or "on duty" as defined in section 190.05, when the service or duty is ordered by state authority. The daily wage of the member for the purpose of calculating compensation payable under this chapter shall be based on the member's usual earnings in civil life. If there is no evidence of previous occupation or earning, the trier of fact shall consider the member's earnings as a member of the military forces;

(12) a voluntary uncompensated worker, accepted by the director of the Minnesota historical society, rendering services as a volunteer, pursuant to chapter 138, shall be an employee. The daily wage of the worker, for the purposes of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of injury or death for similar services where the services are performed by paid employees;

(13) a voluntary uncompensated worker, other than a student, who renders services at the Minnesota school for the deaf or the Minnesota braille and sight-saving school, and whose services have been accepted or contracted for by the state board of education, as authorized by law, shall be an employee within the meaning of this subdivision. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(14) a voluntary uncompensated worker, other than a resident of the veterans home, who renders services at a Minnesota veterans home, and whose services have been accepted or contracted for by the commissioner of veterans affairs, as authorized by law, is an employee within the meaning of this subdivision. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(15) a worker who renders in-home attendant care services to a physically handicapped person, and who is paid directly by the commissioner of public welfare for these services, shall be an employee of the state within the meaning of this subdivision, but for no other purpose; *and*

(16) those students enrolled in and regularly attending the medical school

of the University of Minnesota, whether in the graduate school program or the post graduate program, as provided in section 147.20, notwithstanding that the students shall not be considered employees for any other purpose. In the event of the student's injury or death, the weekly wage of the student for the purpose of calculating compensation payable under chapter 176, shall be the annualized educational stipend awarded to the student, divided by 52 weeks. The institution in which the student is enrolled shall be considered the "employer" for the limited purpose of determining responsibility for paying benefits payable under chapter 176.

In the event it is difficult to determine the daily wage as provided in this subdivision, then the trier of fact may determine the wage upon which the compensation is payable.

Sec. 27. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

Subd. 23. [RETRAINING.] "Retraining" means a formal course of study in a school setting which is designed to train an employee to return to suitable gainful employment.

Sec. 28. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

Subd. 24. [HEALTH CARE PROVIDER.] "Health care provider" means a physician, podiatrist, chiropractor, dentist, optometrist, osteopath, psychologist, psychiatric social worker, or any other person who furnishes a medical or health service to an employee under this chapter but does not include a qualified rehabilitation consultant or approved vendor.

Sec. 29. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

Subd. 25. [MAXIMUM MEDICAL IMPROVEMENT.] "Maximum medical improvement" means the date after which no further significant recovery from or significant lasting improvement to a personal injury can reasonably be anticipated, based upon reasonable medical probability.

Sec. 30. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

Subd. 26. [MONITORING PERIOD.] "Monitoring period" means the number of weeks during which economic recovery compensation pursuant to section 176.101, subdivision 3a, would have been paid if that compensation were payable.

Sec. 31. Minnesota Statutes 1982, section 176.012, is amended to read:

176.012 [ELECTION OF COVERAGE.]

The persons, partnerships and corporations described in this section may elect to provide the insurance coverage required by this chapter.

(a) An owner or owners of a business or farm may elect coverage for themselves.

(b) A partnership owning a business or farm may elect coverage for any partner.

(c) A family farm corporation as defined in section 500.24, subdivision 2,

clause (c) may elect coverage for any executive officer.

(d) A closely held corporation which had less than 22,880 hours of payroll in the previous calendar year may elect coverage for any executive officer if that executive officer is also an owner of at least 25 percent of the stock of the corporation.

(e) A person, partnership, or corporation hiring an independent contractor, as defined by rules adopted by the commissioner, may elect to provide coverage for that independent contractor.

The persons, partnerships and corporations described in this section may also elect coverage for an employee who is a spouse, parent or child, regardless of age, of an owner, partner, or executive officer, who is eligible for coverage under this section. Coverage may be elected for a spouse, parent or child whether or not coverage is elected for the related owner, partner or executive director and whether or not the person, partnership or corporation employs any other person to perform a service for hire. Any person for whom coverage is elected pursuant to this section shall be included within the meaning of the term employee for the purposes of this chapter.

Notice of election of coverage or of termination of election under this section shall be provided in writing to the insurer. Coverage or termination of coverage is effective the day following receipt of notice by the insurer or at a subsequent date if so indicated in the notice. The insurance policy shall be endorsed to indicate the names of those persons for whom coverage has been elected or terminated under this section. An election of coverage under this section shall continue in effect as long as a policy or renewal policy of the same insurer is in effect.

Nothing in this section shall be construed to limit the responsibilities of owners, partnerships or corporations to provide coverage for their employees, if any, as required under this chapter.

Sec. 32. Minnesota Statutes 1982, section 176.021, subdivision 1a, is amended to read:

Subd. 1a. [BURDEN OF PROOF.] All disputed issues of fact arising under chapter 176 shall be determined by a preponderance of the evidence, and in accordance with the principles laid down in section 176.001. Preponderance of the evidence means evidence produced in substantiation of a fact which, when weighed against the evidence opposing the fact, has more convincing force and greater probability of truth.

Questions of law arising under chapter 176 shall be determined ~~in accordance with the rules of construction generally applied to all other civil matters~~ on an even-handed basis in accordance with the principles laid down in section 176.001.

Sec. 33. Minnesota Statutes 1982, section 176.021, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION, COMMENCEMENT OF PAYMENT.] All employers shall commence payment of compensation at the time and in the manner prescribed by this chapter without the necessity of any agreement or any order of the division. Except for medical, burial, and other non-periodic

benefits, payments shall be made as nearly as possible at the intervals when the wage was payable, provided, however, that payments for permanent partial disability shall be governed by ~~subdivision 3a~~ section 176.101. If doubt exists as to the eventual permanent partial disability, payment for the economic recovery compensation or impairment compensation, whichever is due, pursuant to ~~subdivision 3a~~ section 176.101, shall be then made when due for the minimum permanent partial disability ascertainable, and further payment shall be made upon any later ascertainment of greater permanent partial disability. ~~Prior to or at the time of any tender commencement of the lump sum payment of economic recovery compensation or lump sum or periodic payment of impairment compensation,~~ the employee and employer shall be furnished with a copy of the medical report upon which the payment is based ~~and all other medical reports which the insurer has that indicate a permanent partial disability rating,~~ together with a statement by the insurer as to whether the tendered payment is for minimum permanent partial disability or final and eventual disability. ~~Compensation for permanent partial disability~~ After receipt of all reports available to the insurer that indicate a permanent partial disability rating, the employee shall make available or permit the insurer to obtain any medical report that the employee has or has knowledge of that contains a permanent partial disability rating which the insurer does not already have. Economic recovery compensation or impairment compensation pursuant to section 176.101 is payable in addition to but not concurrently with compensation for temporary total disability ~~and but is payable temporary partial disability pursuant to section 176.101; subdivisions 1 and 2; as provided in subdivision 3a. Compensation for permanent partial disability~~ Impairment compensation is payable concurrently and in addition to compensation for permanent total disability pursuant to section 176.101; ~~subdivision 5; as provided in subdivision 3a. Compensation for permanent partial disability~~ Economic recovery compensation or impairment compensation pursuant to section 176.101 shall be withheld pending completion of payment for temporary total and temporary partial disability but shall not be withheld pending payment of compensation for permanent total disability, and no credit shall be taken for payment of ~~permanent partial disability economic recovery compensation or impairment compensation~~ against liability for temporary total or future permanent total disability. Liability on the part of an employer or ~~his~~ the insurer for disability of a temporary total, temporary partial, and permanent total nature shall be considered as a continuing product and part of the employee's inability to earn or reduction in earning capacity due to injury or occupational disease and shall be compensation is payable accordingly, subject to ~~subdivision 3a~~ section 176.101. ~~Permanent partial disability~~ Economic recovery compensation or impairment compensation is payable for functional loss of use or impairment of function, permanent in nature, and payment therefore shall be separate, distinct, and in addition to payment for any other compensation, subject to ~~subdivision 3a~~ section 176.101. The right to receive temporary total, temporary partial, ~~permanent partial~~ or permanent total disability payments shall vest vests in the injured employee or ~~his~~ the employee's dependents under this chapter or, if none, in ~~his~~ the employee's legal heirs at the time the disability can be ascertained and the right shall is not be abrogated by the employee's death prior to the making of the payment.

The right to receive economic recovery compensation or impairment compensation vests in an injured employee at the time the disability can be ascertained provided that the employee lives for at least 30 days beyond the date of the injury. Upon the death of an employee who is receiving economic

recovery compensation or impairment compensation, further compensation is payable pursuant to section 176.101. Impairment compensation is payable under this paragraph if vesting has occurred, the employee dies prior to reaching maximum medical improvement, and the requirements and conditions under section 176.101, subdivision 3e, are not met.

Sec. 34. Minnesota Statutes 1982, section 176.041, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYMENTS EXCLUDED.] This chapter does not apply to persons employed by any common carrier by railroad engaged in interstate or foreign commerce; ~~which persons who~~ persons who are covered by the Federal Employers' Liability Act (45 U.S.C. 51-60) or other comparable federal law; persons employed by family farms as defined by section 176.011, subdivision 11a, the spouse, parent and child, regardless of age, of a farmer employer working for ~~him~~ the farmer employer; partners engaged in any farm operation or partners engaged in a business and the spouse, parent, and child, regardless of age, of any of the partners of the farm operation or business; an executive officer of a family farm corporation; an executive officer of a closely held corporation referred to in section 176.012; any spouse, parent, or child, regardless of age, of an executive officer of a family farm corporation as defined in section 500.24, subdivision 2, employed by that family farm corporation; any spouse, parent, or child, regardless of age, of an executive officer of a closely held corporation referred to in section 176.012; or other farmers or members of their families exchanging work with the farmer employer or family farm corporation operator in the same community, or persons whose employment at the time of the injury is casual, and not in the usual course of the trade, business, profession, or occupation of ~~his~~ the employer; *persons who are independent contractors as defined by rules adopted by the commissioner pursuant to section 176.83 except that this exclusion does not apply to an employee of an independent contractor;* nor does it apply to officers or members of veteran's organizations whose employment relationship arises solely by virtue of attending meetings or conventions of their organization, unless the veteran's organizations elect by resolution to provide coverage under this chapter for the officers or members. ~~Neither shall~~ The chapter *also does not* apply to any person employed as a household worker in, for, or about, a private home or household who earns less than \$500 in cash in any three month period from a single private home or household provided that any household worker who has earned \$500 or more from ~~his~~ the household worker's present employer in any three month period within the previous year ~~shall be~~ is covered by this chapter regardless of whether or not ~~he~~ the household worker has earned \$500 in the present quarter ~~earned \$500~~. This chapter does not apply to those persons employed by a corporation where those persons are related by blood or marriage, within the third degree of kindred according to the rules of civil law, to all of the officers of the corporation, and if the corporation files a written election with the commissioner ~~of labor and industry~~ to have those persons excluded from this chapter *except that a written election is not required for a person who is otherwise excluded from this chapter by this section.* This chapter does not apply to a nonprofit association which does not pay more than \$500 in salary or wages in a year.

Sec. 35. Minnesota Statutes 1982, section 176.061, is amended to read:

176.061 [THIRD PARTY LIABILITY.]

Subdivision 1. [ELECTION OF REMEDIES.] ~~Where~~ *If* an injury or death for which benefits are payable occurs under circumstances which create a legal liability for damages on the part of a party other than the employer and at the time of ~~such~~ *the* injury or death that party was insured or self-insured in accordance with this chapter, the employee, in case of injury, or ~~his~~ *the employee's* dependents, in case of death, may proceed either at law against that party to recover damages or against the employer for benefits, but not against both.

Subd. 2. [ACTION FOR RECOVERY OF DAMAGES.] If the employee, in case of injury, or ~~his~~ *the employee's* dependents, in case of death, brings an action for the recovery of damages, the amount ~~thereof of the damages~~, the manner in which ~~they are paid~~, and the persons to whom ~~the same they are payable~~, ~~shall be~~ *are* as provided in this chapter. In no case shall ~~such~~ *the* party be liable to any person other than the employee or ~~his~~ *the employee's* dependents for any damages resulting from ~~such~~ *the* injury or death.

Subd. 3. [ELECTION TO RECEIVE BENEFITS FROM EMPLOYER; SUBROGATION.] If the employee or ~~his~~ *the employee's* dependents elect to receive benefits from the employer, or the special compensation fund, the employer, or the special compensation fund, ~~has a right of indemnity or is subrogated to the right of the employee or his~~ *the employee's* dependents to recover damages against the other party. The employer, or the attorney general on behalf of the special compensation fund, may bring legal proceedings against ~~such~~ *the* party and recover the aggregate amount of benefits payable to or on behalf of the employee or ~~his~~ *the employee's* dependents, together with costs, disbursements, and reasonable attorney's fees of the action.

If an action as provided in this chapter *is* prosecuted by the employee, the employer, or the attorney general on behalf of the special compensation fund, against the third person, *and* results in judgment against the third person, or settlement by the third person, the employer ~~shall have~~ *has* no liability to reimburse or hold the third person harmless on the judgment or settlement in absence of a written agreement to do so executed prior to the injury.

Subd. 4. [APPLICATION OF SUBDIVISIONS 1, 2, AND 3.] The provisions of subdivisions 1, 2, and 3 apply only ~~where~~ *if* the employer liable for benefits and the other party legally liable for damages are insured or self-insured and engaged, in the due course of business in, (a) furtherance of a common enterprise, or (b) in the accomplishment of the same or related purposes in operations on the premises where the injury was received at the time ~~thereof of the injury~~.

Subd. 5. [CUMULATIVE REMEDIES.] ~~Where~~ *If* an injury or death for which benefits are payable is caused under circumstances which created a legal liability for damages on the part of a party other than the employer, that party being then insured or self-insured in accordance with this chapter, and the provisions of subdivisions 1, 2, 3, and 4 do not apply, or the party other than the employer is not then insured or self-insured as provided by this chapter, legal proceedings may be taken by the employee or ~~his~~ *the employee's* dependents in accordance with clause (a), or by his employer, or by

the attorney general on behalf of the special compensation fund, in accordance with clause (b), against the other party to recover damages, notwithstanding the payment of *benefits* by the employer or the special compensation fund or their liability to pay benefits.

(a) If an action against the other party is brought by the injured employee or ~~his~~ *the employee's* dependents and a judgment is obtained and paid or settlement is made with the other party, the employer or the special compensation fund may deduct from the benefits payable the amount actually received by the employee or dependents or paid on their behalf in accordance with subdivision 6. If the action is not diligently prosecuted or if the court deems it advisable in order to protect the interests of the employer, or the special compensation fund, upon application the court may grant the employer, or the special compensation fund, the right to intervene in ~~any such~~ *the* action for the prosecution ~~thereof of the action~~. If the injured employee or ~~his~~ *the employee's* dependents or any party on their behalf receives benefits from the employer, or the special compensation fund, or ~~institute~~ *institutes* proceedings to recover ~~the same benefits~~ or ~~accept~~ *accepts* from the employer or the special compensation fund, any payment on account of the benefits, the employer, or the special compensation fund, is subrogated to the rights of the employee or ~~his~~ *the employee's* dependents or *has a right of indemnity against a third party*. ~~This~~ *The* employer, or the attorney general on behalf of the special compensation fund, may maintain ~~an~~ *a separate* action or continue an action already instituted. This action may be maintained in the name of the employee or the names of the *employee's* dependents, or in the name of the employer, or in the name of the attorney general on behalf of the special compensation fund, against ~~such~~ *the* other party for the recovery of damages. If the action is not diligently prosecuted by the employer, or the attorney general on behalf of the special compensation fund, or *if* the court deems it advisable in order to protect the interest of the employee, the court, upon application, may grant to the employee or ~~his~~ *the employee's* dependents the right to intervene in the action for the prosecution ~~thereof of the action~~. The proceeds of ~~such~~ *the* action or settlement ~~thereof of the action~~ shall be paid in accordance with subdivision 6.

(b) If an employer, being then insured, sustains damages due to a change in workers' compensation insurance premiums, whether by a failure to achieve a decrease or by a retroactive or prospective increase, as a result of the injury or death of ~~his~~ *an* employee which was caused under circumstances which created a legal liability for damages on the part of a party other than the employer, the employer, notwithstanding other remedies provided, may maintain an action against the other party for recovery of ~~such~~ *the* premiums. This cause of action may be brought either by joining in an action described in clause (a) or by a separate action. Damages recovered under this clause ~~shall be~~ *are* for the benefit of the employer and the provisions of subdivision 6 ~~shall be~~ *are not be* applicable to ~~such~~ *the* damages.

(c) The third party is not liable to any person other than the employee or ~~his~~ *the employee's* dependents, or ~~his~~ *the* employer, or the special compensation fund, for any damages resulting from the injury or death.

A co-employee working for the same employer is not liable for a personal injury incurred by another employee unless the injury resulted from the gross negligence of the co-employee or was intentionally inflicted by the co-employee.

Subd. 6. [COSTS, ATTORNEY FEES, EXPENSES.] The proceeds of all

actions for damages or ~~of a settlement thereof of an action~~ under this section, except for damages received under subdivision 5, clause (b) received by the injured employee or ~~his the employee's~~ dependents or by the employer, or the special compensation fund, as provided by subdivision 5, shall be divided as follows:

(a) After deducting the reasonable cost of collection, including but not limited to attorneys fees and burial expense in excess of the statutory liability, then

(b) One-third of the remainder shall in any event be paid to the injured employee or ~~his the employee's~~ dependents, without being subject to any right of subrogation.

(c) Out of the balance remaining, the employer, or the special compensation fund, shall be reimbursed in an amount equal to all benefits paid under this chapter to or on behalf of the employee or ~~his the employee's~~ dependents by the employer, or special compensation fund, less the product of the costs deducted under clause (a) divided by the total proceeds received by the employee or his dependents from the other party multiplied by all benefits paid by the employer, or the special compensation fund, to the employee or ~~his the employee's~~ dependents.

(d) Any balance remaining shall be paid to the employee or ~~his the employee's~~ dependents, and shall be a credit to the employer, ~~and or~~ the special compensation fund, for any benefits which ~~the employer or the special compensation fund~~ is obligated to pay, but has not paid, and for any benefits that ~~such the employer shall be or the special compensation fund~~ is obligated to make in the future.

There shall be no reimbursement or credit to the employer, or to the special compensation fund, for interest or penalties.

Subd. 7. [MEDICAL TREATMENT.] The liability of an employer, or the special compensation fund, for medical treatment ~~or payment of any other compensation~~ under this chapter ~~shall is not be~~ affected by the fact that ~~his the~~ employee was injured through the fault or negligence of a third party, against whom the employee may have a cause of action which may be sued under this chapter, but the employer, or the attorney general on behalf of the special compensation fund, ~~shall have~~ has a separate additional cause of action against ~~such the~~ third party to recover any amounts paid for medical treatment ~~or for other compensation payable~~ under this section resulting from the negligence of ~~such the~~ third party. This separate cause of action of the employer, or the attorney general on behalf of the special compensation fund, may be asserted in a separate action brought by the employer, or the attorney general on behalf of the special compensation fund, against ~~such the~~ third party, or in the action commenced by the employee or the employer, or the attorney general on behalf of the special compensation fund, under this chapter, but in the latter case the cause of action shall be separately stated, the amount awarded ~~thereon in the action~~ shall be separately set out in the verdict, and the amount recovered by suit or otherwise as reimbursement for medical expenses ~~or other compensation~~ shall be for the benefit of the employer, or the special compensation fund, to the extent that the employer, or the special compensation fund, has paid or will be required to pay ~~compensation or pay~~ for medical treatment of the injured employee and ~~shall does~~ not affect the amount of periodic compensation to be paid.

Subd. 8. [STATE AS EMPLOYER.] In every case arising under subdivision

5 when the state is the employer and a settlement between the third party and the employee is made it is not valid unless prior notice thereof is given to the state within a reasonable time. If the state pays compensation to the employee under the provisions of this chapter and becomes subrogated to the rights of the employee or his dependents any settlement between the employee or his dependents and the third party is void as against the state's right of subrogation. When an action at law is instituted by an employee or his dependents against a third party for recovery of damages a copy of the complaint and notice of trial or note of issue in such action shall be served on the state. Any judgment rendered therein is subject to a lien of the state for the amount to which it is entitled to be subrogated under the provisions of subdivision 5.

Subd. 8a. [NOTICE TO EMPLOYER.] In every case arising under subdivision 5, a settlement between the third party and the employee is not valid unless prior notice of the intention to settle is given to the employer within a reasonable time. If the employer or insurer pays compensation to the employee under the provisions of this chapter and becomes subrogated to the right of the employee or the employee's dependents or has a right of indemnity, any settlement between the employee or the employee's dependents and the third party is void as against the employer's right of subrogation or indemnity. When an action at law is instituted by an employee or the employee's dependents against a third party for recovery of damages, a copy of the complaint and notice of trial or note of issue in the action shall be served on the employer or insurer. Any judgment rendered in the action is subject to a lien of the employer for the amount to which it is entitled to be subrogated or indemnified under the provisions of subdivision 5.

Subd. 9. [SERVICE OF NOTICE ON ATTORNEY GENERAL.] In every case in which the state is liable to pay compensation or is subrogated to the rights of the employee or his the employee's dependents or has a right of indemnity, all notices required to be given the state shall be served on the attorney general and the commissioner of the department of labor and industry.

Subd. 10. [INDEMNITY.] Notwithstanding the provisions of chapter 65B or any other law to the contrary, an employer has a right of indemnity for any compensation paid or payable pursuant to this chapter, including temporary total compensation, temporary partial compensation, permanent partial disability, economic recovery compensation, impairment compensation, medical compensation, rehabilitation, death, and permanent total compensation.

Sec. 36. Minnesota Statutes 1982, section 176.081, subdivision 1, is amended to read:

Subdivision 1. No claim for legal services or disbursements pertaining to any demand made or suit or proceeding brought under the provisions of this chapter is an enforceable lien against the compensation or is valid or binding in any other respect unless approved in writing by the division, a compensation judge, a judge of the district court, or the workers' compensation court of appeals, if the claim arises out of a proceeding for compensation under this chapter, or by the judge presiding at the trial in an action for damages, or by a judge of the district court in a settlement of a claim for damages without trial. The division, a compensation judge, a judge of the district court or the workers' compensation court of appeals shall in matters before them, including settlement pro-

~~eedings, have authority to approve~~ (a) A fee for legal services of ~~up to 25~~ percent of the first \$4,000 of compensation awarded to the employee and ~~up to 20~~ percent of the next \$27,500 of compensation awarded to the employee is permissible and does not require approval by the commissioner, compensation judge, or any other party except as provided in clause (b). If the employer or ~~his~~ the insurer or the defendant is given written notice of ~~such~~ claims for legal services or disbursements, the ~~same claim~~ shall be a lien against the amount paid or payable as compensation, ~~subject to determination of the amount and approval provided by this chapter.~~ ~~Provided, however, that~~ In no case shall fees be calculated on the basis of any undisputed portion of compensation awards. Allowable fees under this chapter shall be based solely upon genuinely disputed portions of claims, including disputes related to the payment of rehabilitation benefits or to other aspects of a rehabilitation plan.

(b) An attorney who is claiming legal fees under this section shall file a statement of attorney's fees with the commissioner, compensation judge before whom the matter was heard, or workers' compensation court of appeals on cases before the court. A copy of the signed retainer agreement shall also be filed. The employee and insurer shall receive a copy of the statement. The statement shall be on a form prescribed by the commissioner and shall clearly and conspicuously state that the employee or insurer has ten calendar days to object to the attorney fees requested. If no objection is timely made by the employee or insurer, the amount requested shall be conclusively presumed reasonable providing the amount does not exceed the limitation in subdivision 1. The commissioner, compensation judge, or court of appeals shall issue an order granting the fees and the amount requested shall be awarded to the party requesting the fee.

If a timely objection is filed, the commissioner, compensation judge, or court of appeals shall review the matter and make a determination based on the criteria in subdivision 5.

If no timely objection is made by an employer or insurer, reimbursement under subdivision 7 shall be made if the statement of fees requested this reimbursement.

Sec. 37. Minnesota Statutes 1982, section 176.081, subdivision 2, is amended to read:

Subd. 2. ~~Any~~ An application for attorney fees in excess of the amount authorized in subdivision 1 shall be made to the ~~workers' compensation court of appeals division, compensation judge, or district judge, before whom the matter was heard.~~ An appeal of a decision by a compensation judge or district court judge on additional fees may be made to the workers' compensation court of appeals. The application shall set forth the fee requested and the basis for ~~such~~ the request and whether or not a hearing is requested. The application, with affidavit of service upon the employee, shall be filed by the attorney requesting the fee. If a hearing is requested by an interested party, a hearing shall be set with notice of ~~such~~ the hearing served upon known interested parties. In all cases the employee shall be served with notice of hearing.

Sec. 38. Minnesota Statutes 1982, section 176.081, subdivision 5, is amended to read:

Subd. 5. In the determination of the reasonable value of attorney fees arising out of a claim or proceeding under this chapter an award of fees in excess of the amount authorized under subdivision 1, or if an objection is filed under subdivision 1, clause (b), the following principles are to be applied:

(a) The fee in each individual case must be a reasonable one.

(b) There is no set standard fee to be awarded in any workers' compensation matter.

(c) No attorney-client fee contract or arrangement is binding in any workers' compensation matter.

(d) In determining a reasonable attorney fee, important factors to be taken into account are: the amount involved, the time and expense necessary to prepare for trial, the responsibility assumed by counsel, the expertise of counsel in the workers' compensation field, the difficulties of the issues involved, the nature of proof needed to be adduced and the results obtained. The amount of money involved shall not be the controlling factor.

(e) The determination of the fee in each specific workers' compensation matter must be done with the same care as the determination of any other fact question in the matter.

(f) The determiner of the attorney fee in each matter must ascertain whether or not a retainer fee has been paid to the attorney and if so, the amount of the retainer fee.

(g) The determiner of attorney fees in each case must personally see that the workers' compensation file contains fully adequate information to justify the fee that is determined.

Sec. 39. Minnesota Statutes 1982, section 176.081, subdivision 6, is amended to read:

Subd. 6. The *commissioner, office of administrative hearings, and the workers' compensation court of appeals* may adopt reasonable and proper *joint* rules to effect ~~its~~ *each of their* obligations under this section.

Sec. 40. Minnesota Statutes 1982, section 176.081, subdivision 7, is amended to read:

Subd. 7. If the employer or insurer ~~shall file~~ *files* a denial of liability, notice of discontinuance, or ~~shall fail~~ *fails* to make payment of compensation or medical expenses within the statutory period after notice of injury or occupational disease, or ~~shall~~ otherwise ~~resist~~ *unsuccessfully resists* the payment of compensation or medical expenses, or *unsuccessfully disputes the payment of rehabilitation benefits or other aspects of a rehabilitation plan*, and the injured person ~~shall have~~ *has* employed an attorney at law, who successfully procures payment on behalf of the employee or who *enables the resolution of a dispute with respect to a rehabilitation plan*, the compensation judge, commissioner ~~of the department of labor and industry~~, or the workers' compensation court of appeals upon appeal, upon application, shall award to the employee against the insurer or self-insured employer or uninsured employer, in addition to the compensation benefits paid or awarded to the employee, an amount equal to 25 percent of that portion of the attorney's fee which has been awarded pursuant to this section that is in excess of \$250.

Sec. 41. Minnesota Statutes 1982, section 176.081, is amended by adding a subdivision to read:

Subd. 11. [WHEN FEES DUE.] Attorney fees and other disbursements for a proceeding under this chapter shall not be due or paid until the issue for which the fee or disbursement was incurred has been resolved.

Sec. 42. Minnesota Statutes 1982, section 176.101, subdivision 1, is amended to read:

Subdivision 1. [TEMPORARY TOTAL DISABILITY.] For injury producing temporary total disability, *the compensation is 66 2/3 percent of the daily weekly wage at the time of injury*

(1) provided that during the year commencing on October 1, 1979, and each year thereafter, commencing on October 1, the maximum weekly ~~benefits compensation payable shall be~~ *is* the statewide average weekly wage for the period ending December 31, of the preceding year.

(2) The minimum weekly compensation benefits for temporary total disability shall be not less than 50 percent of the statewide average weekly wage or the injured employee's actual weekly wage, whichever is less. In no case shall a weekly benefit be less than 20 percent of the statewide average weekly wage.

Subject to subdivisions 3a to 3u this compensation shall be paid during the period of disability, payment to be made at the intervals when the wage was payable, as nearly as may be.

Sec. 43. Minnesota Statutes 1982, section 176.101, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY PARTIAL DISABILITY.] In all cases of temporary partial disability the compensation shall be 66 2/3 percent of the difference between the ~~daily weekly wage of the worker employee~~ *at the time of injury and the wage he the employee is able to earn in his the employee's partially disabled condition.* This compensation shall be paid during the period of disability *except as provided in section 176.101, payment to be made at the intervals when the wage was payable, as nearly as may be, and subject to a maximum compensation equal to the statewide average weekly wage. If the employer does not furnish the worker with work which he can do in his temporary partially disabled condition and he is unable to procure such work with another employer, after reasonably diligent effort, the employee shall be paid at the full compensation rate for his or her temporary total disability.*

Sec. 44. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3a. [ECONOMIC RECOVERY COMPENSATION.] If an employee is not eligible for an impairment award pursuant to subdivision 3b, then the employee shall receive economic recovery compensation for a permanent partial disability pursuant to this subdivision. The compensation shall be 66-2/3 percent of the weekly wage at the time of injury subject to a maximum equal to the statewide average weekly wage. For permanent par-

tial disability up to the percent of the whole body in the following schedule the compensation shall be paid for the proportion that the loss of function of the disabled part bears to the whole body multiplied by the number of weeks aligned with that percent.

<i>Percent of disability</i>	<i>Weeks of compensation</i>
0-25	600
26-30	640
31-35	680
36-40	720
41-45	760
46-50	800
51-55	880
56-60	960
61-65	1040
66-70	1120
71-100	1200

The percentage loss in all cases under this subdivision is determined according to the rules adopted by the commissioner pursuant to section 176.105, subdivision 4. This subdivision shall apply to a permanent partial disability incurred on or after the adoption of those rules.

Sec. 45. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3b. [IMPAIRMENT COMPENSATION.] An employee who suffers a permanent partial disability due to a personal injury and receives impairment compensation under this section shall receive compensation in an amount as provided by this subdivision. For permanent partial disability up to the percent of the whole body shown in the following schedule the amount shall be equal to the proportion that the loss of function of the disabled part bears to the whole body multiplied by the amount aligned with that percent in the following schedule:

<i>Percent of disability</i>	<i>Amount</i>
0-25	\$ 75,000
26-30	80,000
31-35	85,000
36-40	90,000
41-45	95,000
46-50	100,000
51-55	120,000
56-60	140,000
61-65	160,000
66-70	180,000
71-75	200,000
76-80	240,000
81-85	280,000
86-90	320,000
91-95	360,000
96-100	400,000

For all cases under this subdivision the percentage loss of function of a part of the body is determined according to the rules adopted by the com-

missioner pursuant to section 176.105, subdivision 4. This subdivision shall apply to a permanent partial disability incurred on or after the adoption of those rules.

Sec. 46. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3c. [MAXIMUM PAYABLE.] The maximum amount payable under subdivisions 3a and 3b is the maximum compensation payable to an employee who has a 100 percent disability to the body as a whole and under no conditions shall an employee receive more than those amounts even if the employee sustains a disability to two or more body parts.

Sec. 47. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3d. [GENERAL.] An employee who has incurred a personal injury shall receive temporary total compensation until these benefits are no longer payable pursuant to this section. If the injury results in a permanent partial disability the employee shall receive compensation as provided in this section.

Sec. 48. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3e. [END OF TEMPORARY TOTAL COMPENSATION.] (a) 90 days after an employee has reached maximum medical improvement or 90 days after the end of an approved retraining program, whichever is later, the employee's temporary total compensation shall cease. This cessation shall occur at an earlier date if otherwise provided by this chapter.

(b) If during the 90-day period described in clause (a) the employee retires or the employer furnishes work to the employee that is consistent with an approved plan of rehabilitation or, if no plan has been approved, that the employee can do in his or her physical condition and that job produces an economic status as close as possible to that the employee would have enjoyed without the disability, or the employer procures this employment with another employer or the employee accepts this job with another employer, temporary total compensation shall cease and the employee shall, if appropriate, receive impairment compensation pursuant to subdivision 3b. This impairment compensation is in lieu of economic recovery compensation under subdivision 3a, and the employee shall not receive both economic recovery compensation and impairment compensation. Temporary total compensation and impairment compensation shall not be paid concurrently. Once temporary total compensation ceases no further temporary total compensation is payable except as specifically provided by this section.

Upon receipt of a written medical report indicating that the employee has reached maximum medical improvement, the employer or insurer shall serve a copy of the report upon the employee and shall file a copy with the division. The beginning of the 90-day period shall commence on the day this report is served on the employee for the purpose of determining whether a job offer consistent with the requirements of this subdivision is made.

(c) The job which is offered or procured by the employer or accepted by the employee under clause (b) does not necessarily have to commence immedi-

ately but shall commence within a reasonable period after the end of the 90-day period described in clause (a). Temporary total compensation shall not cease under this subdivision until the job commences.

(d) If the job offered under clause (a) is not the job the employee had at the time of injury it shall be offered in writing and shall state the nature of the job, the rate of pay, the physical requirements of the job, and any other information necessary to fully and completely inform the employee of the job duties and responsibilities.

The employee has 14 calendar days to accept or reject the job offer. If the employee does not respond within this period it is deemed a refusal of the offer.

(e) Self employment may be an appropriate job under this subdivision.

The commissioner shall monitor application of this subdivision and may adopt rules to assure its proper application.

Sec. 49. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3f. [JOB PRIOR TO MAXIMUM MEDICAL IMPROVEMENT.] If the employer offers a job prior to the employee reaching maximum medical improvement and the job is consistent with an approved plan of rehabilitation or if no rehabilitation plan has been approved and the job is within the employee's physical limitations; or the employer procures a job for the employee with another employer which meets the requirements of this subdivision; or the employee accepts a job with another employer which meets the requirements of this subdivision, the employee's temporary total compensation shall cease. In this case the employee shall receive impairment compensation for the permanent partial disability which is ascertainable at that time. This impairment compensation shall be paid at the same rate that temporary total compensation was last paid. Upon reaching maximum medical improvement the provisions of subdivisions 3e or 3p apply, whichever is appropriate, and economic recovery compensation or impairment compensation is payable accordingly except that the compensation shall be offset by impairment compensation received under this subdivision.

Sec. 50. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3g. [ACCEPTANCE OF JOB OFFER.] If the employee accepts a job offer described in subdivision 3e and the employee begins work at that job, although not necessarily within the 90-day period specified in that subdivision, the impairment compensation shall be paid in a lump sum 30 calendar days after the employee actually commences work.

Sec. 51. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3h. [TEMPORARY PARTIAL COMPENSATION.] An employee who accepts a job under subdivision 3e or subdivision 3f and begins that job shall receive temporary partial compensation pursuant to subdivision 2, if appropriate.

Sec. 52. Minnesota Statutes 1982, section 176.101, is amended by adding

a subdivision to read:

Subd. 3i. [LAYOFF BECAUSE OF LACK OF WORK OR RELEASED FOR OTHER THAN SEASONAL CONDITIONS.] (a) If an employee accepts a job under subdivision 3e and begins work at that job and is subsequently unemployed because of economic conditions, other than seasonal conditions, the employee shall receive monitoring period compensation pursuant to clause (b). In addition, the employer who was the employer at the time of the injury shall provide rehabilitation consultation by a qualified rehabilitation consultant if the employee remains unemployed for 45 calendar days. The commissioner may waive this rehabilitation consultation if the commissioner deems it appropriate. Further rehabilitation, if deemed appropriate, is governed by section 176.102.

(b) Upon the employee's initial return to work the monitoring period begins to run. If the employee is unemployed for the reason in clause (a), prior to the end of the monitoring period the employee shall receive monitoring period compensation. This compensation shall be paid for the lesser of (1) the weeks remaining in the monitoring period, or (2) the weeks equal to the monitoring period minus the impairment compensation paid to the employee. For purposes of this clause the impairment compensation shall be converted to weeks by dividing the impairment compensation received by the employee by the employee's compensation rate for temporary total disability at the time of the injury. No monitoring period compensation is payable if the unemployment occurs after the expiration of the monitoring period. Monitoring period compensation is payable at the same intervals and in the same amount as when temporary total compensation ceased.

(c) If the employee returns to work and is still receiving monitoring period compensation, this compensation shall cease. Any period remaining in the monitoring period upon this return to work shall be used to determine further benefits if the employee is again unemployed under clause (a).

(d) Upon the employee's return to work pursuant to this section the insurer shall notify the employee of the length of the employee's monitoring period and shall notify the employee of the amount of impairment to be paid and the date of payment.

Sec. 53. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3j. [MEDICALLY UNABLE TO CONTINUE WORK.] (a) If the employee has started the job offered under subdivision 3e and is medically unable to continue at that job because of the permanent partial disability, that employee shall receive temporary total compensation pursuant to clause (b). In addition, the employer who was the employer at the time of the injury shall provide rehabilitation consultation by a qualified rehabilitation consultant. Further rehabilitation, if deemed appropriate, is governed by section 176.102.

(b) Temporary total compensation shall be paid for up to 90 days after the employee has reached maximum medical improvement or 90 days after the end of an approved retraining plan, whichever is later. The temporary total compensation shall cease at any time within the 90-day period that the employee begins work meeting the requirements of subdivision 3e. If no job is

offered to the employee by the end of this 90-day period, the employee shall receive economic recovery compensation pursuant to this section but reduced by the impairment compensation previously received by the employee for the same disability.

Sec. 54. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3k. [UNEMPLOYMENT DUE TO SEASONAL CONDITION.] If an employee has started the job offered under subdivision 3e and is subsequently unemployed from that job because of the job's seasonal nature, the employee shall receive any unemployment compensation the employee is eligible for pursuant to chapter 268. The employee shall receive, in addition and concurrently, the amount that the employee was receiving for temporary partial disability at the time of the layoff. No further or additional compensation is payable under this chapter because of the seasonal layoff.

Sec. 55. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3l. [FAILURE TO ACCEPT JOB OFFER.] If the employee has been offered a job under subdivision 3e and has refused the offer, the impairment compensation shall not be paid in a lump sum but shall be paid in the same interval and amount that temporary total compensation was initially paid. Temporary total compensation shall cease upon the employee's refusal to accept the job offered and no further or additional temporary total compensation is payable for that injury. The payment of the periodic impairment compensation shall cease when the amount the employee is eligible to receive under subdivision 3b is reached, after which time the employee shall not receive additional impairment compensation or any other compensation under this chapter unless the employee has a greater permanent partial disability than already compensated for.

Sec. 56. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3m. [RETURN TO WORK AFTER REFUSAL OF JOB OFFER.] If the employee has refused the job offer under subdivision 3e and is receiving periodic impairment compensation and returns to work at another job, the employee shall receive the remaining impairment compensation due, in a lump sum, 30 days after return to work.

Sec. 57. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3n. [NO TEMPORARY PARTIAL COMPENSATION OR REHABILITATION IF JOB OFFER REFUSED.] An employee who has been offered a job under subdivision 3e and has refused that offer and who subsequently returns to work shall not receive temporary partial compensation pursuant to subdivision 2 if the job the employee returns to provides a wage less than the wage at the time of the injury. No rehabilitation shall be provided to this employee.

Sec. 58. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3o. [INABILITY TO RETURN TO WORK.] (a) An employee who is

permanently totally disabled pursuant to subdivision 5 shall receive impairment compensation as determined pursuant to subdivision 3b. This compensation is payable in addition to permanent total compensation pursuant to subdivision 4 and is payable concurrently. In this case the impairment compensation shall be paid in the same intervals and amount as the permanent total compensation is paid, and the impairment compensation shall cease when the amount due under subdivision 3b is reached. If this employee returns to work at any job during the period the impairment compensation is being paid, the remaining impairment compensation due shall be paid in a lump sum 30 days after the employee has returned to work and no further temporary total compensation shall be paid.

(b) If an employee is receiving periodic economic recovery compensation and is determined to be permanently totally disabled no offset shall be taken against future permanent total compensation for the compensation paid. No further economic recovery compensation is payable even if the amount due the employee pursuant to subdivision 3a has not yet been reached.

(c) An employee who has received periodic economic recovery compensation and who meets the criteria under clause (b) of this subdivision shall receive impairment compensation pursuant to clause (a) of this subdivision even if the employee has previously received economic recovery compensation for that disability.

(d) Rehabilitation consultation pursuant to section 176.102 shall be provided to an employee who is permanently totally disabled.

Sec. 59. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3p. [NO JOB OFFER.] Where the employee has a permanent partial disability and has reached maximum medical improvement or upon completion of an approved retraining program, whichever is later, that employee shall receive economic recovery compensation pursuant to subdivision 3a if no job offer meeting the criteria of the job in subdivision 3e is made within 90 days after reaching maximum medical improvement or 90 days after the end of an approved retraining plan, whichever is later.

Temporary total compensation shall cease upon commencement of the payment of economic recovery compensation. Temporary total compensation shall not be paid concurrently with economic recovery compensation.

Sec. 60. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3q. [METHOD OF PAYMENT OF ECONOMIC RECOVERY COMPENSATION.] (a) Economic recovery compensation is payable at the same intervals and in the same amount as temporary total compensation was paid. If the employee returns to work and the economic recovery compensation is still being paid, the remaining economic recovery compensation due shall be paid in a lump sum 30 days after the employee has returned to work.

(b) Periodic economic recovery compensation paid to the employee shall not be adjusted pursuant to section 176.645.

Sec. 61. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3r. [PAYMENT OF COMPENSATION AT DEATH.] If an employee receiving economic recovery compensation or impairment compensation in periodic amounts dies during the period from causes unrelated to the injury, the compensation shall be paid in the following manner:

(a) If the deceased employee leaves a dependent surviving spouse and no dependent children, as defined by section 176.111, subdivision 1, the spouse shall receive the periodic economic recovery or impairment compensation that the deceased was receiving before the death. This compensation shall be paid for a period of up to ten years after the date of death at which time payments and future entitlement to it ceases.

(b) If the deceased employee leaves a dependent spouse and dependent children, as defined in section 176.111, subdivision 1, the periodic economic recovery or impairment compensation shall continue to be paid to the surviving spouse for up to ten years after the last child is no longer dependent after which time payments and future entitlement to the compensation ceases.

(c) Payment of compensation under this subdivision shall cease prior to the end of the ten-year periods in this subdivision if the amount to which the employee is entitled to receive under subdivision 3, 3a, or 3b, is reached prior to the end of the ten-year period. If the deceased employee is not survived by dependent children or a dependent spouse as defined in section 176.111, no further economic recovery compensation or impairment compensation is payable to any person under this subdivision.

(d) If the death results from the injury, the payment of economic recovery compensation or impairment compensation shall cease upon the death and death benefits are payable pursuant to section 176.111.

Sec. 62. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3s. [ADDITIONAL ECONOMIC RECOVERY COMPENSATION OR IMPAIRMENT COMPENSATION.] No additional economic recovery compensation or impairment compensation is payable to an employee who has received that compensation to which the employee is entitled pursuant to subdivision 3a or 3b unless the employee has a greater permanent partial disability than already compensated.

Sec. 63. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3t. [MINIMUM ECONOMIC RECOVERY COMPENSATION.] (a) Economic recovery compensation pursuant to this section shall be at least 120 percent of the impairment compensation the employee would receive if that compensation were payable to the employee. The monitoring period shall be at least 120 percent of the weeks during which impairment compensation would be payable if paid weekly.

(b) An employee who has suffered a personal injury for which temporary total compensation is payable but which produces no permanent partial disability shall receive 26 weeks of economic recovery compensation if no job is offered within the time specified in and meeting the criteria of subdivision 3e.

Sec. 64. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3u. [MEDICAL BENEFITS.] This section does not in any way limit the medical benefits to which an injured employee is otherwise entitled pursuant to this chapter.

Sec. 65. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 3v. [ADMINISTRATIVE CONFERENCE.] The provisions of section 176.242 apply if there exists a dispute regarding maximum medical improvement or whether the job offered meets the criteria under subdivision 3e or 3f.

Sec. 66. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 4a. [PREEXISTING CONDITION OR DISABILITY; APPORTIONMENT.] (a) If a personal injury results in a disability which is attributable in part to a preexisting disability that arises from a congenital condition or is the result of a traumatic injury or incident, whether or not compensable under this chapter, the compensation payable for the permanent partial disability pursuant to this section shall be reduced by the proportion of the disability which is attributable only to the preexisting disability. An apportionment of a permanent partial disability under this subdivision shall be made only if the preexisting disability is clearly evidenced in a medical report or record made prior to the current personal injury. Evidence of a copy of the medical report or record upon which apportionment is based shall be made available to the employee by the employer at the time compensation for the permanent partial disability is begun.

(b) The compensable portion of the permanent partial disability under this section shall be paid at the rate at which the entire disability would be compensated but for the apportionment.

Sec. 67. Minnesota Statutes 1982, section 176.101, subdivision 6, is amended to read:

Subd. 6. [MINORS.] If any employee entitled to the benefits of this chapter is a minor or is an apprentice of any age and sustains a personal injury arising out of and in the course of employment resulting in permanent total or a compensable permanent partial disability, for the purpose of computing the compensation to which he the employee is entitled for said the injury the compensation rate for temporary total, temporary partial, ~~retraining, permanent partial or a permanent total disability or economic recovery compensation~~ shall be the larger of either the statewide average weekly wage or the employees weekly wage, but in no case shall the compensation exceed the maximum weekly compensation rate payable under this chapter.

Sec. 68. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 8. [RETIREMENT PRESUMPTION.] For injuries occurring after the effective date of this subdivision an employee who receives social security old age and survivors insurance retirement benefits is presumed retired from the labor market. This presumption is rebuttable by a preponderance of the evidence.

Sec. 69. Minnesota Statutes 1982, section 176.102, subdivision 1, is

amended to read:

Subdivision 1. [SCOPE.] ~~Vocational Rehabilitation shall train an~~ *is intended to restore the injured employee, through physical and vocational rehabilitation, so ~~he~~ the employee may be returned return to a job related to his the employee's former employment or to a job in another work area which produces an economic status as close as possible to that ~~he~~ the employee would have enjoyed without disability. Rehabilitation to a job with a higher economic status than would have occurred without disability is permitted if it can be demonstrated that this rehabilitation is necessary to increase the likelihood of reemployment. Economic status is to be measured not only by opportunity for immediate income but also by opportunity for future income.*

Sec. 70. Minnesota Statutes 1982, section 176.102, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATORS.] *The commissioner of labor and industry shall hire a director of rehabilitation services in the classified service. The commissioner of labor and industry is responsible for supervising shall monitor and supervise rehabilitation services, including, but not limited to, making determinations regarding the selection and delivery of rehabilitation services and the criteria used to approve qualified rehabilitation consultants and rehabilitation vendors. The commissioner may also make determinations regarding fees for rehabilitation services, the fitness of qualified rehabilitation consultants and vendors to continue to be approved under this section and has authority to discipline, by fine or otherwise, the consultants or vendors who act in violation of this chapter or rules adopted pursuant to this chapter. The commissioner of labor and industry may hire qualified personnel to assist in his duties under this section and may delegate his duties and performance.*

Sec. 71. Minnesota Statutes 1982, section 176.102, subdivision 3, is amended to read:

Subd. 3. [REVIEW PANEL.] *There is created a rehabilitation review panel composed of the commissioner of labor and industry or his a designee, who shall serve as an ex officio member and two members each from labor, employers, insurers, vocational rehabilitation, and medicine and, one member representing chiropractors, and four members representing labor. The members shall be appointed by the governor commissioner and shall serve four year four-year terms which may be renewed. Compensation for members shall be governed by section 15.0575. The panel shall select a chairman. The panel shall (a) review and make a determination with respect to (a) appeals regarding eligibility for rehabilitation services, rehabilitation plans and rehabilitation benefits under subdivisions 9 and 11; (b) hold appeals on any other rehabilitation issue the commissioner determines under this section; and (c) appeals regarding fee disputes, penalties, discipline, certification approval or revocation of certification approval hearings; (e) of registration of qualified rehabilitation consultants and approved vendors. The panel shall continuously study rehabilitation; services and delivery and (d) develop and recommend rehabilitation rules as necessary to the commissioner of labor and industry. A majority vote of those attending a panel hearing under subdivision 6 shall constitute the decision of the board.*

Sec. 72. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 3a. [REVIEW PANEL APPEALS.] Appeals to the review panel shall be heard before a panel of five members designated by the review panel. Each five-member panel shall consist of two labor members, two employer or insurer members, and one member representing medicine, chiropractic, or rehabilitation. The determination of the five-member panel shall be by a majority vote and shall represent the determination of the entire review panel and is not subject to review by the panel as a whole. When conducting a review of the commissioner's determination regarding any rehabilitation issue or plan the panel shall give the parties notice that the appeal will be heard. This notice shall be given at least ten working days prior to the hearing. The notice shall state that parties may be represented by counsel at the hearing. In conducting its review the panel shall permit an interested party to present relevant, competent, oral or written evidence and to cross-examine opposing evidence. Evidence presented is not limited to the evidence previously submitted to the commissioner. A record of the proceeding shall be made by the panel. Upon determination of the issue presented, the panel shall issue to the interested parties a written decision and order. The decision need not contain a recitation of the evidence presented at the hearing, but shall be limited to the panel's basis for the decision.

Sec. 73. Minnesota Statutes 1982, section 176.102, subdivision 4, is amended to read:

Subd. 4. [REHABILITATION PLAN; DEVELOPMENT.] Within 30 days of the time an employer or his insurer has medical information that an employee is unable due to a personal injury or occupational disease to return to his preinjury occupation the employer shall provide rehabilitation consultation for the employee. The employee, however, has the final decision on which rehabilitation agency is to be utilized pursuant to the provisions of this section. The consultation shall be done by any person or public or private institution approved by the commissioner of labor and industry. If the consultant determines rehabilitation would significantly reduce or eliminate the decrease in employability, the employer or insurer in conjunction with the rehabilitation consultant shall submit a specific plan of rehabilitation to the commissioner. If the employer does not provide rehabilitation consultation, when required by this section, within the time specified by this subdivision, the commissioner of labor and industry shall notify the employer and insurer that should they fail to provide rehabilitation consultation within 15 days from the receipt of the commissioner's notice, the division of vocational rehabilitation shall be authorized to provide the rehabilitation consultation for the employee. If the employee refuses to submit to any reasonable examinations and evaluative procedures to determine the need for and the details of a plan of rehabilitation, the amount of compensation may be reduced or the right to compensation may be suspended by an order of the division or workers' compensation court of appeals in a matter before it. In developing a plan, consideration shall be given to the employee's age, education, previous work history, interests and skills. (a) An employer or insurer shall provide rehabilitation consultation by a qualified rehabilitation consultant or by another person permitted by rule to provide consultation to an injured employee within five days after the employee has 60 days of lost work time due to the personal injury, except as otherwise

provided in this subdivision. Where an employee has incurred an injury to the back, the consultation shall be made within five days after the employee has 30 days of lost work time due to the injury. The lost work time in either case may be intermittent lost work time. If an employer or insurer has medical information at any time prior to the time specified in this subdivision that the employee will be unable to return to the job the employee held at the time of the injury rehabilitation consultation shall be provided immediately after receipt of this information.

For purposes of this section "lost work time" means only those days during which the employee would actually be working but for the injury. In the case of the construction industry, mining industry, or other industry where the hours and days of work are affected by seasonal conditions, "lost work time" shall be computed by using the normal schedule worked when employees are working full time.

If the employee objects to the employer's selection of a qualified rehabilitation consultant, the employee shall notify the employer and the commissioner in writing of the objection.

Upon receipt of the notice of objection, the commissioner may schedule an administrative conference for the purpose of determining which qualified rehabilitation consultant may be mutually acceptable. The employee has the final decision on which qualified rehabilitation consultant is to be utilized.

The employee and employer shall enter into a program if one is prescribed in a rehabilitation plan. A copy of the plan, including a target date for return to work, shall be submitted to the commissioner.

(b) If the employer does not provide rehabilitation consultation as required by this section, the commissioner shall notify the employer that if the employer fails to appoint a qualified rehabilitation consultant or other persons as permitted by clause (a) within 15 days to conduct a rehabilitation consultation, the commissioner shall appoint a qualified rehabilitation consultant to provide the consultation at the expense of the employer unless the commissioner determines the consultation is not required.

(c) In developing a rehabilitation plan consideration shall be given to the employee's qualifications, including but not limited to age, education, previous work history, interest, transferable skills, and present and future labor market conditions.

(d) The commissioner may waive rehabilitation consultation under this section if the commissioner is satisfied that the employee will return to work in the near future or that rehabilitation consultation will not be useful in returning an employee to work.

Sec. 74. Minnesota Statutes 1982, section 176.102, subdivision 5, is amended to read:

Subd. 5. [ON THE JOB TRAINING.] On the job training is to be given consideration in developing a rehabilitation plan especially where it would produce an economic status similar to that enjoyed prior to disability. ~~When a rehabilitation plan includes on the job training, the employee shall receive compensation while employed in an amount equal to the after tax wage the employee received at the time of the personal injury. This compensation shall~~

be paid in whole or in part by the insurer liable for compensation for the employee's personal injury. The amount of compensation to be paid by this insurer shall be determined in the rehabilitation plan prepared pursuant to this section. Any difference between the amount of compensation the insurer is paying and the after tax wage the employee received at the time of the personal injury shall be paid by the on the job employer, but in no case shall this employer's amount exceed the prevailing wage for the job. After tax wage shall be determined by subtracting federal and state income tax from the employee's gross wage.

A rehabilitation plan which includes on the job training shall attempt to create an incentive for an employer to hire the employee for on the job training. This incentive may be in the form of reducing the on the job training employer's wages paid to the employee to a level which is less than the prevailing wage for the job, provided that the total compensation from the insurer, required by this section, and the wages paid by the on the job training employer is not less than the after tax wage received by the employee at the time of the personal injury. The compensation from the insurer and the on the job training employer paid pursuant to this subdivision is in lieu of temporary total disability payments and the additional compensation provided in subdivision 11.

Sec. 75. Minnesota Statutes 1982, section 176.102, subdivision 6, is amended to read:

Subd. 6. [PLAN, ELIGIBILITY FOR REHABILITATION, APPROVAL AND APPEAL.] The commissioner of labor and industry shall determine eligibility for rehabilitation services and shall review, approve, modify or reject rehabilitation plans developed under subdivision 4. The commissioner shall also make determinations regarding rehabilitation issues not necessarily part of a plan including, but not limited to, determinations regarding whether an employee is eligible for further rehabilitation and the benefits under subdivisions 9 and 11 to which an employee is entitled. Any persons aggrieved by A decision of the commissioner may appeal be appealed to the rehabilitation review panel within 30 days of the commissioner's decision. The decision of the panel may be appealed to the workers' compensation court of appeals in the same manner as other matters appealed to the court. The panel may approve or reject the decision of the commissioner. If it rejects the commissioner's decision it may formulate its own rehabilitation plan.

Sec. 76. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 6a. [ELIGIBILITY DETERMINATION.] The commissioner has the sole authority under this chapter to determine eligibility for rehabilitation services under this section and to review, approve, modify, or reject rehabilitation plans and make other rehabilitation determinations pursuant to this chapter. These determinations shall not be made by a compensation judge but may be appealed to the rehabilitation review panel and workers' compensation court of appeals as provided by subdivision 6.

Sec. 77. Minnesota Statutes 1982, section 176.102, subdivision 7, is amended to read:

Subd. 7. [PLAN IMPLEMENTATION; REPORTS.] Upon request by the commissioner, insurer or, employer or employee, medical and rehabilitation

reports shall be made by the provider of the *medical and* rehabilitation service to the commissioner of ~~labor and industry~~, insurer ~~and~~, employer or *employee of an employee's progress under a plan.*

Sec. 78. Minnesota Statutes 1982, section 176.102, subdivision 8, is amended to read:

Subd. 8. [PLAN MODIFICATION.] Upon request ~~of to the commissioner~~ by the employer, the insurer, or employee ~~to the commissioner, or upon the commissioner's own request~~, the plan may be suspended, terminated or altered upon a showing of good cause ~~therefor~~, including:

(a) a physical impairment that does not allow the employee to pursue the ~~vocation being trained for rehabilitation plan~~;

(b) the employee's performance level indicates ~~he cannot complete~~ the plan ~~will not be successfully completed~~; ~~or~~

(c) an employee does not cooperate with a plan-;

(d) ~~that the plan or its administration is substantially inadequate to achieve the rehabilitation plan objectives.~~

An employee may request a change in a rehabilitation plan once because ~~he the employee feels he is not suited~~ ill-suited for the type of work for which ~~training rehabilitation~~ is being provided ~~if the request is made within 90 days of the start of the plan if the rehabilitation plan includes retraining, this request must be made within 90 days of the beginning of the retraining program.~~ Any decision of the commissioner regarding a change in a plan may be appealed to the *rehabilitation review panel* within ~~45~~ 30 days of the decision.

Sec. 79. Minnesota Statutes 1982, section 176.102, subdivision 9, is amended to read:

Subd. 9. [PLAN, COSTS.] An employer is liable for the following rehabilitation expenses under this section:

(a) Cost of ~~vocational~~ rehabilitation ~~diagnosis evaluation~~ and preparation of a plan;

(b) Cost of all rehabilitation services and supplies necessary for implementation of the plan;

(c) Reasonable cost of tuition, books and travel; and, in addition, reasonable costs of board ~~and~~, lodging ~~and custodial daycare~~ when rehabilitation requires residence away from the employee's customary residence; ~~and~~

(d) *Reasonable costs of travel and custodial daycare during the job interview process;*

(e) *Reasonable cost for moving expenses of the employee and family if a job is found in a geographic area beyond reasonable commuting distance after a diligent search within the present community. Relocation shall not be paid more than once during any rehabilitation program, and relocation shall not be required if the new job is located within the same standard metropolitan statistical area as the employee's job at the time of injury. An employee shall not be required to relocate and a refusal to relocate shall not result in a suspension or termination of compensation under this chapter; and*

(d) (f) Any other expense agreed to be paid.

Sec. 80. Minnesota Statutes 1982, section 176.102, subdivision 10, is amended to read:

Subd. 10. [REHABILITATION; CONSULTANTS.] The commissioner shall approve rehabilitation consultants who may propose and implement plans if they satisfy rules promulgated adopted by the commissioner for rehabilitation consultants. A consultant may be an individual or public or private entity, but may not be a vendor or the agent of a vendor of rehabilitation services.

Sec. 81. Minnesota Statutes 1982, section 176.102, subdivision 11, is amended to read:

Subd. 11. [COMPENSATION DURING REHABILITATION RETRAINING.] ~~The insurer or employer shall pay up~~ *Retraining is limited to 156 weeks of compensation during rehabilitation under a plan in an amount equal to 125 percent of the employee's rate for temporary total disability. This payment is in lieu of payment for temporary total, temporary partial, or permanent total disability to which the employee might otherwise be entitled for this period under this chapter, but shall be considered to be the equivalent of temporary total disability for the purposes of section 176.132. If on the job training is part of the rehabilitation program, the weeks during which the insurer or employer pays compensation pursuant to subdivision 5 shall be subtracted from the 156 weeks of retraining compensation which has been paid, if any, pursuant to this subdivision. This subdivision shall not apply to retraining benefits for which liability has been established prior to July 1, 1979. An employee who has been approved for retraining may petition the commissioner for additional compensation not to exceed 25 percent of the compensation otherwise payable. If the commissioner determines that this additional compensation is warranted due to unusual or unique circumstances of the employee's retraining plan, the commissioner may award additional compensation in an amount the commissioner determines is appropriate, not to exceed the employee's request. This additional compensation shall cease at any time the commissioner determines the special circumstances are no longer present.*

Sec. 82. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 11a. [APPLICABILITY OF SECTION.] *This section is applicable to all employees injured prior to or on and after October 1, 1979, except for those provisions which affect an employee's monetary benefits.*

Sec. 83. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 12. [DISCONTINUANCE.] *All benefits payable under chapter 176 may, after a determination and order by the commissioner, be discontinued or forfeited for any time during which the employee refuses to submit to any reasonable examinations and evaluative procedures ordered by the commissioner to determine the need for and details of a plan of rehabilitation, or refuses to participate in rehabilitation evaluation as required by this section or does not make a good faith effort to participate in a rehabilitation plan. A discontinuance under this section is governed by article 2, section 141.*

Sec. 84. [176.103] [MEDICAL HEALTH CARE REVIEW.]

Subdivision 1. [PURPOSE.] It is the purpose of this section to provide for review of clinical health care providers who render services to injured employees. This review shall be achieved by establishing a quality control system within the department of labor and industry.

The commissioner shall hire a medical consultant to assist in the administration of this section.

The medical consultant shall be a doctor of medicine licensed under the laws of Minnesota.

The medical consultant shall perform all duties assigned by the commissioner relating to the supervision of the total continuum of care of injured employees and shall also advise the department on matters on which the commissioner requests the consultant's advice or if the consultant deems it appropriate.

Subd. 2. [SCOPE.] The commissioner shall monitor the medical and surgical treatment provided to injured employees, the services of other health care providers and shall also monitor hospital utilization as it relates to the treatment of injured employees. This monitoring shall include determinations concerning the appropriateness of the service, whether the treatment is necessary and effective, the proper cost of services, the quality of the treatment, the right of providers to receive payment under this chapter for services rendered or the right to receive payment under this chapter for future services. The commissioner may penalize, disqualify, or suspend a provider from receiving payment for services rendered under this chapter, if the commissioner determines that the provider has violated any part of this chapter or rule adopted under this chapter. The commissioner's authority under this section also includes the authority to make determinations regarding any other activity involving the questions of utilization of medical services, and any other determination the commissioner deems necessary for the proper administration of this section.

The commissioner has the sole authority to make determinations under this section with a right of appeal to the medical services review board as provided in subdivision 3 and the workers' compensation court of appeals. A compensation judge has no jurisdiction in making determinations under this section.

Subd. 3. [MEDICAL SERVICES REVIEW BOARD; SELECTION; POWERS.] (a) There is created a medical services review board composed of the commissioner or the commissioner's designee as an ex officio member, two persons representing chiropractic, one person representing hospital administrators, and six medical practitioners representing different specialties which the commissioner determines are the most frequently utilized by injured employees. The board shall also have one person representing employees, one person representing employers or insurers, and one person representing the general public. The members shall be appointed by the commissioner and shall be governed by section 15.0575. Terms of the board's members may be renewed. The board shall appoint from among its clinical members a clinical advisory subcommittee on clinical quality and a clinical advisory subcommittee on clinical cost containment. Each subcommittee shall consist of at least three members one of whom shall be a member who is not a chiropractor or licensed physician.

The clinical quality subcommittee shall review clinical results for adequacy and recommend to the commissioner scales for disabilities and apportionment.

The clinical cost containment subcommittee shall review and recommend to the commissioner rates for individual clinical procedures and aggregate costs. The subcommittees shall make regular reports to the board and the commissioner which shall evaluate the reports for the purpose of determining whether or not a particular health care provider continues to qualify for payment under chapter 176 or is subject to any other sanctions or penalties authorized under this section and to determine whether an employee has been off work longer than necessary.

In evaluating the clinical consequences of the services provided to an employee by a clinical health care provider, the board shall consider the following factors in the priority listed:

- (1) the clinical effectiveness of the treatment;*
- (2) the clinical cost of the treatment; and*
- (3) the length of time of treatment.*

In its consideration of these factors, the board shall utilize the information and recommendations developed by the subcommittees. In addition, the board shall utilize any other data developed by the subcommittees pursuant to the duties assigned to the subcommittees under this section.

After making a determination, the board shall submit its recommendation in writing to the commissioner. The board shall advise the commissioner on the adoption of rules regarding all aspects of medical care and services provided to injured employees.

(b) The board shall appoint three of its members to hear appeals from decisions of the commissioner regarding quality control and supervision of medical care; any other disputes regarding medical, surgical, and hospital care; decisions regarding the eligibility of medical providers to receive payments; or any other determinations of the commissioner pursuant to subdivision 2. The three-member panel shall be composed of one member who does not represent a health care specialty, one member who represents the same specialty as the specialty at issue or, if the same specialty is not available, one member whose specialty is as close as possible considering the board's composition, and one member representing a different specialty. The three-member panel shall conduct a hearing in the same manner, giving the same notice and following other procedures required of the rehabilitation review panel in section 176.102, subdivision 3a. A majority vote of the three-member panel constitutes the decision of the full board. This decision may be appealed to the workers' compensation court of appeals.

(c) In any situation where a conflict of interest prevents the appointment of a full three-member panel or in any other situation where the commissioner deems it necessary to resolve a conflict of interest, the commissioner may appoint a temporary substitute board member to serve until the situation creating the conflict of interest has been resolved.

Sec. 85. [176.104] [REHABILITATION PRIOR TO DETERMINATION OF LIABILITY.]

Subdivision 1. [DISPUTE.] If there exists a dispute regarding whether an injury arose out of and in the course and scope of employment and an employee has been disabled for the requisite time under section 176.102, subdivision 4, prior to determination of liability, the employee shall be referred by the commissioner to the division of vocational rehabilitation which shall provide rehabilitation consultation. The services provided by the division of vocational rehabilitation and the scope and term of the rehabilitation are governed by section 176.102 and rules adopted pursuant to that section. Rehabilitation costs and services under this subdivision shall be approved, rejected, or modified by the commissioner.

Subd. 2. [LIABILITY FOR PAST REHABILITATION.] If liability is determined after the employee has commenced rehabilitation under this section the liable party is responsible for the cost of rehabilitation provided and approved by the commissioner. Future rehabilitation after liability is established is governed by section 176.102.

Sec. 86. Minnesota Statutes 1982, section 176.105, is amended by adding a subdivision to read:

Subd. 4. [LEGISLATIVE INTENT; RULES; LOSS OF MORE THAN ONE BODY PART.] (a) For the purpose of establishing a disability schedule pursuant to clause (b) of this subdivision, the legislature declares its intent that the commissioner establish a disability schedule which, assuming the same number and distribution of severity of injuries, the aggregate total of impairment compensation and economic recovery compensation benefits under section 176.101, subdivisions 3a to 3u be approximately equal to the total aggregate amount payable for permanent partial disabilities under section 176.101, subdivision 3, provided, however, that awards for specific injuries under the proposed schedule need not be the same as they were for the same injuries under the schedule pursuant to section 176.101, subdivision 3.

(b) The commissioner shall by rulemaking adopt procedures setting forth rules for the evaluation and rating of functional disability and the schedule for permanent partial disability and to determine the percentage of loss of function of a part of the body based on the body as a whole, including internal organs, described in section 176.101, subdivision 3, and any other body part not listed in section 176.101, subdivision 3, which the commissioner deems appropriate.

Temporary rules shall be adopted for this purpose not later than January 1, 1985. Prior to the adoption of these rules, at least one public hearing shall be held by the commissioner, in addition to the requirements of sections 14.29 to 14.36. Notwithstanding sections 14.29 to 14.36, the temporary rules adopted under this subdivision shall be effective until superseded by permanent rules. The rules shall promote objectivity and consistency in the evaluation of permanent functional impairment due to personal injury and in the assignment of a numerical rating to the functional impairment.

Prior to adoption of temporary rules the commissioner shall conduct an analysis of the current permanent partial disability schedule for the purpose of determining the number and distribution of permanent partial disabilities and the average compensation for various permanent partial disabilities. The commissioner shall consider setting the compensation under the pro-

posed schedule for the most serious conditions higher in comparison to the current schedule and shall consider decreasing awards for minor conditions in comparison to the current schedule.

The commissioner may consider, among other factors, and shall not be limited to the following factors in developing rules for the evaluation and rating of functional disability and the schedule for permanent partial disability benefits:

(1) the workability and simplicity of the procedures with respect to the evaluation of functional disability;

(2) the consistency of the procedures with accepted medical standards;

(3) rules, guidelines, and schedules that exist in other states that are related to the evaluation of permanent partial disability or to a schedule of benefits for functional disability provided that the commissioner is not bound by the degree of disability in these sources but shall adjust the relative degree of disability to conform to the expressed intent of clause (a);

(4) rules, guidelines, and schedules that have been developed by associations of health care providers or organizations provided that the commissioner is not bound by the degree of disability in these sources but shall adjust the relative degree of disability to conform to the expressed intent of clause (a);

(5) the effect the rules may have on reducing litigation;

(6) the treatment of preexisting disabilities with respect to the evaluation of permanent functional disability provided that any preexisting disabilities must be objectively determined by medical evidence; and

(7) symptomatology and loss of function and use of the injured member.

The factors in paragraphs (1) to (7) shall not be used in any individual or specific workers' compensation claim under this chapter but shall be used only in the adoption of rules pursuant to this section.

Nothing listed in paragraphs (1) to (7) shall be used to dispute or challenge a disability rating given to a part of the body so long as the whole schedule conforms with the expressed intent of clause (a).

(c) If an employee suffers a permanent functional disability of more than one body part due to a personal injury incurred in a single occurrence, the percent of the whole body which is permanently partially disabled shall be determined by the following formula so as to ensure that the percentage for all functional disability combined does not exceed the total for the whole body:

$$A + B (1 - A)$$

where: A is the greater percentage whole body loss of the first body part; and B is the lesser percentage whole body loss otherwise payable for the second body part.

For permanent partial disabilities to three body parts due to a single occurrence or as the result of an occupational disease, the above formula shall be applied, providing that A equals the result obtained from application of the formula to the first two body parts and B equals the percentage for the third body part. For permanent partial disability to four or more body parts

incurred as described above. A equals the result obtained from the prior application of the formula, and B equals the percentage for the fourth body part or more in arithmetic progressions.

Sec. 87. Minnesota Statutes 1982, section 176.111, subdivision 6, is amended to read:

Subd. 6. [SPOUSE, NO DEPENDENT CHILD.] ~~(a)~~ If the deceased employee leaves a dependent surviving spouse and no dependent child, there shall be paid to the spouse; ~~at the option of the spouse, either:~~

~~(1) A lump sum settlement equal to ten full years of compensation at 50 percent of the daily wage at the time of the injury of the deceased; computed without regard to section 176.645; or~~

~~(2) weekly workers' compensation benefits at 50 percent of the daily wage at the time of the injury for a period of ten years, including adjustments as provided in section 176.645.~~

~~(b) A dependent surviving spouse who has not accepted a lump sum settlement pursuant to clause (a)(1) and who remarries shall receive the lesser of either:~~

~~(1) A lump sum settlement equal to two full years of compensation at 50 percent of the daily wage at the time of the injury of the deceased; computed without regard to section 176.645; or~~

~~(2) The remaining weekly workers' compensation benefits pursuant to clause (a)(2) at 50 percent of the daily wage; including adjustments as provided in section 176.645.~~

Sec. 88. Minnesota Statutes 1982, section 176.111, subdivision 7, is amended to read:

Subd. 7. [SPOUSE, ONE DEPENDENT CHILD.] (a) If the deceased employee leaves a surviving spouse and one dependent child, there shall be paid to the surviving spouse for the benefit of the spouse and child 60 percent of the daily wage at the time of the injury of the deceased until the child is no longer a dependent as defined in subdivision 1. At that time there shall be paid to the dependent surviving spouse; ~~at the option of the spouse, either:~~

~~(1) A lump sum settlement equal to ten full years of compensation at a rate which is 16 2/3 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a; while the surviving child was a dependent; computed without regard to section 176.645; or~~

~~(2) weekly benefits at a rate which is 16 2/3 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, for a period of ten years, including adjustments as provided in section 176.645.~~

~~(b) A surviving spouse who remarries shall receive:~~

~~(1) Compensation, for the benefit of the dependent child; according to the allocation provided in subdivision 10, until the child is no longer a dependent as defined in subdivision 1; and~~

~~(2) A lump sum settlement, for the benefit of the surviving spouse; equal to two full years of weekly benefits in an amount which equals the difference~~

between the benefit otherwise payable under clause (a) and the amount payable to the dependent child pursuant to clause (b)(1).

Sec. 89. Minnesota Statutes 1982, section 176.111, subdivision 8, is amended to read:

Subd. 8. [SPOUSE, TWO DEPENDENT CHILDREN.] ~~(a) If the deceased employee leaves a surviving spouse and two dependent children, there shall be paid to the surviving spouse for the benefit of the spouse and children 66 2/3 percent of the daily wage at the time of the injury of the deceased until the youngest last dependent child is no longer dependent. At that time the dependent surviving spouse shall be paid; at the option of the spouse, either:~~

~~(1) A lump sum settlement equal to ten full years of compensation at a rate which is 25 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the last surviving child was a dependent, computed without regard to section 176.645; or~~

~~(2) weekly benefits at a rate which is 25 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, for a period of ten years, adjusted according to section 176.645.~~

~~(b) A surviving spouse who remarries shall receive compensation, for the benefit of the children, allocated according to subdivision 10, until the youngest dependent child is no longer dependent as defined in subdivision 1 and, for the benefit of the surviving spouse, a lump sum settlement equal to two full years of weekly benefits in an amount which equals the difference between the benefit otherwise payable pursuant to clause (a) and the amount payable to the dependent children allocated according to subdivision 10, computed without regard to section 176.645.~~

Sec. 90. Minnesota Statutes 1982, section 176.111, is amended by adding a subdivision to read:

Subd. 9a. [REMARriage OF SPOUSE.] A surviving spouse who remarries and is receiving benefits under subdivisions 6, 7, or 8 shall continue to be eligible to receive weekly benefits for the remaining period that the spouse is entitled to receive benefits pursuant to this section.

Sec. 91. Minnesota Statutes 1982, section 176.111, subdivision 18, is amended to read:

Subd. 18. [BURIAL EXPENSE.] In all cases where death results to an employee from a personal injury arising out of and in the course of employment, the employer shall pay the expense of burial, not exceeding in amount ~~\$1,000~~ \$2,500. In case any dispute arises as to the reasonable value of the services rendered in connection with the burial, ~~such its~~ reasonable value shall be determined and approved by the commissioner of the department of labor and industry, a compensation judge, or workers' compensation court of appeals, in cases upon appeal, before payment, after ~~such~~ reasonable notice to interested parties as is required by the commissioner of the department of labor and industry. If the deceased leave no dependents, no compensation is payable, except as provided by this chapter.

Sec. 92. Minnesota Statutes 1982, section 176.121, is amended to read:

176.121 [COMMENCEMENT OF COMPENSATION.]

In cases of temporary total or temporary partial disability no compensation ~~shall be~~ is allowed for the three *calendar* days after the disability commenced, except as provided by section 176.135, nor in any case unless the employer has actual knowledge of the injury or is notified thereof within the period specified in section 176.141. If ~~such~~ the disability continues for 10 *calendar* days or longer, ~~such~~ the compensation ~~shall be~~ is computed from the commencement of the disability. *Disability is deemed to commence on the first calendar day or fraction of a calendar day that the employee is unable to work.*

Sec. 93. [176.129] [CREATION OF THE SPECIAL COMPENSATION FUND.]

Subdivision 1. [DEPOSIT OF FUNDS.] The special compensation fund is created for the purposes provided for in this chapter. The state treasurer is the custodian of the special compensation fund. Sums paid to the commissioner pursuant to this section shall be deposited with the state treasurer for the benefit of the fund and used to pay the benefits under this chapter. Any interest or profit accruing from investment of these sums shall be credited to the special compensation fund. Subject to the provisions of this section, all the powers, duties, functions, obligations, and rights vested in the special compensation fund immediately prior to the effective date of this section are transferred to and vested in the special compensation fund recreated by this section. All rights and obligations of employers with regard to the special compensation fund which existed immediately prior to the effective date of this section continue, subject to the provisions of this section.

Subd. 2. [PAYMENTS TO FUND, DEATH.] In every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to monetary benefits of dependency compensation, the employer shall pay to the commissioner the sum of \$25,000 for the benefit of the special compensation fund. In every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to at least \$25,000 in monetary benefits of dependency compensation, the employer shall pay to the commissioner for the benefit of the special compensation fund the difference between the amounts actually paid for the dependency benefits and \$25,000; but in no event shall the employer pay the commissioner less than \$5,000.

Subd. 3. [PAYMENTS TO FUND, INJURY.] If an employee suffers a personal injury resulting in permanent partial disability, temporary total disability, temporary partial disability, permanent total disability, or death and the employee or the employee's dependents are entitled to compensation under sections 176.101 or 176.111 the employer shall pay to the commissioner a lump sum amount, without any interest deduction, equal to 20 percent of the total compensation payable. The rate under this subdivision shall remain constant and applies to injuries occurring after June 1, 1971, and prior to January 1, 1984, for payments made on or after January 1, 1984. This payment is to be credited to the special compensation fund and shall be in addition to any compensation payments made by the employer under this chapter. Payment shall be made as soon as the amount is determined and approved by the commissioner.

Subd. 4. [TIME OF INJURY.] Subdivision 3 applies to all workers' com-

persone payments paid under sections 176.101, 176.102, 176.111, or 176.135, for an injury or death occurring on or after June 1, 1971, but before January 1, 1984.

Payments made for personal injuries that occurred prior to June 1, 1971, shall be assessed at the rate in effect on the date of occurrence.

Subd. 5. [DETERMINATION OF AMOUNT PAYABLE.] (a) In addition to assessments under subdivisions 2 and 3, an employer shall, beginning in calendar year 1984, pay an assessment as provided in this subdivision. The assessment base shall be determined according to a method established by rule adopted by the commissioner. In determining this method, the commissioner shall consider, among other things, the frequency of indemnity claims, equity, potential for retaliation by other states against Minnesota insurers, administrative convenience, records maintained by employer's insurers and self-insurers, verification of underlying records, and degree of risk refinement. The assessment base shall not be determined by paid losses.

(b) Using the assessment base method established in clause (a), the commissioner shall annually determine the amount of the assessment base of each employer.

(c) The commissioner shall annually establish a uniform percentage rate to be applied to the assessment base determined pursuant to clause (b). In establishing this rate, the commissioner shall consider, among other things, the likely expenditures to be made by the special fund in the next calendar year, the current fiscal status of the fund, future expenditure trends, and the assessments estimated to be collected under subdivisions 2 and 3. The assessment rate multiplied by the assessment base of an employer is the assessment amount payable under this subdivision. The total amount assessed against all employers under this subdivision shall not exceed \$25,000,000 in calendar year 1984. The total amount which may annually be assessed under this subdivision may be increased by up to ten percent beginning on January 1, 1985, and each January 1 thereafter.

(d) An amount assessed pursuant to this subdivision is payable to the commissioner within 45 days of mailing notice of the amount due.

Subd. 6. [PAYMENTS OUT OF FUND.] The workers' compensation division, a compensation judge, the workers' compensation court of appeals, or district court in cases before them shall direct the distribution of benefits provided by this chapter. These benefits are payable in the same manner as other payments of compensation.

Subd. 7. [REFUNDS.] In case deposit is or has been made under subdivision 2 and dependency later is shown, or if deposit is or has been made pursuant to subdivision 2 or 3 by mistake or inadvertence, or under circumstances that justice requires a refund, the state treasurer is authorized to refund the deposit under order of the commissioner, a compensation judge, the workers' compensation court of appeals, or a district court. There is appropriated to the commissioner from the fund an amount sufficient to make the refund and payment.

Subd. 8. [COMMISSIONER AS ADMINISTRATOR.] The commissioner is the administrator of the special compensation fund. The special fund shall be designated a party in an action regarding any right, obligation, and lia-

bility of the special fund. The state treasurer, as custodian, does not have standing in an action determining any right, obligation, or liability of the special fund. The attorney general shall represent the special fund in all legal matters in which the special fund has an interest.

Subd. 9. [POWERS OF FUND.] In addition to powers granted to the special compensation fund by this chapter the fund may do the following:

(a) sue and be sued in its own name;

(b) intervene in or commence an action under this chapter or any other law, including, but not limited to, intervention or action as a subrogee to the division's right in a third-party action, any proceeding under this chapter in which liability of the special compensation fund is an issue, or any proceeding which may result in other liability of the fund or to protect the legal right of the fund;

(c) enter into settlements including but not limited to structured, annuity purchase agreements with appropriate parties under this chapter;

(d) contract with another party to administer the special compensation fund; and

(e) take any other action which an insurer is permitted by law to take in operating within this chapter.

Subd. 10. [PENALTY.] Sums paid to the commissioner pursuant to this section shall be in the manner prescribed by the commissioner. The commissioner may impose a penalty of up to 15 percent of the amount due under this section but not less than \$500 in the event payment is not made in the manner prescribed.

Subd. 11. [ADMINISTRATIVE PROVISIONS.] The accounting, investigation, and legal costs necessary for the administration of the programs financed by the special compensation fund shall be paid from the fund during each biennium commencing July 1, 1981. Staffing and expenditures related to the administration of the special compensation fund shall be approved through the regular budget and appropriations process.

Subd. 12. [REPORT OF COMMISSIONER.] The commissioner shall report biennially to the governor and to the legislature as to the financial status of the special compensation fund. The report shall include a statement of the receipts and the disbursements for the period covered.

Subd. 13. [EMPLOYER REPORTS.] All employers shall make reports to the commissioner as required for the proper administration of this section and section 176.131.

Sec. 94. Minnesota Statutes 1982, section 176.131, subdivision 1, is amended to read:

Subdivision 1. If an employee incurs personal injury and suffers disability that is substantially greater, because of a pre-existing physical impairment, than what would have resulted from the personal injury alone, the employer shall pay all compensation provided by this chapter, but ~~he~~ the employer shall be reimbursed from the special compensation fund for all compensation paid in excess of 52 weeks of monetary benefits and \$2,000 in medical expenses, subject to the following exceptions:

If the personal injury alone results in permanent partial disability to a scheduled member under ~~section 176.101~~ *the schedule adopted by the commissioner pursuant to section 176.105*, the monetary and medical expense limitations shall not apply and the employer ~~shall be~~ *is* liable for ~~such the~~ compensation, medical expense, and ~~retraining~~ *rehabilitation* attributable to the permanent partial disability, and ~~he~~ may be reimbursed from the *special* compensation fund only for compensation paid in excess of ~~such the~~ disability.

Sec. 95. Minnesota Statutes 1982, section 176.131, subdivision 1a, is amended to read:

Subd. 1a. If an employee is employed in an on the job retraining program pursuant to section 176.102 and the employee incurs a personal injury that aggravates the personal injury for which the employee has been certified to enter the on the job retraining program, the on the job training employer shall pay the medical expenses and compensation required by this chapter, ~~but and~~ shall be reimbursed from the special compensation fund for the compensation and medical expense that is attributable to the aggravated injury. The employer, at the time of the personal injury for which the employee has been certified for retraining, is liable for the portion of the disability that is attributable to that injury.

Sec. 96. Minnesota Statutes 1982, section 176.131, subdivision 2, is amended to read:

Subd. 2. If the employee's personal injury ~~shall result~~ *results* in disability or death, and if the injury, death, or disability would not have occurred except for the pre-existing physical impairment *registered with the special compensation fund*, the employer shall pay all compensation provided by this chapter, ~~but and~~ shall be *fully* reimbursed from the special compensation fund for ~~such the~~ compensation *only where the permanent physical impairment contributing to the second injury is diabetes, hemophilia or seizures except that this full reimbursement shall not be made for cardiac disease or a condition registered pursuant to subdivision 8, clauses (t) or (u) unless the commissioner by rule provides otherwise.*

Sec. 97. Minnesota Statutes 1982, section 176.131, subdivision 3, is amended to read:

Subd. 3. To entitle the employer to secure reimbursement from the special compensation fund, the following provisions must be complied with:

(a) Provisions of section 176.181, subdivisions 1 and 2.

(b) The employee with a pre-existing physical impairment must have been registered with the commissioner of ~~labor and industry~~ prior to the employee's personal injury or within 180 days after notice of the employee's personal injury is received by the employer. Registration subsequent to the injury shall be based on a medical report *or record* made prior to the injury indicating the pre-existing physical impairment.

Sec. 98. Minnesota Statutes 1982, section 176.131, subdivision 4, is amended to read:

Subd. 4. Any employer who hires or retains in ~~his~~ *its* employment any person who has a physical impairment shall file a formal registration for

~~each such~~ the employee with the commissioner of the department of labor and industry in ~~such~~ on a form as *prescribed* by the commissioner ~~may require~~.

Sec. 99. Minnesota Statutes 1982, section 176.131, subdivision 5, is amended to read:

Subd. 5. Registration under this section may be made by the employee or any employer provided:

(a) Registration ~~shall be~~ *is* accompanied by satisfactory evidence of ~~such~~ the physical impairment;

(b) Registration ~~shall be~~ *is* in effect as long as ~~said~~ the impairment exists;

(c) Upon request, a registered employee shall be furnished by the commissioner of the department of labor and industry with a registration card evidencing the ~~fact~~ of registration, and ~~such~~ other facts as the commissioner of the department of labor and industry deems advisable.

Sec. 100. Minnesota Statutes 1982, section 176.131, subdivision 6, is amended to read:

Subd. 6. When the employer claims reimbursement from the special compensation fund after paying compensation as prescribed by this section, ~~he~~ *the employer* shall file with the commissioner of the department of labor and industry written notice of intention to claim reimbursement in accordance with the rules ~~and regulations~~ of *adopted* by the commissioner of the department of labor and industry.

Sec. 101. Minnesota Statutes 1982, section 176.131, subdivision 7, is amended to read:

Subd. 7. Under subdivisions 1 and 2, an occupational disease may be deemed to be the personal (second) injury.

If the subsequent disability for which reimbursement is claimed is an occupational disease, and if, subsequent to registration as provided by subdivisions 4 and 5, the employee has been employed by the employer in employment similar to that which initially resulted in ~~such~~ the occupational disease, no reimbursement shall be paid to the employer.

Sec. 102. Minnesota Statutes 1982, section 176.131, subdivision 8, is amended to read:

Subd. 8. As used in this section the following terms have the meanings given them:

“Physical impairment” means any physical or mental condition that is permanent in nature, whether congenital or due to injury, disease or surgery and which is or is likely to be a hindrance or obstacle to obtaining employment ~~provided~~ *except* that; physical impairment as ~~used herein~~ is limited to the following:

- (a) Epilepsy,
- (b) Diabetes,
- (c) Hemophilia,
- (d) Cardiac disease,

- (e) Partial or entire absence of thumb, finger, hand, foot, arm or leg,
- (f) Lack of sight in one or both eyes or vision in either eye not correctable to 20/40,
- (g) Residual disability from poliomyelitis,
- (h) Cerebral Palsy,
- (i) Multiple Sclerosis,
- (j) Parkinson's disease,
- (k) Cerebral vascular accident,
- (l) Chronic Osteomyelitis,
- (m) Muscular Dystrophy,
- (n) Thrombophlebitis,
- (o) *Brain tumors,*
- (p) *Pott's disease,*
- (q) *Seizures,*
- (r) *Cancer of the bone,*
- (s) *Leukemia,*

~~(t)~~ (t) Any other physical impairment for which resulting in a disability rating of at least 50 weeks or more of weekly benefits would be payable as permanent partial disability ten percent of the whole body if the physical impairment were evaluated according to standards used in workers' compensation proceedings, and

~~(u)~~ (u) Any other physical impairments of a permanent nature which the workers' compensation court of appeals commissioner may by rule prescribe;

"Compensation" has the meaning defined in section 176.011;

"Employer" includes insurer;

"Disability" means, unless otherwise indicated, any condition causing either temporary total, temporary partial, permanent total, permanent partial, death, medical expense, or ~~retraining~~ rehabilitation.

Sec. 103. Minnesota Statutes 1982, section 176.132, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE RECIPIENTS.] (a) An employee who has suffered personal injury prior to the effective date of clause (b) for which benefits are payable under section 176.101 and who has been totally disabled for more than 104 weeks shall be eligible for supplementary benefits as hereinafter prescribed in this section after 104 weeks have elapsed and for the remainder of his the total disablement. Regardless of the number of weeks of total disability, no totally disabled person shall be is ineligible for supplementary benefits after four years have elapsed since the first date of his the total disability, except as provided by clause (b), provided that all periods of disability are caused by the same injury.

(b) An employee who has suffered personal injury after the effective date of

this clause is eligible to receive supplementary benefits after the employee has been receiving temporary total or permanent total benefits for 208 weeks. Regardless of the number of weeks of total disability, no person who is receiving temporary total compensation shall be ineligible for supplementary benefits after four years have elapsed since the first date of the total disability, provided that all periods of disability are caused by the same injury.

Sec. 104. Minnesota Statutes 1982, section 176.132, is amended by adding a subdivision to read:

Subd. 5. [ROUNDING OF PAYMENTS.] A payment made under this section shall be rounded up to the nearest whole dollar.

Sec. 105. Minnesota Statutes 1982, section 176.134, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATION.] The commissioner of labor and industry shall administer the reopened case fund as part of the special compensation fund provided that the reopened case fund is under separate accounting and audit procedures from the special fund.

Sec. 106. Minnesota Statutes 1982, section 176.135, subdivision 1, is amended to read:

*Subdivision 1. [MEDICAL, CHIROPRACTIC, PODIATRIC, SURGICAL, HOSPITAL.] The employer shall furnish ~~such~~ any medical, chiropractic, podiatric, surgical and hospital treatment, including nursing, medicines, medical, chiropractic, podiatric, and surgical supplies, crutches and apparatus, including artificial members, or, at the option of the employee, if the employer has not filed notice as hereinafter provided, Christian Science treatment in lieu of medical treatment, chiropractic medicine and medical supplies, as may reasonably be required at the time of the injury and any time thereafter to cure and relieve from the effects of the injury. ~~Such~~ This treatment shall include treatments necessary to physical rehabilitation. The employer shall furnish replacement or repair for artificial members, glasses, or spectacles, artificial eyes, podiatric orthotics, dental bridge work, dentures or artificial teeth, hearing aids, canes, crutches or wheel chairs damaged by reason of an injury arising out of and in the course of the employment. In case of his inability or refusal seasonably to do so the employer ~~shall be~~ is liable for the reasonable expense incurred by or on behalf of the employee in providing the same. The employer shall pay for the reasonable value of nursing services by a member of the employee's family in cases of permanent total disability. Orders of a ~~compensation judge~~ *the commissioner or medical services review board* with respect to this subdivision may be reviewed by the workers' compensation court of appeals on petition of an aggrieved party or by writ of certiorari to the supreme court.*

Sec. 107. Minnesota Statutes 1982, section 176.135, subdivision 3, is amended to read:

Subd. 3. [LIMITATION OF LIABILITY.] The pecuniary liability of the employer for the treatment, articles and supplies required by this section shall be limited to ~~such~~ the charges therefor as prevail in the same community for similar treatment, articles and supplies furnished to injured persons of a like standard of living when the same are paid for by the injured per-

sons. On this basis the ~~compensation judge~~ *commissioner, medical services review board*, or workers' compensation court of appeals on appeal may determine the reasonable value of all such services and supplies and the liability of the employer is limited to the amount so determined.

Sec. 108. Minnesota Statutes 1982, section 176.136, is amended to read:

176.136 [MEDICAL FEE REVIEW.]

The ~~commissioner of insurance~~ shall by rule establish procedures for determining whether or not the charge for a health service is excessive. In order to accomplish this purpose, the ~~commissioner of insurance~~ shall consult with insurers, associations and organizations representing the medical and other providers of treatment services and other appropriate groups. The procedures established by the ~~commissioner of insurance~~ shall limit the charges allowable for medical, chiropractic, podiatric, surgical, hospital and other health care provider treatment or services, as defined and compensable under section 176.135, to the 75th percentile of usual and customary fees or charges based upon billings for each class of health care provider during all of the calendar year preceding the year in which the determination is made of the amount to be paid the health care provider for the billing. The procedures established by the ~~commissioner for determining whether or not the charge for a health service is excessive~~ shall be structured to encourage providers to develop and deliver services for rehabilitation of injured workers. The procedures shall incorporate the provisions of sections 144.701, 144.702, and 144.703 to the extent that the ~~commissioner finds that these provisions effectively accomplish the intent of this section or are otherwise necessary to insure that quality hospital care is available to injured employees. If the commissioner of insurance, a compensation judge, medical services review board, the workers' compensation court of appeals or a district court determines that the charge for a health service or medical service is excessive, no payment in excess of the reasonable charge for that service shall be made under this chapter nor may the provider collect or attempt to collect from the injured employee or any other insurer or government amounts in excess of the amount payable under this chapter; however, the commissioner of insurance shall by rule establish procedures allowing for a provider to appeal such determination.~~ The ~~commissioner of insurance~~ shall contract with a review organization as defined in section 145.61 for the purposes listed in section 145.61, subdivision 5, and report to the legislature by January 15, 1983 and thereafter on January 15 of every odd-numbered year, regarding the delivery of medical and health care services, including rehabilitation services, under the workers' compensation laws of this state.

The ~~commissioner of insurance~~ shall also conduct a study of the qualifications and background of rehabilitation consultants and vendors providing services under section 176.102 for the purpose of determining whether there are adequate professional standards provided, including safeguards to protect against conflicts of interest.

The ~~commissioner of insurance~~ shall adopt temporary rules in order to implement the provisions of this subdivision. Notwithstanding the provisions of section 14.14, subdivision 1, and any amendments, the temporary rules adopted by the ~~commissioner of insurance~~ pursuant to this subdivision

may be extended for an additional 180 days if the procedures for adoption of a rule pursuant to sections 14.13 to 14.20 or 14.21 to 14.28, and other provisions of the administrative procedure act related to final agency action and rule adoption have not been concluded.

Any rules adopted by the commissioner of insurance pursuant to this section shall remain in effect but may be amended, modified, or repealed only by the commissioner of labor and industry.

Sec. 109. [176.138] [MEDICAL DATA; ACCESS.]

Notwithstanding any other state laws related to the privacy of medical data or any private agreements to the contrary, the release of medical data related to a current claim for compensation under this chapter to the employee, employer, or insurer who are parties to the claim, or to the department of labor and industry, shall not require prior approval of any party to the claim. Requests for pertinent data shall be made in writing to the person or organization that collected or currently possesses the data. The data shall be provided by the collector or possessor within seven working days of receiving the request. In all cases of a request for the data, except when it is the employee who is making the request, the employee shall be sent written notification of the request by the party requesting the data at the same time the request is made. This data shall be treated as private data by the party who requests or receives the data and the employee or the employee's attorney shall be provided with a copy of all data requested by the requester.

Medical data which is not directly related to a current injury or disability shall not be released without prior authorization of the employee.

The commissioner may impose a penalty of up to \$200 payable to the special compensation fund against a party who does not release the data in a timely manner. A party who does not treat this data as private pursuant to this section is guilty of a misdemeanor.

Sec. 110. Minnesota Statutes 1982, section 176.155, subdivision 3, is amended to read:

Subd. 3. [REFUSAL TO BE EXAMINED.] If the injured employee refuses to comply with any reasonable request for examination, ~~his~~ *the* right to compensation may be suspended by order of the division, a compensation judge or workers' compensation court of appeals in a matter before it, and no compensation shall be paid while ~~he~~ *the* employee continues in ~~such~~ *the* refusal.

Sec. 111. Minnesota Statutes 1982, section 176.155, subdivision 5, is amended to read:

Subd. 5. [TESTIMONY OF EXAMINING PHYSICIANS HEALTH CARE PROVIDER.] Any physician or other health care provider designated by the commissioner of ~~the department of labor and industry~~, compensation judge, or workers' compensation court of appeals or whose services are furnished or paid for by the employer, who treats or ~~who makes~~, examines, or is present at any examination, of an injured employee, may be required to testify as to any knowledge acquired by ~~him~~ *the physician or health care provider* in the course of ~~such~~ *the* treatment or examination relative to the injury or disability resulting ~~therefrom~~ *from the injury only if the commissioner or a compen-*

sation judge makes a written finding that the appearance of the physician or health care provider is crucial to the accurate determination of the employee's disability. In all other cases all evidence related to health care must be submitted by written report as prescribed by the chief hearing examiner. A party may cross-examine by deposition a physician or health care provider who has examined or treated the employee. If a physician or health care provider is not available for cross-examination prior to the hearing and the physician's or health care provider's written report is submitted at the hearing, the compensation judge shall, upon request of the adverse party, require the physician or health care provider to testify at the hearing for the purpose of being cross-examined by the adverse party. All written evidence relating to health care must be submitted prior to or at the time of the hearing and no evidence shall be considered which was submitted after the hearing unless the compensation judge orders otherwise.

Sec. 112. Minnesota Statutes 1982, section 176.179, is amended to read:

176.179 [PAYMENTS OF COMPENSATION RECEIVED IN GOOD FAITH.]

Notwithstanding section 176.521, subdivision 3, or any other provision of this chapter to the contrary, except as provided in this section, no lump sum or weekly payment, or settlement, which is voluntarily paid to an injured employee or the survivors of a deceased employee in apparent or seeming accordance with the provisions of this chapter by an employer or insurer, or is paid pursuant to an order of the workers' compensation division, a compensation judge, or court of appeals relative to a claim by an injured employee or his the employee's survivors, and received in good faith by the employee or his the employee's survivors shall be refunded to the paying employer or insurer in the event that it is subsequently determined that the payment was made under a mistake in fact or law by the employer or insurer. When the payments have been made to a person who is entitled to receive further payments of compensation for the same injury, the mistaken compensation may be taken as a credit against future benefit entitlement; provided, however, that the credit applied against further payments of temporary total disability, temporary partial disability, permanent total disability, retraining benefits or death benefits shall not exceed 20 percent of the amount that would otherwise be payable.

Sec. 113. Minnesota Statutes 1982, section 176.181, is amended by adding a subdivision to read:

Subd. 2a. [APPLICATION FEE.] Every initial application filed pursuant to subdivision 2 requesting authority to self-insure shall be accompanied by a fee of \$1,000. The fee is not refundable.

Sec. 114. Minnesota Statutes 1982, section 176.182, is amended to read:

176.182 [BUSINESS LICENSES OR PERMITS; COVERAGE REQUIRED.]

Every state or local licensing agency shall withhold the issuance of a license or permit to operate a business in Minnesota until the applicant presents acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2.

Neither the state nor any governmental subdivision thereof of the state

shall enter into any contract for the doing of any public work before receiving from all other contracting parties acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2.

This section shall not be construed to create any liability on the part of the state or any governmental subdivision to pay workers' compensation benefits or to indemnify the special compensation fund, an employer, or insurer who pays workers' compensation benefits.

Sec. 115. Minnesota Statutes 1982, section 176.183, subdivision 1, is amended to read:

Subdivision 1. When any employee ~~shall sustain~~ *sustains* an injury arising out of and in the course of his employment while in the employ of an employer, other than the state or its political subdivisions, not insured or self-insured as provided for in this chapter, the employee or ~~his~~ *the employee's* dependents shall nevertheless receive benefits as provided for ~~therein in this chapter~~ from the special compensation fund, and the ~~state treasurer as custodian of such fund shall have~~ *commissioner has* a cause of action against ~~such~~ *the* employer for reimbursement for all moneys paid out or to be paid out, and, in the discretion of the court, as punitive damages an additional amount not exceeding 50 percent of all moneys paid out or to be paid out. An action to recover ~~such~~ *the* moneys shall be instituted unless the ~~custodian~~ *commissioner* determines that no recovery is possible. All moneys recovered shall be deposited in the general fund. There shall be no payment from the special compensation fund if there is liability for the injury under the provisions of section 176.215, by an insurer or self-insurer.

Sec. 116. Minnesota Statutes 1982, section 176.183, subdivision 1a, is amended to read:

Subd. 1a. When an employee or ~~his~~ *the employee's* dependent is entitled to benefits under this chapter from a self-insurer, present or past, other than the state and its municipal subdivisions, but ~~the self-insurer fails to be paid them~~ *pay the benefits*, the employee or ~~his~~ *the employee's* dependents, regardless of the date when the accident, personal injury, occupational disease, or death occurred, shall nevertheless receive ~~such~~ *the* benefits from the special compensation fund; ~~and~~. The ~~state treasurer as custodian of such fund shall have~~ *commissioner has* a cause of action against ~~such~~ *the* self-insuring employer for reimbursement; for all ~~moneys benefits and other expenditures~~ paid out or to be paid out and, in the discretion of the court, ~~as the self-insurer is liable~~ for punitive damages in an ~~additional~~ amount not to exceed 50 percent of ~~the total of all moneys benefits and other expenditures~~ paid out or to be paid out. ~~The commissioner shall institute an action to recover such moneys shall be instituted~~ *the total expenditures from the fund unless the custodian commissioner determines that no recovery is possible. All moneys proceeds* recovered shall be deposited in the general fund.

Sec. 117. Minnesota Statutes 1982, section 176.183, is amended by adding a subdivision to read:

Subd. 3. (a) Notwithstanding subdivision 2, the commissioner may direct payment from the special compensation fund for compensation payable pursuant to subdivisions 1 and 1a, including benefits payable under sections

176.102 and 176.135, prior to issuance of an order of a compensation judge or the workers' compensation court of appeals directing payment or awarding compensation.

(b) *The commissioner may suspend or terminate an order under clause (a) for good cause as determined by the commissioner.*

Sec. 118. Minnesota Statutes 1982, section 176.183, is amended by adding a subdivision to read:

Subd. 4. If the commissioner authorizes the special fund to commence payment under this section, the commissioner shall serve by certified mail notice upon the employer and other interested parties of the intention to commence payment. This notice shall be served at least ten calendar days before commencing payment and shall be mailed to the last known address of the parties. The notice shall include a statement that failure of the employer to respond within ten calendar days of the date of service will be deemed acceptance by the employer of the proposed action by the commissioner and will be deemed a waiver of defenses the employer has to a subrogation or indemnity action by the commissioner. At any time prior to final determination of liability, the employer may appear as a party and present defenses the employer has, whether or not an appearance by the employer has previously been made in the matter. The commissioner has a cause of action against the employer to recover compensation paid by the special fund under this section.

Sec. 119. Minnesota Statutes 1982, section 176.185, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF COVERAGE, TERMINATION, CANCELLATION.] Within 10 days after the issuance of a policy of insurance covering the liability to pay compensation under this chapter written by ~~any~~ *an* insurer licensed to insure such liability in this state, the insurer shall file notice of coverage with the commissioner ~~of the department of labor and industry~~ under regulations and on forms prescribed by the commissioner ~~of the department of labor and industry~~. No policy shall be canceled by the insurer within the policy period nor terminated upon *its* expiration date until a notice in writing ~~shall be~~ *is* delivered or mailed to the insured and filed with the commissioner ~~of the department of labor and industry~~, fixing the date on which it is proposed to cancel it, or declaring that the insurer does not intend to renew the policy upon the expiration date. ~~Such~~ *A* cancellation or termination ~~shall is not become~~ effective until 30 days after written notice has been filed with the commissioner ~~of the department of labor and industry~~ *in a manner prescribed by the commissioner* unless prior to the expiration of ~~said~~ *the* 30 day period the employer obtains other insurance coverage or an order exempting ~~him~~ *the employer* from carrying insurance as provided in section 176.181. Upon receipt of ~~said~~ *the* notice the commissioner ~~of the department of labor and industry~~ shall notify the insured that ~~he~~ *the insured* must obtain coverage from some other licensed carrier and that, if unable to do so, ~~he~~ *the insured* shall request the ~~Compensation Rating Bureau~~ *commissioner of insurance* to ~~designate some carrier to issue~~ *require the issuance of a policy* as provided in section ~~79.25~~ *79.251, subdivision 4*. Upon a cancellation or termination of a policy by the insurer the employer is entitled to have a policy assigned to him in accordance with sections ~~79.24 to 79.27~~ *79.251*

and 79.252. Notice of cancellation or termination by the insured shall be served upon the insurer by written statement ~~to that effect~~ mailed or delivered to the insurer. Upon receipt of ~~such the~~ notice the insurer shall notify the commissioner of the department of labor and industry of the cancellation or termination and ~~thereupon~~ the commissioner of the department of labor and industry shall ask the employer for the reasons for ~~his the~~ cancellation or termination and notify ~~him the~~ employer of ~~his the~~ duty under this chapter to insure ~~his the~~ employer's employees.

Sec. 120. Minnesota Statutes 1982, section 176.185, is amended by adding a subdivision to read:

Subd. 10. [DATA COLLECTION CONTRACTS.] The commissioner may contract with other parties regarding the collection of appropriate data to assist in meeting the requirements of this section.

Sec. 121. [176.186] [RECORDS FROM OTHER STATE AGENCIES.] *Notwithstanding any other state law to the contrary, the commissioner may obtain from the department of revenue, department of economic security, and office of the secretary of state, or any other state agency, upon request, names or lists of employers doing business in the state. This information shall be treated by the commissioner in the manner provided by chapter 13 and shall be used only for insurance verification by the commissioner.*

Sec. 122. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 5. Where a dispute exists between an employer, insurer, the special compensation fund, the reopened case fund, or the workers' compensation reinsurance association, regarding benefits payable under this chapter, the dispute may be submitted with consent of all interested parties to binding arbitration pursuant to the rules of the American arbitration association. The decision of the arbitrator shall be conclusive with respect to all issues presented except as provided in subdivisions 6 and 7. Consent of the employee is not required for submission of a dispute to arbitration pursuant to this section and the employee is not bound by the results of the arbitration. An arbitration award shall not be admissible in any other proceeding under this chapter. Notice of the proceeding shall be given to the employee.

The employee, or any person with material information to the facts to be arbitrated, shall attend the arbitration proceeding if any party to the proceeding deems it necessary. Nothing said by an employee in connection with any arbitration proceeding may be used against the employee in any other proceeding under this chapter. Reasonable expenses of meals, lost wages, and travel of the employee or witnesses in attending shall be reimbursed on a pro rata basis. Arbitration costs shall be paid by the parties, except the employee, on a pro rata basis.

Sec. 123. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 6. If the employee commences an action under this chapter for benefits arising out of the same injury which resulted in the dispute arbitrated under subdivision 5, and if the benefits awarded to the employee under the employee's claim are inconsistent with the arbitration decision, any increase in benefits over those paid pursuant to the arbitration proceeding is paid by

the party or parties who ordinarily would have been required to pay the increased benefits but for the arbitration. Any reimbursement from the employee of any decrease in benefits from those paid pursuant to the arbitration is paid to the party or parties who previously had paid the increased benefits. The provisions of this subdivision apply regardless of whether more or fewer employers and insurers or the special fund have been added or omitted as parties to the employee's subsequent action after arbitration.

Sec. 124. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 7. If an employee brings an action under the circumstances described in subdivision 6, the parties to the previous arbitration may be represented at the new action by a common or joint attorney.

Sec. 125. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

Subd. 8. No attorney's fees shall be awarded under either section 176.081, subdivision 8, or 176.191 against any employer or insurer in connection with any arbitration proceeding unless the employee chooses to retain an attorney to represent the employee's interests during arbitration.

Sec. 126. Minnesota Statutes 1982, section 176.195, is amended by adding a subdivision to read:

Subd. 1a. [ADDITIONAL GROUNDS.] Where an insurer or agent of an insurer has failed to comply with provisions of this chapter, other than the provisions in subdivision 1, the commissioner of insurance may revoke the license of the insurer to write workers' compensation insurance.

Sec. 127. Minnesota Statutes 1982, section 176.195, subdivision 2, is amended to read:

Subd. 2. [COMMENCEMENT OF PROCEEDINGS.] ~~Such~~ The commissioner of insurance may act under subdivision 1 or subdivision 1a upon his own motion, the recommendation of the commissioner of the department of labor and industry, the chief hearing examiner, or the workers' compensation court of appeals, or the complaint of any interested person.

Sec. 128. Minnesota Statutes 1982, section 176.195, is amended by adding a subdivision to read:

Subd. 7. [REPORT TO COMMISSIONER OF INSURANCE.] The commissioner may send reports to the commissioner of insurance regarding compliance with this chapter by insurers writing workers' compensation insurance. A report may include a recommendation for revocation of an insurer's license under this section and may also recommend the imposition of other penalties which may be imposed upon insurers by the commissioner of insurance.

Sec. 129. Minnesota Statutes 1982, section 176.221, is amended to read:

176.221 [PAYMENT OF COMPENSATION AND TREATMENT CHARGES, COMMENCEMENT.]

Subdivision 1. [COMMENCEMENT OF PAYMENT.] Within 14 days of notice to or knowledge by the employer of an injury compensable under this

chapter the payment of *temporary total compensation due pursuant to section 176.101, subdivision 1*, shall commence. Commencement of payment by an employer or insurer does not waive any rights to any defense the employer may have on any claim or incident either with respect to the compensability of the claim under chapter 176 or the amount of the compensation due. Where there are multiple employers, the first employer shall pay, unless it is shown that the injury has arisen out of employment with the second or subsequent employer. ~~When~~ *If the employer or insurer has commenced payment of compensation under this subdivision but determines within 30 days of notice to or knowledge by the employer of the injury that the disability is not a result of a personal injury, payment of compensation may be discontinued terminated upon notice of discontinuance pursuant to section 176.241 the filing of a notice of denial of liability.* Upon the ~~determination termination~~, payments made may be recovered by the employer if the commissioner or compensation judge finds that the employee's claim of work related disability was not made in good faith. *A notice of denial of liability must state in detail specific reasons explaining why the claimed injury or occupational disease was determined not to be within the scope and course of employment and shall include the name and telephone number of the person making this determination.*

Subd. 2. ~~[GRANT OF EXTENSION.]~~ Upon application made within 30 days after the date on which the first payment was due, the commissioner may grant an extension of time within which to determine liability. The extension shall not exceed 30 days.

Subd. 3. ~~[PAYMENTS TO SPECIAL COMPENSATION FUND.]~~ Where an employer or insurer fails to begin payment of compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9 pursuant to subdivision 1, or to file a denial of liability within the 14-day period referred to in subdivision 1, or to request an extension of time within 30 days after the date on which the first payment was due, he it shall pay to the special compensation fund an amount equal to the total amount of compensation to which the employee is entitled because of the injury. In addition, each day subsequent to the end of the period and until a to receive up to the date compensation payment is made to the injured employee, the person responsible for payment of compensation shall pay to the special compensation fund an amount equal to the total compensation to which the injured employee is entitled.

Subd. 4. ~~[FAILURE TO MAKE PAYMENTS AFTER EXTENSION.]~~ Where an employer or insurer has been granted an extension of time within which to determine liability and fails to begin payment of compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9 or to file a denial of liability within such extended period, he shall make the payments provided in subdivision 3.

Subd. 5. ~~[DOUBLE PAYMENTS TO SPECIAL COMPENSATION FUND.]~~ Where an employer or insurer has failed to make the payments required by subdivision 3 or subdivision 4 within 30 days from the end of the period or the extended period, the division may require him to pay to the special compensation fund, each day subsequent to the end of the period and until a compensation payment is made to the injured employee, a sum equal to double the total amount of compensation to which the employee is entitled because of the injury. In addition, the person responsible for compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9 shall pay to the special compensation fund an amount

equal to the total amount of compensation to which the employee is entitled.

Subd. 6. [ASSESSMENT OF PENALTIES.] The division or compensation judge shall assess the penalty payments provided for by subdivisions 3 to 5, and any increase in benefit payments provided by section 176.225, subdivision 5, against either the employer or the insurer depending upon to whom the delay is attributable in making payment of compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9. The insurer is not liable for a penalty payment assessed against it even if the delay is attributable to the employer.

An insurer who has paid a penalty under this section may recover from the employer the portion of the penalty attributable to the acts of the employer which resulted in the delay. A penalty paid by an insurer under this section which is attributable to the fault of the employer shall be treated as a loss in an experience rated plan, retrospective rating plan, or dividend calculation where appropriate.

Subd. 6a. [MEDICAL, REHABILITATION, ECONOMIC RECOVERY, AND IMPAIRMENT COMPENSATION.] *The penalties provided by this section apply in cases where payment for treatment under section 176.135, rehabilitation expenses under section 176.102, subdivisions 9 and 11, economic recovery compensation or impairment compensation are not made in a timely manner as required by law or by rule adopted by the commissioner.*

Subd. 7. [INTEREST.] Any payment of compensation, charges for treatment under section 176.135 or retraining rehabilitation expenses under 176.102, subdivision 9 not made when due shall bear interest at the rate of eight percent per annum a year from the due date to the date the payment is made or the rate set by section 549.09, subdivision 1, whichever is greater.

Subd. 8. [METHOD AND TIMELINESS OF PAYMENT.] Payment of compensation under this chapter shall be by immediately payable negotiable instrument, or if by any other method, arrangements shall be available to provide for the immediate negotiability of the payment instrument.

All payment of compensation shall be made within 14 days of the filing of an appropriate order by the division or a compensation judge, unless the order is to be appealed, or where if a different time period is provided by this chapter.

Subd. 9. [PAYMENT OF FULL WAGES.] *An employer who pays full wages to an injured employee is not relieved of the obligation for reporting the injury and making a liability determination within the times specified in this chapter. If the full wage is paid the employer's insurer or self-insurer shall report the amount of this payment to the division and determine the portion which is temporary total compensation for purposes of administering this chapter and special compensation fund assessments. The employer shall also make appropriate adjustments to the employee's payroll records to assure that the employee's sick leave or the vacation time is not inappropriately charged against the employee, and to assure the proper income tax treatment for the payments.*

Sec. 130. Minnesota Statutes 1982, section 176.225, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] Upon reasonable notice and hearing or op-

portunity to be heard, the division, *a compensation judge*, or upon appeal, the workers' compensation court of appeals or the supreme court may award compensation, in addition to the total amount of compensation award, of up to 25 percent of that total amount where an employer or insurer has:

- (a) instituted a proceeding or interposed a defense which does not present a real controversy but which is frivolous or for the purpose of delay; or,
- (b) unreasonably or vexatiously delayed payment; or,
- (c) neglected or refused to pay compensation; or,
- (d) intentionally underpaid compensation.

Sec. 131. Minnesota Statutes 1982, section 176.225, subdivision 2, is amended to read:

Subd. 2. [EXAMINATION OF BOOKS AND RECORDS.] To determine whether an employer or insurer ~~has become subject to~~ *is liable for* the payment provided by subdivision 1, the division, *a compensation judge*, or the workers' compensation court of appeals upon appeal may examine the books and records of the ~~person~~ *employer or insurer* relating to the payment of compensation, and may require ~~him~~ *the employer or insurer* to furnish any other information relating to the payment of compensation.

Sec. 132. Minnesota Statutes 1982, section 176.225, subdivision 3, is amended to read:

Subd. 3. [DEFIANCE OF *DIVISION, COMPENSATION JUDGE, OR WORKERS' COMPENSATION COURT OF APPEALS, COMPLAINT.*] ~~Where~~ *If* an insurer persists in an action or omission listed in subdivision 1, or does not permit the examination of ~~his~~ books and records, or fails to furnish ~~such~~ information as required, the commissioner *or the chief hearing examiner* shall file a written complaint with the insurance commissioner. The complaint shall specify the facts and recommend the revocation of the license of the insurer to do business in this state. The workers' compensation court of appeals may also file ~~such~~ a written complaint.

Sec. 133. Minnesota Statutes 1982, section 176.231, subdivision 3, is amended to read:

Subd. 3. [PHYSICIANS, CHIROPRACTORS, OR ~~SURGEONS~~ *OTHER HEALTH CARE PROVIDERS TO REPORT INJURIES.*] ~~Where~~ A physician *or surgeon, chiropractor, or other health care provider* who has examined, treated, or has special knowledge of an injury to an employee which may be compensable under this chapter, ~~he~~ shall report to the commissioner ~~of the department of labor and industry~~ all facts relating to the nature and extent of the injury and disability, *and the treatment provided for the injury or disability*, within ten days after ~~he~~ *the health care provider* has received a written request for ~~such~~ the information from the commissioner ~~of the department of labor and industry~~ or ~~any member or employee thereof~~ *an authorized representative of the commissioner*.

Sec. 134. Minnesota Statutes 1982, section 176.231, subdivision 4, is amended to read:

Subd. 4. [SUPPLEMENTARY REPORTS.] The commissioner ~~of the department of labor and industry, or any member or employee thereof,~~ *an au-*

thorized representative may require the filing of such supplementary reports of accidents as it deems is deemed necessary to provide information required by law.

Supplementary reports related to the current nature and extent of the employee's injury, disability, or treatment may be requested from a physician, surgeon, chiropractor, or other health care provider by the commissioner or a representative, an employer or insurer, or the employee.

Sec. 135. Minnesota Statutes 1982, section 176.231, subdivision 5, is amended to read:

Subd. 5. [FORMS FOR REPORTS.] The commissioner of the department of labor and industry shall prescribe forms for use in making the reports required by this section. The first report of injury form which the employer submits with reference to an accident shall include a declaration by the employer that he the employer will pay the compensation the law requires. Forms for reports required by this section shall be as prescribed by the commissioner and shall be the only forms used by an employer, insurer, self-insurer, group self-insurer, and all health care providers.

Sec. 136. Minnesota Statutes 1982, section 176.231, subdivision 9, is amended to read:

Subd. 9. [USES WHICH MAY BE MADE OF REPORTS.] Reports filed with the commissioner of the department of labor and industry under this section may be used in hearings held under this chapter, and for the purpose of state investigations and for statistics.

The division or office of administrative hearings or workers' compensation court of appeals may permit an attorney at law who represents an employer, insurer, or an employee or his a dependent to examine its file in a compensation case if the attorney furnishes written authorization to do so from his the attorney's client. Reports filed under this section and other information the commissioner has regarding injuries or deaths shall be made available to the workers' compensation reinsurance association for use by the association in carrying out its responsibilities under chapter 79.

Sec. 137. Minnesota Statutes 1982, section 176.231, subdivision 10, is amended to read:

Subd. 10. [FAILURE TO FILE REQUIRED REPORT, PENALTY.] ~~Where~~ If an employer, physician, or surgeon has failed ~~chiropractor, or other health provider fails~~ to file with the commissioner of the department of labor and industry any report required by this section in the manner and within the time limitations prescribed, ~~he shall forfeit to the state \$50 or otherwise fails to provide a report required by this section in the manner provided by this section, the commissioner may impose a penalty of up to \$200 for each such failure.~~

The attorney general shall sue in a civil action to collect this penalty upon notification of the matter by the commissioner of the department of labor and industry. The commissioner of the department of labor and industry shall certify to the attorney general each failure to report immediately upon its occurrence.

Penalties collected by the state under this subdivision shall be paid into the

state treasury.

Sec. 138. Minnesota Statutes 1982, section 176.241, subdivision 2, is amended to read:

Subd. 2. [CONTINUANCE OF EMPLOYER'S LIABILITY; SUSPENSION.] Except ~~where~~ *when* the commissioner orders otherwise, until the copy of the notice and reports have been filed with the division, the liability of the employer to make payments of compensation continues.

When the division has received a copy of the notice of discontinuance, the statement of facts and available medical reports, the duty of the employer to pay compensation is suspended pending an investigation, hearing, and determination of the matter by the division *or compensation judge* as provided in the following subdivisions.

Sec. 139. Minnesota Statutes 1982, section 176.241, subdivision 4, is amended to read:

Subd. 4. [ORDER.] When the hearing has been held, and ~~he has duly considered~~ *the evidence duly considered*, the person who held the hearing shall promptly enter an order directing the payment of further compensation or confirming the termination of compensation. ~~Where~~ *If* the order confirms a termination of compensation, ~~the commissioner of labor and industry shall notify the employer of the action. This notification~~ *the service and filing of the order* relieves the employer from further liability for compensation subject to the right of review afforded by this chapter, and to the right of the ~~division~~ *compensation judge* to set aside the order at any time prior to the review and to grant a new hearing pursuant to this chapter. *Once an appeal to the workers' compensation court of appeals is filed, a compensation judge may not set aside the order but the court of appeals may remand the matter to a compensation judge for a new hearing.*

Sec. 140. [176.242] [ADMINISTRATIVE CONFERENCE PRIOR TO DISCONTINUANCE OF COMPENSATION.]

Subdivision 1. [NOTICE OF DISCONTINUANCE; GROUNDS.] If an employer or insurer files a notice of intention to discontinue, the employer or insurer shall serve a copy upon the commissioner and the employee including detailed reasons for the intended discontinuance.

Subd. 2. [CONFERENCE, REQUEST.] (a) The employee has ten calendar days from the date the notice was served to request that the commissioner schedule an administrative conference to determine the appropriateness of the proposed discontinuance. The employer or insurer may request an administrative conference under this section at any time whether or not a notice of intent to discontinue is filed. The commissioner shall schedule an administrative conference to be held within ten calendar days after the commissioner receives timely notice of the employee's or employer's request for an administrative conference.

(b) If the employee does not, in a timely manner, request that the commissioner schedule an administrative conference, or fails to appear, without good cause, at a scheduled conference, compensation may be discontinued, subject to the employee's right under section 176.241.

(c) An employee or employer may request a continuance of a scheduled

administrative conference. If the commissioner determines that good cause exists for granting a continuance, the commissioner may grant the continuance which shall not exceed ten calendar days. No more than one continuance shall be granted. If the employee is granted a continuance, compensation need not be paid during the period of continuance but shall recommence upon the date of the conference unless the commissioner orders otherwise.

(d) The purpose of an administrative conference is to determine whether reasonable grounds exist for a discontinuance.

Subd. 3. [NECESSITY FOR CONFERENCE, COMMISSIONER'S DISCRETION.] The commissioner may determine that no administrative conference is necessary under this section and permit the employer or insurer to discontinue compensation, subject to the employee's right under section 176.241.

The commissioner may permit compensation to be discontinued at any time after a notice pursuant to subdivision 1 is received even if no administrative conference has been held, if the commissioner deems the discontinuance appropriate based on the information the commissioner has, subject to the employee's right under section 176.241.

Subd. 4. [ADMINISTRATIVE DECISION.] After considering the information provided by the parties at the administrative conference, the commissioner shall issue to all interested parties a written administrative decision permitting or denying the employer's or insurer's request to discontinue compensation. The decision shall be issued within five working days from the close of the conference. The commissioner's decision is binding on the parties. The commissioner shall advise all parties of the right to petition to the chief hearing examiner under section 176.241 and of the right to be represented by an attorney at a hearing before a compensation judge.

Subd. 5. [OBJECTION TO DECISION.] If the commissioner grants the employer's or insurer's request to discontinue compensation and the employee objects to the discontinuance, the employee may file an objection to discontinuance under section 176.241. If the commissioner denies the request to discontinue compensation the employer or insurer may file a petition to discontinue under section 176.241.

Subd. 6. [EFFECT OF DECISION, APPEAL.] If an objection or a petition is filed under subdivision 5, the commissioner's administrative decision remains in effect and the parties obligations or rights to pay or receive compensation are governed by the commissioner's administrative decision, pending a determination by a compensation judge.

Subd. 7. [DECISION AS NOTICE.] If a party proceeds under subdivision 5, the commissioner's administrative decision under this section is deemed required notice to interested parties under section 176.241 and the commissioner's obligations under section 176.241 are deemed to be met.

Subd. 8. [WHEN DISCONTINUANCE ALLOWED.] Compensation shall not be discontinued prior to an administrative conference except as provided under subdivision 2, clause (b), or if the commissioner determines pursuant to subdivision 3 that no administrative conference is necessary. The employer may discontinue compensation immediately without having an administrative conference if the discontinuance is because the employee has re-

turned to work.

Subd. 9. [NOTICE, FORMS.] Notice to the employee under subdivision 1 shall be on forms prescribed by the commissioner.

Subd. 10. [FINES, VIOLATIONS.] An employer or insurer who discontinues compensation in violation of this section is subject to a fine of up to \$500 for each violation. Fines shall be paid to the special compensation fund.

Subd. 11. [APPLICATION.] This section is applicable to any notice of intent to discontinue which is filed after the effective date of this section, even if the injury occurred prior to the effective date of this section.

Sec. 141. [176.243] [ADMINISTRATIVE CONFERENCE FOLLOWING RETURN TO WORK, SUBSEQUENT INABILITY TO WORK.]

Subdivision 1. [CONFIRMATION OF EMPLOYMENT AND WAGES.] If an insurer has discontinued compensation to an employee because the employee has returned to work, the insurer shall contact the employee 14 calendar days after return to work. The insurer shall determine whether the employee is still employed after 14 days and shall also ascertain the wages being paid to the employee.

Subd. 2. [NOTICE TO COMMISSIONER.] If upon contact the insurer determines that the employee is not working or that the employee is earning a lower wage than at the time of the injury, the insurer shall notify the commissioner in writing of this fact and shall also state the actions that the insurer has taken or intends to take regarding payment of compensation. A copy of this notice shall be served by the insurer by certified mail to the employee.

Subd. 3. [EMPLOYEE REQUEST FOR ADMINISTRATIVE CONFERENCE.] If the employee objects to the action of the insurer regarding payment of compensation upon the cessation of work by the employee, the employee may request an administrative conference with the commissioner to resolve disputed issues. A request for an administrative conference shall be made within ten calendar days after service of the notice on the employee. If the employee requests an administrative conference the commissioner shall schedule a conference to be held within 14 calendar days after the commissioner receives the request.

Subd. 4. [ADMINISTRATIVE DECISION.] After considering the information provided by the parties at the administrative conference the commissioner shall issue to all interested parties a written administrative decision regarding payment of compensation. The commissioner's decision is binding upon the parties and the rights and obligations of the parties are governed by the decision. The commissioner shall advise all parties of the right to petition to the chief hearing examiner under section 176.241 and of the right to be represented by an attorney at a hearing before a compensation judge. A party aggrieved by the commissioner's decision may proceed under section 176.241.

Subd. 5. [DECISION BINDING PENDING COMPENSATION JUDGE DECISION.] If an aggrieved party files a petition under section 176.241, the commissioner's administrative decision remains in effect pending a determination by a compensation judge.

Subd. 6. [DECISION AS NOTICE.] If a party proceeds under section 176.241, the commissioner's administrative decision is deemed to fulfill the division's obligations under section 176.241.

Subd. 7. [OBLIGATIONS PRIOR TO ADMINISTRATIVE DECISION.] If an insurer has not voluntarily commenced compensation following the employee's cessation of work the insurer is not obligated to do so until an administrative conference is held and unless the commissioner determines that compensation shall be commenced.

Subd. 8. [NECESSITY OF ADMINISTRATIVE CONFERENCE.] If the commissioner deems it appropriate, based upon information the commissioner has, the commissioner may determine that an administrative conference is not necessary, in which case a party may proceed under section 176.241.

Subd. 9. [APPLICATION OF SECTION.] This section applies only when the employee has received at least 45 days of temporary total or temporary partial compensation prior to return to work and if no rehabilitation plan has been approved.

This section is applicable to all cases in which a return to work has occurred after the effective date of this section even if the injury occurred prior to the effective date.

Subd. 10. [NOTICE FORMS.] A notice under this section shall be on a form prescribed by the commissioner.

Subd. 11. [FINES, VIOLATIONS.] An employer or insurer who violates this section is subject to a fine of up to \$500 for each violation which shall be paid to the special compensation fund.

Sec. 142. Minnesota Statutes 1982, section 176.281, is amended to read:

176.281 [ORDERS, DECISIONS, AND AWARDS; FILING; SERVICE.]

When the commissioner or compensation judge or office of administrative hearings or the workers' compensation court of appeals has rendered ~~an~~ a final order, decision, or award, or amendment to an order, decision, or award, it shall be filed immediately with the commissioner. ~~Where~~ If the commissioner, compensation judge, office of administrative hearings, or workers' compensation court of appeals has rendered ~~an~~ a final order, decision, or award, or amendment thereto, the commissioner or the office of administrative hearings or the workers' compensation court of appeals shall immediately serve a copy upon every party in interest, together with a notification of the ~~time~~ date the ~~same~~ order was filed.

Sec. 143. Minnesota Statutes 1982, section 176.285, is amended to read:

176.285 [SERVICE OF PAPERS AND NOTICES.]

Service of papers and notices shall be by mail or ~~by such other means~~ otherwise as the commissioner of the department of labor and industry directs or the chief hearing examiner may by rule direct. Where service is by mail, service is effected at the time mailed if properly addressed and stamped. If it is so mailed, it is presumed the paper or notice reached the party to be served. However, a party may show by competent evidence that ~~he~~ that party did not receive it or that it had been delayed in transit for an unusual or

unreasonable period of time. In case of ~~such~~ non-receipt or delay, an allowance shall be made for the party's failure to assert a right within the prescribed time.

The commissioner of the department of labor and industry and the chief hearing examiner shall ~~keep a careful record of each service including the time when made~~ ensure that proof of service of all papers and notices served by their respective agencies is placed in the official file of the case.

Sec. 144. [176.312] [AFFIDAVIT OF PREJUDICE.]

An affidavit of prejudice for cause may be filed by a party to the claim against a compensation judge, in the same manner as an affidavit of prejudice is filed pursuant to law or rule of district court. The filing of an affidavit of prejudice against a compensation judge has the same effect and shall be treated in the same manner as in district court.

Sec. 145. Minnesota Statutes 1982, section 176.321, subdivision 1, is amended to read:

Subdivision 1. [FILING, SERVICE.] Within ~~twenty~~ 20 days after he has been served with a copy service of the petition, an adverse party may shall serve and file a verified answer to the petition. ~~When he files the answer,~~ The party shall also serve a copy of the answer on the petitioner or his the petitioner's attorney.

~~Within five days after he has been served with a copy of the answer, the petitioner may file a verified reply admitting or denying new matter set forth in the answer.~~

Sec. 146. Minnesota Statutes 1982, section 176.331, is amended to read:

176.331 [AWARD BY DEFAULT.]

~~Where~~ If an adverse party has failed fails to file and serve an answer, if and the petitioner presents proof of ~~such~~ this fact, the commissioner or compensation judge shall may enter whatever award or order to which the petitioner is entitled on the basis of the facts alleged in the petition, but the compensation judge may require proof of an alleged fact. If the commissioner requires ~~such~~ proof, he the commissioner shall request the chief hearing examiner to assign the matter to a compensation judge to summarily hear and determine the same for an immediate hearing and to promptly make an prompt award or other order.

Where in ~~such~~ a default case the petition does not state facts sufficient to support an award, the compensation judge shall give the petitioner or his the petitioner's attorney written notice of this deficiency. The petitioner may thereupon serve and file another petition as in the case of an original petition.

Sec. 147. Minnesota Statutes 1982, section 176.341, is amended to read:

176.341 [HEARING ON PETITION.]

Subdivision 1. [TIME.] When the reply has been filed or the time has expired in which to file a reply Upon receipt of a matter from the commissioner, the chief hearing examiner shall fix a time and place for hearing the petition. The hearing shall be held as soon as practicable and at a time and place

determined by the chief hearing examiner to be the most convenient for the parties, keeping in mind the intent of chapter 176 as expressed in section ~~176.004~~ and the requirements of section 176.306.

Subd. 2. [PLACE.] Unless otherwise ordered by the ~~commissioner of the department of labor and industry or compensation judge~~ chief hearing examiner, the hearing shall be held in the county where the injury or death occurred.

Subd. 3. [NOTICE MAILED TO EACH PARTY.] At least ~~five~~ 30 days prior to the date of hearing, the ~~workers' compensation division~~ chief hearing examiner shall mail a notice of the time and place of hearing to each interested party. *This subdivision does not apply to hearings which have been continued from an earlier date. In those cases, the notice shall be given in a manner deemed appropriate by the chief hearing examiner after considering the particular circumstances in each case.*

Sec. 148. Minnesota Statutes 1982, section 176.361, is amended to read:

176.361 [INTERVENTION.]

~~Where~~ A person *who* has an interest in any matter before the workers' compensation court of appeals, or commissioner, or compensation judge of such a ~~character~~ that ~~he~~ *the person* may either gain or lose by an order or decision, ~~he~~ may intervene in the proceeding by filing an application in writing stating the facts which show ~~such~~ *the* interest.

The commissioner of the ~~department of labor and industry~~ and workers' compensation court of appeals shall adopt rules to govern the procedure for intervention.

Sec. 149. Minnesota Statutes 1982, section 176.371, is amended to read:

176.371 [AWARD OR DISALLOWANCE OF COMPENSATION.]

The compensation judge to whom a petition has been assigned for hearing, shall hear all competent, *relevant* evidence produced at the hearing, ~~and, as soon after the hearing as possible, make findings of fact, conclusions of law.~~ *All questions of fact and law submitted to a compensation judge at the hearing shall be disposed of and the judge's decision shall be filed with the commissioner within 60 days after the submission, unless sickness or casualty prevents a timely filing, or the time is extended by written consent of the parties, or the chief hearing examiner extends the time for good cause. The compensation judge's decision shall include a determination of all contested issues of fact and law and an award or disallowance of compensation or other order as the pleadings, evidence, this chapter and rule require. A compensation judge's decision shall include a memorandum only if necessary to delineate the reasons for the decision or to discuss the credibility of witnesses. A memorandum shall not contain a recitation of the evidence presented at the hearing but shall be limited to the compensation judge's basis for the decision.*

No part of the salary of a compensation judge shall be paid unless the chief hearing examiner determines that all decisions of that judge have been issued within the time limit prescribed by this section.

Sec. 150. Minnesota Statutes 1982, section 176.421, subdivision 3, is

amended to read:

Subd. 3. [NOTICE OF APPEAL.] The appellant or ~~his~~ *the appellant's* claims shall prepare and sign a written notice of appeal specifying:

- (1) the order appealed from;
- (2) that appellant appeals from the order to the workers' compensation court of appeals;
- (3) the particular finding of fact or conclusion of law which ~~he~~ *the appellant* claims was unwarranted by the evidence or procured by fraud, coercion, or other improper conduct; *and*
- (4) ~~the testimony or other part of the record of the hearing necessary to be transcribed in order for the court of appeals to consider the appeal; and;~~
- (5) any other ground upon which the appeal is taken.

An appeal initiates the preparation of a typewritten transcript of the entire record unless the appeal is solely from an award of attorney's fees or an award of costs and disbursements or unless otherwise ordered by the court of appeals. On appeals from an award of attorney's fees or an award of costs and disbursements, the appellant must specifically delineate in the notice of appeal the portions of the record to be transcribed in order for the court of appeals to consider the appeal.

Sec. 151. Minnesota Statutes 1982, section 176.421, subdivision 4, is amended to read:

Subd. 4. [SERVICE AND FILING OF NOTICE; COST OF TRANSCRIPT.] Within the 30 day period for taking an appeal, the appellant shall:

- (1) Serve a copy of the notice of appeal on each adverse party;
- (2) File the original notice, with proof of service by admission or affidavit, with the chief hearing examiner and file a copy with the commissioner;
- (3) In order to defray the cost of the preparation of the record of the proceedings appealed from, pay to the state treasurer, office of administrative hearings account the sum of \$25; ~~and~~
- (4) ~~Submit a request that the chief hearing examiner order the preparation of a transcript of that part of the hearing delineated in the notice of appeal.~~

~~A party who desires a transcript of more of the hearing than has been requested by the appellant shall, within five working days of service of the notice of appeal, make a request of the chief hearing examiner that the additional testimony be transcribed.~~

The first party requesting the preparation of the transcript or any part to file an appeal is liable for the original cost of preparation of the transcript. Cross-appellants or any other persons requesting a copy of the transcript are liable for the cost of the copy. The cost of a transcript prepared by a non-governmental source shall be paid directly to that source and shall not exceed the cost that the source would be able to charge the state for the same service.

Upon a showing of cause, the chief hearing examiner may direct that a transcript be prepared without expense to the party requesting its prepara-

tion, in which case the cost of the transcript shall be paid by the office of administrative hearings.

All fees received by the office of administrative hearings for the preparation of the record for submission to the workers' compensation court of appeals or for the cost of transcripts prepared by the office shall be deposited in the office of administrative hearings account in the state treasury and shall be used solely for the purpose of keeping the record of hearings conducted under this chapter and the preparation of transcripts of those hearings.

Sec. 152. Minnesota Statutes 1982, section 176.421, subdivision 6, is amended to read:

Subd. 6. [POWERS OF WORKERS' COMPENSATION COURT OF APPEALS ON APPEAL.] On an appeal taken under this section, the workers' compensation court of ~~appeals~~ *appeals' review is limited to the issues raised by the parties in the notice of appeal or by a cross-appeal. In these cases, on those issues raised by the appeal, the workers' compensation court of appeals may:*

(1) disregard the findings of fact which the compensation judge has made;

(2) examine the record;

(3) substitute for the findings of fact made by the compensation judge ~~such findings as based on~~ the total evidence ~~requires~~; and,

(4) make an award or disallowance of compensation or other order ~~as based on the facts and findings~~ *require*.

Sec. 153. Minnesota Statutes 1982, section 176.421, subdivision 7, is amended to read:

Subd. 7. [RECORD OF PROCEEDINGS.] At the division's own expense, the commissioner shall make a complete record of all proceedings before ~~himself~~ the commissioner *and shall provide a stenographer or an audio magnetic recording device to make a* the record of the proceedings ~~before him~~.

The commissioner shall furnish a transcript of these proceedings to any person who requests it and who pays a reasonable charge ~~and shall fix the amount of this charge~~ *which shall be set by the commissioner. Upon a showing of cause, the commissioner may direct that a transcript be prepared without expense to the person requesting the transcript, in which case the cost of the transcript shall be paid by the division. Transcript fees received under this subdivision shall be paid to the workers' compensation division account in the state treasury and shall be annually appropriated to the division for the sole purpose of providing a record and transcripts as provided in this subdivision.*

Sec. 154. Minnesota Statutes 1982, section 176.442, is amended to read:

176.442 [APPEALS FROM DECISIONS OF COMMISSIONER OF DEPARTMENT OF LABOR AND INDUSTRY.]

Any decision or determination of the commissioner ~~of the department of labor and industry~~ affecting a right, privilege, benefit, or duty which is imposed or conferred under this chapter is subject to review by the workers'

compensation court of appeals. A person aggrieved by ~~such~~ *the* determination may appeal to the workers' compensation court of appeals *by filing a notice of appeal with the commissioner* in the same manner and within the same time as if the appeal were from an order or decision of a compensation judge to the workers' compensation court of appeals.

Sec. 155. Minnesota Statutes 1982, section 176.461, is amended to read:

176.461 [SETTING ASIDE AWARD.]

Except ~~where~~ *when* a writ of certiorari has been issued by the supreme court and the matter is still pending in that court or ~~where~~ *if* as a matter of law the determination of the supreme court cannot be subsequently modified, the workers' compensation court of appeals, for cause, at any time after an award, upon application of either party and not less than five *working* days after written notice to all interested parties, may set the award aside and grant a new hearing and refer the matter for a determination on its merits to the chief hearing examiner for assignment to a compensation judge, who shall make ~~such~~ findings of fact, conclusions of law, and *an order of award* or disallowance of compensation or other order *as based on* the pleadings and the evidence produced and *as required* by the provisions of this chapter ~~shall require~~ *or rules adopted under it*.

Sec. 156. Minnesota Statutes 1982, section 176.521, subdivision 2, is amended to read:

Subd. 2. [APPROVAL.] Settlements shall be approved only ~~where~~ *if* the terms conform with this chapter.

The division, a compensation judge, the workers' compensation court of appeals, and the district court shall exercise discretion in approving or disapproving a proposed settlement.

The parties to the agreement of settlement have the burden of proving that the settlement is reasonable, fair, and in conformity with this chapter. A settlement agreement where both the employee or ~~his~~ *the employee's* dependent and the employer or insurer and intervenors in the matter are represented by an attorney shall be conclusively presumed to be reasonable, fair, and in conformity with this chapter *except when the settlement purports to be a full, final, and complete settlement of an employee's right to medical compensation under this chapter or rehabilitation under section 176.102. A settlement which purports to do so must be approved by the division, a compensation judge, or workers' compensation court of appeals.*

The conclusive presumption in this subdivision applies to a settlement agreement entered into on or after January 15, 1982, whether the injury to which the settlement applies occurred prior to or on or after January 15, 1982.

Sec. 157. Minnesota Statutes 1982, section 176.521, subdivision 2a, is amended to read:

Subd. 2a. [SETTLEMENTS NOT SUBJECT TO APPROVAL.] When a settled case is not subject to approval, upon receipt of the stipulation for settlement, a compensation judge ~~or~~, a settlement judge, *or the workers' compensation court of appeals* shall immediately sign the award and file it with the commissioner. Payment pursuant to the award shall be made within

14 days after it is filed with the commissioner. The commissioner may correct mathematical or clerical errors at any time.

Sec. 158. Minnesota Statutes 1982, section 176.521, subdivision 3, is amended to read:

Subd. 3. [SETTING ASIDE AWARD UPON SETTLEMENT.] Notwithstanding *the provisions of section 176.521, subdivision 1, 2, or 2a, or any provision in the agreement of settlement to the contrary, upon the filing of a petition by any party to the settlement and after a hearing on the petition, the workers' compensation court of appeals may set aside an award made upon a settlement, pursuant to this chapter. In those cases, the workers' compensation court of appeals shall refer the matter to the chief hearing examiner for assignment to a compensation judge for hearing.*

Sec. 159. [176.521] [NOTICE TO EMPLOYER.]

An employer shall be notified by the insurer 30 days after any final valid settlement is approved or otherwise made final under any provision of this chapter. The notice shall include all terms of the settlement including the total amount of money required to be reserved in order to pay the claim.

Sec. 160. Minnesota Statutes 1982, section 176.561, is amended to read:

176.561 [WORKERS' COMPENSATION COURT OF APPEALS POWERS AND DUTIES AS TO STATE EMPLOYEES; PROCEDURE FOR DETERMINING LIABILITY.]

The division, *a compensation judge* and the workers' compensation court of appeals have the same powers and duties in matters relating to state employees as they have in relation to other employees.

Except as specifically provided otherwise ~~herein~~ *in this chapter*, the procedure for determining the liability of the state for compensation is the same as that applicable in other cases.

Sec. 161. Minnesota Statutes 1982, section 176.571, subdivision 6, is amended to read:

Subd. 6. [FORMAL HEARING ON OBJECTIONS.] *If the commissioner of the department of labor and industry shall hold determines that a formal hearing on the objections which have been filed to the proposed order where the circumstances warrant such is warranted, the commissioner shall refer the matter to the chief hearing examiner for the assignment of a compensation judge who shall hold a hearing. The hearing shall be before a compensation judge.*

Sec. 162. [176.572] [CONTRACT WITH INSURANCE CARRIERS.]

The commissioner may contract with group health insurance carriers or health maintenance organizations to provide health care services and reimburse health care payments for injured state employees entitled to benefits under this chapter.

Sec. 163. Minnesota Statutes 1982, section 176.66, is amended by adding a subdivision to read:

Subd. 10. [MULTIPLE EMPLOYERS OR INSURERS; LIABILITY.] *The employer liable for the compensation for a personal injury under this chapter*

is the employer in whose employment the employee was last exposed in a significant way to the hazard of the occupational disease. In the event that the employer who is liable for the compensation had multiple insurers during the employee's term of employment, the insurer who was on the risk during the employee's last significant exposure to the hazard of the occupational disease is the liable party. Where there is a dispute as to which employer is liable under this section, the employer in whose employment the employee is last exposed to the hazard of the occupational disease shall pay benefits pursuant to section 176.191, subdivision 1.

Sec. 164. Minnesota Statutes 1982, section 176.66, is amended by adding a subdivision to read:

Subd. 11. [AMOUNT OF COMPENSATION.] The compensation for an occupational disease is 66-2/3 percent of the employee's weekly wage on the date of injury subject to a maximum compensation equal to the maximum compensation in effect on the date of last exposure. The employee shall be immediately eligible for supplementary benefits if that employee's compensation is less than 65 percent of the statewide average weekly wage.

Sec. 165. [176.83] [RULES.]

In addition to any other section under this chapter giving the commissioner the authority to adopt rules, the commissioner may adopt, amend, or repeal rules to implement the provisions of this chapter. The rules include but are not limited to:

(a) rules necessary to implement and administer section 176.102, including the establishment of qualifications necessary to be a qualified rehabilitation consultant and the requirements to be an approved registered vendor of rehabilitation services.

In this regard, the commissioner shall impose fees under section 16A.128 sufficient to cover the cost of approving, registering and monitoring qualified rehabilitation consultants and approved vendors of rehabilitation services. The rules may also provide for penalties to be imposed by the commissioner against insurers or self-insured employers who fail to provide rehabilitation consultation to employees pursuant to section 176.102.

These rules may also establish criteria for determining "reasonable moving expenses" under section 176.102.

The rules shall also establish criteria, guidelines, methods, or procedures to be met by an employer or insurer in providing the initial rehabilitation consultation required under this chapter which would permit the initial consultation to be provided by an individual other than a qualified rehabilitation consultant. In the absence of rules regarding an initial consultation this consultation shall be conducted pursuant to section 176.102;

(b) rules establishing standards for reviewing and evaluating the clinical consequences of services provided by qualified rehabilitation consultants, approved registered vendors of rehabilitation services, and services provided to an employee by health care providers;

(c) rules establishing standards and procedures for determining whether or not charges for health services or rehabilitation services rendered under this chapter are excessive. In this regard, the standards and procedures

shall be structured to determine what is necessary to encourage providers of health services and rehabilitation services to develop and deliver services for the rehabilitation of injured employees.

The procedures shall include standards for evaluating hospital care, other health care and rehabilitation services to insure that quality hospital, other health care, and rehabilitation is available and is provided to injured employees;

(d) in consultation with the medical services review board or the rehabilitation review panel, rules establishing standards and procedures for determining whether a provider of health care services and rehabilitation services, including a provider of medical, chiropractic, podiatric, surgical, hospital or other services, is performing procedures or providing services at a level or with a frequency that is excessive, based upon accepted medical standards for quality health care and accepted rehabilitation standards.

If it is determined by the commissioner that the level, frequency or cost of a procedure or service of a provider is excessive according to the standards established by the rules, the provider shall not be paid for the excessive procedure, service, or cost by an insurer, self-insurer, or group self-insurer. In addition, the provider shall not be reimbursed or attempt to collect reimbursement for the excessive procedure, service, or cost from any other source, including the employee, another insurer, the special compensation fund, or any government program.

A health or rehabilitation provider who is determined by the commissioner to be consistently performing procedures or providing services at an excessive level or cost may be prohibited from receiving any further reimbursement for procedures or services provided under chapter 176. A prohibition imposed on a provider under this clause may be grounds for revocation or suspension of the provider's license or certificate of registration to provide health care or rehabilitation service in Minnesota by the appropriate licensing or certifying body.

The rules adopted under this clause shall require insurers, self-insurers, and group self-insurers to report medical and other data necessary to implement the procedures required by this clause;

(e) rules establishing procedures and standards for the certification of physicians, chiropractors, podiatrists, and other health care providers in order to assure the coordination of treatment, rehabilitation, and other services and requirements of chapter 176 for carrying out the purposes and intent of this chapter;

(f) rules necessary for implementing and administering the provisions of sections 176.131, 176.132, 176.134, sections 176.242 and 176.243; sections 176.251, 176.66 to 176.669, and rules regarding proper allocation of compensation under section 176.111. Under the rules adopted under section 176.111 a party may petition for a hearing before a compensation judge to determine the proper allocation. In this case the compensation judge may order a different allocation than prescribed by rule;

(g) rules establishing standards or criteria under which a physician, podiatrist, or chiropractor is selected or under which a change of physician, podiatrist, or chiropractor is allowed under section 176.135, subdivision 2;

(h) rules to govern the procedure for intervention pursuant to section 176.361;

(i) joint rules with either or both the workers' compensation court of appeals and the chief hearing examiner which may be necessary in order to provide for the orderly processing of claims or petitions made or filed pursuant to chapter 176;

(j) rules establishing criteria to be used by the division, compensation judge, and workers' compensation court of appeals to determine "suitable gainful employment" and "independent contractor".

The chief hearing examiner shall adopt rules relating to procedures in matters pending before a compensation judge in the office of administrative hearings.

The commissioner may adopt rules regarding requirements which must be met by individuals who are employed by insurers or self-insurers or claims servicing or adjusting agencies and who work as claims adjusters in the field of workers' compensation insurance.

The commissioner may adopt temporary rules establishing qualifications necessary to be a qualified rehabilitation consultant and penalties to be imposed against qualified rehabilitation consultants or approved vendors who violate this chapter or rules, including temporary rules, adopted under this chapter. In addition to the provisions of sections 14.29 to 14.36, at least one public hearing shall be held prior to the adoption of these temporary rules.

The commissioner may prescribe forms and other reporting procedures to be used by an employer, insurer, medical provider, qualified rehabilitation consultant, approved vendor of rehabilitation services, attorney, employee, or other person subject to the provisions of this chapter.

Sec. 166. [176.84] [SPECIFICITY OF NOTICE OR STATEMENT.]

All notices or statements required by this chapter including, but not limited to, notices or statements pursuant to sections 176.102; 176.221; 176.241; 176.242; and 176.243 shall be sufficiently specific to convey clearly, without further inquiry, the basis upon which the party issuing the notice or statement is acting. If the commissioner or compensation judge determines that a notice or statement is not sufficiently specific to meet the standard under this section, the notice or statement may be rejected as unacceptable and the party issuing it shall be informed of this. The rejected notice or statement may be amended to meet the requirement of this section or a new one may be filed.

Sec. 167. [176.85] [PENALTIES; APPEALS.]

Subdivision 1. [APPEAL PROCEDURE.] If the commissioner has assessed a penalty against a party subject to this chapter and the party believes the penalty is not warranted, the party may request that a formal hearing be held on the matter. Upon a request for a hearing the commissioner shall refer the matter to the chief hearing examiner for assignment to a compensation judge or hearing examiner.

The chief hearing examiner shall keep a record of the proceeding and provide a record pursuant to section 176.421.

The decision of the compensation judge or hearing examiner shall be final and shall be binding and enforceable. The decision may be appealed to the workers' compensation court of appeals.

Subd. 2. [EXCEPTION.] This section does not apply to penalties for which another appeal procedure is provided, including but not limited to penalties imposed pursuant to section 176.102 or article 2, section 85.

Subd. 3. [HEARING COSTS.] For purposes of this section, a hearing before a hearing examiner shall be treated in the same manner as a hearing before a compensation judge and no costs may be charged to the commissioner for the hearing, regardless of who hears it.

Sec. 168. Minnesota Statutes 1982, section 268.08, subdivision 3, is amended to read:

Subd. 3. [NOT ELIGIBLE.] An individual shall not be eligible to receive benefits for any week with respect to which he is receiving, has received, or has filed a claim for remuneration in an amount equal to or in excess of his weekly benefit amount in the form of

(1) termination, severance, or dismissal payment or wages in lieu of notice whether legally required or not; provided that if a termination, severance, or dismissal payment is made in a lump sum, the employer may allocate such lump sum payment over a period equal to the lump sum divided by the employee's regular pay while employed by such employer; provided any such payment shall be applied for a period immediately following the last day of work but not to exceed 28 calendar days; or

(2) vacation allowance paid directly by the employer for a period of requested vacation, including vacation periods assigned by the employer under the provisions of a collective bargaining agreement, or uniform vacation shutdown; or

(3) compensation for loss of wages under the workers' compensation law of this state or any other state or under a similar law of the United States, or under other insurance or fund established and paid for by the employer *except that this does not apply to an individual who is receiving temporary partial compensation pursuant to section 176.101, subdivision 3k*; or

(4) 50 percent of the pension payments from any fund, annuity or insurance maintained or contributed to by a base period employer including the armed forces of the United States if the employee contributed to the fund, annuity or insurance and all of the pension payments if the employee did not contribute to the fund, annuity or insurance; or

(5) 50 percent of a primary insurance benefit under Title II of the social security act as amended, or similar old age benefits under any act of congress or this state or any other state.

Provided, that if such remuneration is less than the benefits which would otherwise be due under sections 268.03 to 268.24, he shall be entitled to receive for such week, if otherwise eligible, benefits reduced by the amount of such remuneration; provided, further, that if the appropriate agency of such other state or the federal government finally determines that he is not entitled to such benefits, this provision shall not apply.

Sec. 169. Minnesota Statutes 1982, section 471.982, subdivision 2, is

amended to read:

Subd. 2. The commissioner of insurance is authorized to ~~promulgate~~ *adopt* administrative rules, including emergency rules pursuant to sections 14.01 to 14.70. These rules may provide standards or guidelines governing the formation, operation, administration, dissolution of self insurance pools, and other reasonable requirements to further the purpose of this section ~~and. In developing the rules under this section, the commissioner shall at a minimum require consider~~ the following:

(a) *The requirements for self-insuring pools of political subdivisions shall be no more restrictive and may be less restrictive than the requirements for self-insuring pools of private employers;*

(b) All participants in the pool are jointly and severally liable for all claims and expenses of the pool;

~~(b)~~ (c) Each pool shall contract with a service company licensed by the commissioner to provide or contract for all administrative services required by the pool. No vendor of risk management services or entity administering a self insurance plan under this section may transact such business in this state unless it is licensed to do so by the commissioner. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner may issue a license subject to restrictions or limitations upon the authorization, including the type of services which may be supplied or the activities which may be engaged in. The license fee shall be \$100. All licenses shall be for a period of two years;

~~(c)~~ (d) The service company has sole responsibility for the settlement of all claims against the pool or its members for which the pool may provide indemnification;

~~(d)~~ (e) A minimum premium volume for each pool shall be established. The minimum premium volume may differ because of the kinds of coverage provided, and the limits of liability for the coverage;

~~(e)~~ (f) All premiums or other assessments due to the pool from members shall be payable prior to the period for which coverage is being provided, or at equal intervals throughout the period;

~~(f)~~ (g) Premiums shall ~~either be established by an actuary approved by the commissioner or shall be premiums filed by a licensed rate service organization with reductions permitted solely for administrative or premium tax savings neither excessive, inadequate, nor unfairly discriminatory;~~

~~(g)~~ (h) The commissioner may require each pool to purchase excess insurance above certain limits and in a particular form. The limits or form of the excess insurance may differ based on the kinds of coverage offered by a pool, the limits of liability of the coverage, and the revenues available to pool members for the payment of premiums or assessments;

~~(h)~~ (i) Each pool shall be audited annually by a certified public accountant;

~~(i)~~ (j) *Whether* limitations on the payment of dividends to pool members

~~may be established~~ as are necessary to assure the solvency of the pool in view of the taxing and levying authority of political subdivisions;

(j) (k) No participant may withdraw from a pool for a period of at least three years after its initial entry into the pool;

(k) (l) The amount of any liabilities in excess of assets shall be assessed to members of the pool within 30 days after a deficiency is identified and shall be payable by the member within 90 days;

(l) (m) The investment policies of the pool shall be governed by the laws governing investments by cities pursuant to section 475.66;

~~(m)~~ (n) Pools shall be subject to the standards of unfair methods of competition and unfair or deceptive acts or practices established in chapter 72A;

(n) (o) Other requirements that are necessary to protect the solvency of the pool, the rights and privileges of claimants against the pool, and citizens of the members of the pool shall be included in the rules.

Sec. 170. Minnesota Statutes 1982, section 471.982, is amended by adding a subdivision to read:

Subd. 3. Self-insurance pools established and open for enrollment on a statewide basis by the Minnesota league of cities insurance trust, the Minnesota school boards association insurance trust or the Minnesota association of counties insurance trust are exempt from the requirements of this section.

Sec. 171. [CITY OF DULUTH; GROUP WORKER'S COMPENSATION SELF-INSURANCE POOLS.]

Subdivision 1. [FORMATION OF POOLS WITH PRIVATE EMPLOYERS.] Notwithstanding any contrary provision of other law, ordinance, or charter, the city of Duluth may enter into a self-insurance pool with private employers to self-insure worker's compensation liability of pool members. Any pool formed pursuant to this section shall be operated under bylaws established by members of the pool. The initial bylaws and amendments to them shall not be effective unless approved by the city of Duluth and the commissioner of insurance. The bylaws shall address the following subjects:

(a) *Qualifications for group self-insurer membership, including underwriting standards.*

(b) *The method of selecting the board of directors, including the directors' terms of office.*

(c) *The procedure for amending the bylaws or plan of operation.*

(d) *Investment of assets of the fund.*

(e) *Frequency and extent of loss control or safety engineering services provided to members.*

(f) *A schedule for payment and collection of premiums.*

(g) *Expulsion procedures, including expulsion for nonpayment of premiums and expulsion for excessive losses.*

(h) *Delineation of authority granted to the administrator.*

(i) *Delineation of authority granted to the service company.*

(j) *Basis for determining premium contributions by members including any experience rating program.*

(k) *Procedures for resolving disputes between members of the group, which shall not include submitting them to the commissioner.*

(l) *Basis for determining distribution of any surplus to the members, or assessing the membership to make up any deficit.*

(m) *Provisions for security to be furnished by private employers to insure assessments are paid in case of private employer insolvency.*

The members participating in the pool may establish a joint board with appropriate powers to manage the pool. Each member of the pool shall pay to the pool the amounts assessed against it pursuant to the bylaws. A member may withdraw only after it has reimbursed the pool for the amounts for which it is obligated under the terms of the agreement.

Subd. 2. [APPROVAL OF COMMISSIONER.] A pool formed pursuant to this section shall not be effective or begin operation until it has been approved by the commissioner of insurance in the manner provided in Minnesota Statutes, section 471.982. Section 471.982 and any applicable rules adopted pursuant to it shall apply to any pool formed pursuant to this section. A pool formed pursuant to this section shall be a member of the workers' compensation reinsurance association and shall be bound by its plan of operation.

Sec. 172. [APPROPRIATIONS; COMPLEMENT INCREASE.]

Subdivision 1. [DEPARTMENT OF LABOR AND INDUSTRY.] (a) There is appropriated to the department of labor and industry for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$1,947,500	\$2,142,400

The approved complement of the department of labor and industry is increased by 90 of which 2 shall be federally funded and 19 shall be from the special compensation fund. The increased complement shall be allocated as follows:

- (1) *workers' compensation administration, 1;*
- (2) *records and compliance, 15;*
- (3) *rehabilitation service, 20;*
- (4) *legal services, 1;*
- (5) *settlement and docket, 3;*
- (6) *mediation and arbitration, 6;*
- (7) *research and education, 8;*
- (8) *information management service, 6;*
- (9) *state employee fund, 6;*

(10) general support, 8; and

(11) special compensation fund, 19.

The appropriation provided by this clause (a) is for the purpose of paying for the increased general fund complement and expenses related to their duties except that \$100,000 shall be used for the recodification of chapter 176.

The authorized complement for the records and compliance section shall be reduced by four positions by June 30, 1985.

(b) There is appropriated to the department of labor and industry for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$437,500	\$875,000

The appropriation provided by this clause (b) is for the purpose of paying the state's premium to the workers' compensation reinsurance association. The commissioner of finance shall transfer to the general fund from each federal fund, dedicated or special revenue fund, or revolving fund the proportion of premium costs attributable to that fund as calculated pursuant to section 10. The amounts necessary for this transfer are appropriated from the various funds in the state treasury from which salaries are paid.

(c) There is appropriated to the department of labor and industry for the fiscal years ending June 30 of the year indicated from the special compensation fund in the state treasury:

1984	1985
\$614,000	\$646,400

The funds appropriated by this clause (c) are to pay the expenses of the increased complement provided for the fund by clause (a) and expenses related to their duties and to reimburse the general fund for legal services performed on behalf of the fund by the attorney general.

Subd. 2. [OFFICE OF ADMINISTRATIVE HEARINGS.] There is appropriated to the office of administrative hearings for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$85,400	\$86,300

The approved complement of the office of administrative hearings is increased by two. The appropriation provided by this subdivision is for the purpose of paying for the increased complement and expenses related to their duties.

Subd. 3. [INSURANCE DIVISION.] There is appropriated to the department of commerce for its insurance division for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$230,800	\$229,100

The approved complement of the insurance division of the department of

commerce is increased by seven. The appropriation provided by this subdivision is for the purpose of paying for the increased complement and expense related to their duties.

Subd. 4. [ATTORNEY GENERAL.] There is appropriated to the office of the attorney general for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1984	1985
\$201,500	\$204,900

The approved complement of the office of attorney general is increased by six. The appropriation provided by this subdivision is for the purpose of providing for the increased complement and expenses related to their duties.

Sec. 173. [REPEALER.]

Minnesota Statutes 1982, sections 79.51, 8.31, subdivision 4; subdivision 2; and 79.63 are repealed effective July 1, 1983. Minnesota Statutes 1982, sections 175.07; 175.101, subdivision 3; 175.36; 176.101, subdivision 3; 176.102, subdivision 12; 176.131, subdivisions 9, 10, 11, and 12; 176.152; and 176.262 are repealed effective January 1, 1984.

Sec. 174. [SEVERABILITY.]

If any provision of this act is found to be unconstitutional and void, the remaining provisions of the act shall remain valid, unless the court finds the valid provisions of the article are so essentially and inseparably connected with, and so dependent upon, the void provisions that the court cannot presume the legislature would have enacted the remaining valid provisions without the void one; or unless the court finds the remaining valid provisions, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent.

Sec. 175. [EFFECTIVE DATE.]

Sections 1 to 6, 12, 14, 19 to 25, 28, 32, 35 to 41, 69 to 83, 85, section 86, except for clause (c) which is effective on the day after final enactment, 92, 95 to 101, 110, 128, section 129, except for those portions of subdivision 6a relating to economic recovery compensation and impairment compensation which are effective upon the adoption of temporary rules under section 86, 130 to 162, 165 to 167, 169 to 172, and 174 are effective July 1, 1983. Sections 8, 17, 18, 26, 27, 31, 34, 66, 84, 87 to 91, 103 to 109, 163 and 164 are effective October 1, 1983. Sections 7, 9, 10, 11, 13, 67, 68, and 93 are effective January 1, 1984. Sections 15, 16 and 173 are effective the day after final enactment. Sections 29, 30, 33, 42 to 66, 94, 102 and 168 are effective upon adoption of temporary rules under section 86."

Correct internal cross references

Delete the title and insert:

"A bill for an act relating to workers' compensation; providing for comprehensive reform of all aspects of workers' compensation; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 43A.23, by adding a subdivision; 79.071, subdivisions 1 and 1a; 79.211, subdivision 2; 79.251; 79.34, subdivisions 1, 2, and by adding a subdivision; 79.35; 79.37; 79.51, subdivision 3; 79.52, by adding a subdivision;

79.53; 147.02, by adding a subdivision; 175.006, subdivision 1; 175.007, subdivision 1; 175.08; 175.10; 175.101, subdivisions 1 and 2; 176.001; 176.011, subdivision 9, and by adding subdivisions; 176.012; 176.021, subdivisions 1a and 3; 176.041, subdivision 1; 176.061; 176.081, subdivisions 1, 2, 5, 6, 7, and by adding a subdivision; 176.101, subdivisions 1, 2, 6, and by adding subdivisions; 176.102, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and by adding subdivisions; 176.105, by adding a subdivision; 176.111, subdivisions 6, 7, 8, and 18, and by adding a subdivision; 176.121; 176.131, subdivisions 1, 1a, 2, 3, 4, 5, 6, 7, and 8; 176.132, subdivision 1, and by adding a subdivision; 176.134, subdivision 4; 176.135, subdivisions 1 and 3; 176.136; 176.155, subdivisions 3 and 5; 176.179; 176.181, by adding a subdivision; 176.182; 176.183, subdivisions 1, 1a, and by adding subdivisions; 176.185, subdivision 1, and by adding a subdivision; 176.191, by adding subdivisions; 176.195, subdivision 2, and by adding subdivisions; 176.221; 176.225, subdivisions 1, 2, and 3; 176.231, subdivisions 3, 4, 5, 9, and 10; 176.241, subdivisions 2 and 4; 176.281; 176.285; 176.321, subdivision 1; 176.331; 176.341; 176.361; 176.371; 176.421, subdivisions 3, 4, 6, and 7; 176.442; 176.461; 176.521, subdivisions 2, 2a, and 3; 176.561; 176.571, subdivision 6; 176.66, by adding subdivisions; 268.08, subdivision 3; and 471.982, subdivision 2, and by adding a subdivision; Laws 1981, chapter 346, sections 145 and 146; proposing new law coded in Minnesota Statutes, chapters 79; 148; and 176; proposing new law coded as Minnesota Statutes, chapter 176A; repealing Minnesota Statutes 1982, sections 8.31, subdivision 4; 79.51, subdivision 2; 79.63; 175.07; 175.101, subdivision 3; 175.36; 176.101, subdivision 3; 176.102, subdivision 12; 176.131, subdivisions 9, 10, 11, and 12; 176.152; and 176.262."

The motion prevailed. So the amendment was adopted.

Mr. Taylor moved to amend the Chmielewski amendment to H. F. No. 274, adopted by the Senate May 20, 1983, as follows:

Page 24, line 20, delete "*economic recovery*" and insert "*temporary total*"

Page 24, line 21, delete "*3a*" and insert "*I*"

Page 26, line 23, delete "*the economic recovery compensation or*"

Page 26, line 24, delete "*, whichever is due,*"

Page 26, line 29, delete "*economic recovery*"

Page 27, line 30, delete "*compensation or*"

Page 27, line 7, delete "*Economic recovery compensation or*"

Page 27, line 16, delete "*Economic recovery*"

Page 27, line 17, delete "*compensation or*"

Page 27, line 22, delete the new language

Page 27, line 31, delete the new language

Page 28, line 7, after "*receive*" delete the remaining language

Page 28, line 11, delete "*economic recovery*"

Page 28, line 12, delete "*compensation or*"

Page 40, delete section 42 and insert:

"Sec. 42. Minnesota Statutes 1982, section 176.101, subdivision 1, is amended to read:

Subdivision 1. [TEMPORARY TOTAL DISABILITY.] For injury producing temporary total disability, *an employee shall receive 66 2/3 percent of the daily employee's gross weekly wage at the time of injury up to a maximum of 100 percent of the statewide average weekly wage.*

(1) ~~provided that during the year commencing on October 1, 1979, and each year thereafter, commencing on October 1, the maximum weekly benefits payable shall be the statewide average weekly wage for the period ending December 31, of the preceding year.~~

(2) ~~The minimum weekly compensation benefits for temporary total disability shall be not less than 50 percent of the statewide average weekly wage or the injured employee's actual weekly wage, whichever is less. In no case shall a weekly benefit be less than 20 percent of the statewide average weekly wage.~~

~~This compensation shall be paid during the period of disability, payment to be made at the intervals when the wage was payable, as nearly as may be.~~

Sec. 43. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

Subd. 1a. [MINIMUM BENEFIT.] If an employee earns less than 50 percent of the statewide average weekly wage at the time of injury and if the employee's weekly income provides for at least 75 percent of the employee's own support or 75 percent of the support of the employee and his or her family, then the minimum weekly compensation benefits for temporary total disability shall be the employee's gross weekly wage at the time of injury.

Compensation payable under subdivisions 1 and 1a shall be paid during the period of disability, at the same intervals when the wage was payable."

Page 41, delete lines 1 to 30

Page 41, line 33, delete "*3b*" and insert "*3a*"

Page 42, delete lines 7 to 22 and insert:

<i>0-10</i>	<i>\$ 15,000</i>
<i>11-20</i>	<i>30,000</i>
<i>21-30</i>	<i>45,000</i>
<i>31-40</i>	<i>60,000</i>
<i>41-50</i>	<i>75,000</i>
<i>51-60</i>	<i>90,000</i>
<i>61-70</i>	<i>110,000</i>
<i>71-80</i>	<i>140,000</i>
<i>81-90</i>	<i>170,000</i>
<i>91-100</i>	<i>200,000"</i>

Page 42, line 31, delete "*3c*" and insert "*3b*"

Page 43, line 3, delete "*3d*" and insert "*3c*"

Page 43, line 10, delete "*3e*" and insert "*3d*"

Page 43, line 27, delete “3f” and insert “3e”

Page 43, line 26, delete “3b” and insert “3a” and delete everything after the period

Page 43, delete line 27

Page 43, delete line 28

Page 43, line 29, delete everything before “Temporary”

Page 45, line 5, delete “3e” and insert “3d”

Page 45, line 6, delete “3p” and insert “3o” and delete “economic recovery”

Page 45, line 7, delete “compensation or”

Page 45, line 12, delete “3g” and insert “3f”

Page 45, line 13, delete “3e” and insert “3d”

Page 45, line 16, delete “30” and insert “90”

Page 45, line 20, delete “3h” and insert “3g”

Page 45, line 21, delete “3e” and insert “3d” and delete “3f” and insert “3e”

Page 45, line 26, delete “3i” and insert “3h”

Page 45, line 28, delete “3e” and insert “3d”

Page 45, line 30, delete “monitoring”

Page 46, line 30, delete “3j” and insert “3i”

Page 47, line 8, delete “3e” and insert “3d”

Page 47, line 10, delete “economic recovery” and insert “impairment”

Page 47, line 11, delete “pursuant to this section” and insert “in the same interval and amount that temporary total compensation was paid”

Page 47, line 16, delete “3k” and insert “3j”

Page 47, line 17, delete “3e” and insert “3d”

Page 47, line 28, delete “3l” and insert “3k”

Page 47, line 29, delete “3e” and insert “3d”

Page 48, line 1, delete “3b” and insert “3a”

Page 48, line 8, delete “3m” and insert “3l”

Page 48, line 9, delete “3e” and insert “3d”

Page 48, line 12, delete “30” and insert “90”

Page 48, line 16, delete “3n” and insert “3m”

Page 48, line 18, delete “3e” and insert “3d”

Page 48, line 26, delete “3o” and insert “3n”

Page 48, lines 29 and 34, delete “3b” and insert “3a”

Page 49, line 1, delete "30" and insert "90"

Page 49, delete lines 4 to 15

Page 49, line 16, delete "(d)" and insert "(b)"

Page 49, line 21, delete "3p" and insert "3o"

Page 49, line 25, delete "economic recovery" and insert "impairment"

Page 49, line 26, delete "3e" and insert "3d"

Page 49, line 31, delete "economic recovery" and insert "impairment"

Page 49, line 32, delete "economic"

Page 49, line 33, delete "recovery" and insert "impairment"

Page 49, line 36, delete "3q" and insert "3p" and delete "ECONOMIC RECOVERY" and insert "IMPAIRMENT"

Page 50, line 1, delete "(a)"

Page 50, line 4, delete "economic recovery" and insert "impairment"

Page 50, line 5, delete "economic recovery" and insert "impairment"

Page 50, line 6, delete "30" and insert "90"

Page 50, delete lines 7 and 8

Page 55, line 13, delete "3r" and insert "3q"

Page 50, line 12, delete "economic recovery compensation or"

Page 50, line 18, delete "economic"

Page 50, line 19, delete "recovery or"

Page 50, line 25, delete "economic recovery or"

Page 50, line 32, after "3" delete the comma and insert "or" and delete "or 3b,"

Page 50, line 35, delete everything after "further"

Page 51, line 3, delete "economic recovery compensation or"

Page 51, line 8, delete "3s" and insert "3r" and delete "ECONOMIC RECOVERY COMPENSATION OR"

Page 51, line 9, delete "economic recovery"

Page 51, line 10, delete "compensation or"

Page 51, line 12, delete "or 3b"

Page 51, delete lines 15 to 28

Page 51, line 31, delete "3u" and insert "3s"

Page 51, line 36, delete "3v" and insert "3t"

Page 52, line 3, after "subdivision" insert "3d or" and delete "or 3f"

Page 52, line 8, delete "that"

Page 52, delete lines 9 to 21 and insert " , the compensation payable for the

permanent partial disability pursuant to this section shall be equal to the proportion of the disability which is not attributable to the pre-existing disability."

Page 52, line 36, delete "economic recovery" and insert "impairment"

Page 62, line 4, delete "An"

Page 62, delete lines 5 to 14

Re-number the sections in sequence

Correct internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Kamrath	Mehrkens	Storm
Belanger	DeCramer	Knaak	Olson	Stumpf
Benson	Frederick	Knutson	Peterson, D.L.	Taylor
Berg	Frederickson	Kronebusch	Ramstad	Ulland
Bernhagen	Isackson	Laidig	Renneke	
Bertram	Johnson, D.E.	McQuaid	Sieloff	

Those who voted in the negative were:

Adkins	Frank	Lessard	Peterson, R.W.	Spear
Berglin	Freeman	Luther	Petty	Vega
Chmielewski	Hughes	Merriam	Pogemiller	Waldorf
Dahl	Johnson, D.J.	Moe, R. D.	Purfeerst	Wegscheid
Davis	Jude	Nelson	Reichgott	Willet
Dicklich	Kroening	Novak	Samuelson	
Diessner	Langseth	Pehler	Schmitz	
Dieterich	Lantry	Peterson, D.C.	Solon	

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

H.F. No. 274 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 23 and nays 44, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Lessard	Pehler	Waldorf
Bertram	Diessner	Luther	Peterson, R.W.	Wegscheid
Chmielewski	Hughes	Merriam	Petty	Willet
Dahl	Jude	Moe, R. D.	Schmitz	
Davis	Langseth	Nelson	Stumpf	

Those who voted in the negative were:

Anderson	Frank	Knutson	Olson	Samuelson
Belanger	Frederick	Kroening	Peterson, C.C.	Sieloff
Benson	Frederickson	Kronebusch	Peterson, D.C.	Solon
Berg	Freeman	Laidig	Peterson, D.L.	Spear
Berglin	Isackson	Lantry	Pogemiller	Storm
Bernhagen	Johnson, D.E.	McQuaid	Purfeerst	Taylor
Brataas	Johnson, D.J.	Mehrkens	Ramstad	Ulland
Dicklich	Kamrath	Moe, D. M.	Reichgott	Vega
Dieterich	Knaak	Novak	Renneke	

So the bill, as amended, failed to pass.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Freeman moved that the following members be excused for a Conference Committee on H.F. No. 300 from 9:00 to 10:25 p.m.:

Messrs. Freeman, Vega, Pogemiller, Renneke and Moe, D.M. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Chmielewski moved that H.F. No. 575 be taken from the table. The motion prevailed.

H.F. No. 575: A bill for an act relating to labor; providing for comprehensive reform of all aspects of workers' compensation; ratifying changes in the state employee bargaining unit composition schedule; ratifying state and University of Minnesota labor agreements, compensation plans, and plans for early retirement incentives; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 43A.23, by adding a subdivision; 79.071, subdivisions 1 and 1a; 79.211, subdivision 1; 79.251; 79.34, subdivisions 1, 2, and by adding a subdivision; 79.35; 79.37; 79.51, subdivisions 1 and 3; 79.52, by adding a subdivision; 175.006, subdivision 1; 175.007, subdivision 1; 175.08; 175.10; 175.101, subdivisions 1 and 2; 176.011, by adding subdivisions; 176.012; 176.021, subdivision 3; 176.041, subdivision 1; 176.061; 176.101, subdivisions 2, 3, 6, and by adding subdivisions; 176.102, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and by adding subdivisions; 176.105, by adding a subdivision; 176.111, subdivisions 6, 7, 8, and 18, and by adding a subdivision; 176.121; 176.131, subdivisions 1, 1a, 2, 3, 4, 5, 6, 7, and 8; 176.132, subdivision 1, and by adding a subdivision; 176.134, subdivision 4; 176.135, subdivisions 1 and 3; 176.136; 176.155, subdivisions 3 and 5; 176.179; 176.182; 176.183, subdivisions 1, 1a, and by adding subdivisions; 176.185, by adding a subdivision; 176.191, by adding subdivisions; 176.195, subdivision 2, and by adding subdivisions; 176.221; 176.225, subdivisions 1, 2, and 3; 176.231, subdivisions 3, 4, 5, 9, and 10; 176.241, subdivisions 2 and 4; 176.281; 176.285; 176.321, subdivision 1; 176.331; 176.341; 176.361; 176.371; 176.421, subdivisions 3, 4, 6, and 7; 176.442; 176.461; 176.521, subdivisions 2, 2a, and 3; 176.561; 176.571, subdivision 6; 176.645, subdivision 1; 176.66, by adding subdivisions; 179.741, subdivision 1, and by adding a subdivision; 268.08, subdivision 3; and 471.982, subdivision 2, and by adding a subdivision; Laws 1981, chapter 346, sections 145 and 146; proposing new law coded in Minnesota Statutes, chapters 79 and 176; repealing Minnesota Statutes 1982, sections 79.51, subdivision 2; 79.63; 175.07; 175.101, subdivision 3; 175.36; 176.102, subdivision 12; 176.131, subdivisions 9, 10, 11, and 12; 176.152; and 176.262.

Mr. Chmielewski moved to amend H. F. No. 575, the second unofficial engrossment, as follows:

Pages 6 to 151, delete Article 2

Page 151, line 3, delete "3" and insert "2"

Delete the title and insert:

“A bill for an act relating to labor; providing for a competitive state insurance fund; ratifying changes in the state employee bargaining unit composition schedule; ratifying state and University of Minnesota labor agreements, compensation plans, and plans for early retirement incentives; appropriating money; amending Minnesota Statutes 1982, section 179.741, subdivision 1, and by adding a subdivision; proposing new law coded as Minnesota Statutes, chapter 176A.”

The motion prevailed. So the amendment was adopted.

H.F. No. 575 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 38 and nays 29, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Lessard	Peterson, C.C.	Solon
Berglin	Freeman	Luther	Peterson, D.C.	Spear
Chmielewski	Hughes	Merriam	Peterson, R.W.	Stumpf
Dahl	Johnson, D.J.	Moe, D. M.	Petty	Vega
Davis	Jude	Moe, R. D.	Pogemiller	Waldorf
Dicklich	Kroening	Nelson	Purfeerst	Willet
Diessner	Langseth	Novak	Reichgott	
Dieterich	Lantry	Pehler	Samuelson	

Those who voted in the negative were:

Anderson	Brataas	Kamrath	Mehrkens	Sieloff
Belanger	DeCramer	Knaak	Olson	Storm
Benson	Frederick	Knutson	Peterson, D.L.	Taylor
Berg	Frederickson	Kronebusch	Ramstad	Ulland
Bernhagen	Isackson	Laidig	Renneke	Wegscheid
Bertram	Johnson, D.E.	McQuaid	Schmitz	

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1189 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1189

A bill for an act relating to employment; exempting search firms from employment agency licensing; subjecting certain search firms to fee and bond requirements; requiring certain statements, fees, and bonds to be submitted at the time a search firm is established; amending Minnesota Statutes 1982, sections 184.22, subdivision 2, and by adding subdivisions; 184.29; 184.30, subdivision 1; and 184.41.

May 19, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1189, report that we have

agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 1189 be further amended as follows:

Page 1, line 14, after "[EXEMPTIONS.]" insert "*Except as otherwise specifically provided,*"

Page 1, line 15, delete "*to 184.28 and 184.32*"

Page 3, line 5, after "agency" insert "": *provided, that no registered search firm may offer licensed employment agency services at the same location*"

Page 3, line 22, delete "or" and insert a comma, and after "184.30" insert "*, 184.37, or 184.38*"

Page 3, after line 22, insert:

"Sec. 4. Minnesota Statutes 1982, section 184.22, is amended by adding a subdivision to read:

Subd. 5. [FEE PAYMENT PROHIBITED.] No employer may require any job candidate placed with the employer by a search firm to pay, directly or indirectly, all or part of the search firm's fee."

Page 4, after line 21, insert:

"Sec. 7. Minnesota Statutes 1982, section 184.37, is amended to read:

184.37 [CONTRACTS WITH APPLICANTS FOR EMPLOYMENT.]

Subdivision 1. [EMPLOYMENT AGENTS.] Every employment agent shall contract, in writing, with every applicant for employment for services to be rendered to the applicant by the employment agent, which contract shall contain the date, the name and address of the employment agency, the name of the employment agent, the service charge to be made to the applicant, and the time and method of payments, and, on either the face or back of the contract, shall appear the definition of "accept," "method of payment," "temporary position," and "charge for permanent position which proves to be temporary."

Subd. 2. [SEARCH FIRMS.] Every search firm must give to each job candidate a written statement confirming that the candidate will in no instance become liable in whole or in part to pay a fee of any kind, directly or indirectly, on account of any service performed by the search firm. A copy of this statement must be kept on file by the search firm for at least one year.

Sec. 8. Minnesota Statutes 1982, section 184.38, subdivision 6, is amended to read:

Subd. 6. (a) No employment agent *or search firm* shall send out any applicant for employment without having obtained a job order, and if no employment of the kind applied for existed at the place to which the applicant was directed, the employment agent *or search firm* shall refund to the applicant, within 48 hours of demand, any sums paid by the applicant for transportation in going to and returning from the place.

(b) Nothing in this chapter shall be construed to prevent an employment agent *or search firm* from directing an applicant to an employer where the

employer has previously requested that he be accorded interviews with applicants of certain types and qualifications, even though no actual vacancy existed in the employer's organization at the time the applicant was so directed; nor shall it prevent the employment agent *or search firm* from attempting to sell the services of an applicant to the employer even though no order has been placed with the employment agent *or search firm*; provided, that prior to scheduling an interview with an employer, when no opening currently exists with that employer, the applicant is clearly informed that no opening exists at that time.

Sec. 9. Minnesota Statutes 1982, section 184.38, subdivision 8, is amended to read:

Subd. 8. No employment agent *or search firm* shall knowingly cause to be printed or published a false or fraudulent notice or advertisement for help or for obtaining work or employment. For purposes of this subdivision the phrase "false or fraudulent notice or advertisement" shall include the following:

(a) The advertisement of any job for which there is no bona fide oral or written job order and completed job order form in existence at the time the advertisement is placed;

(b) The inclusion in any advertisement of any information concerning the identity, availability, features, or requirements of any advertised job when such information is not substantiated by, and included in, the supporting job order form;

(c) The advertisement of any job opening of the type described in subdivision 6, clause (b);

(d) The advertisement of any job without the inclusion in the advertisement of the "job order number" required in subdivision 18;

(e) If an applicant appears at any agency *or search firm* in response to the advertisement of a particular job, the failure to attempt placement of the applicant in the advertised job; provided however, that the agency *or search firm* may refuse to attempt such placement if the reason(s) for the refusal are clearly and truthfully disclosed to the applicant either orally or in writing.

Sec. 10. Minnesota Statutes 1982, section 184.38, subdivision 9, is amended to read:

Subd. 9. No employment agent *or search firm* shall place or assist in placing any person in unlawful employment.

Sec. 11. Minnesota Statutes 1982, section 184.38, subdivision 10, is amended to read:

Subd. 10. No employment agent *or search firm* shall fail to state in any advertisement, proposal, or contract for employment, that there is a strike or lockout at the place of proposed employment, if ~~he~~ *the agent or firm* has knowledge that such condition exists.

Sec. 12. Minnesota Statutes 1982, section 184.38, subdivision 11, is amended to read:

Subd. 11. ~~Any person, firm, or corporation who shall~~ *No employment*

agency or its employee may split, divide, or share, directly or indirectly, any fee, charge, or compensation received from any ~~employee~~ employer or applicant with any employer, or person in any way connected with the employer's business ~~thereof~~. No search firm or its employee may split, divide, or share, directly or indirectly, any fee, charge, or compensation received from any employer with any person connected in any way with the employer's business. A violation of this subdivision shall be punished by a fine of not less than \$100, and not more than \$1,000, or on failure to pay such the fine by imprisonment for a period not to exceed one year, or both, at the discretion of the court.

Sec. 13. Minnesota Statutes 1982, section 184.38, subdivision 17, is amended to read:

Subd. 17. Except for applicant information given in the course of normal agency or firm operations, no employment agent or search firm shall voluntarily sell, give, or otherwise transfer any files, records, or other information relating to his employment agency or search firm applicants and employers to any person other than a licensed employment agent or registered search firm or a person who agrees to obtain an employment agency license or register as a search firm. Every employment agent or search firm who ceases to engage in the business of or act as an employment agent or search firm shall notify the department of such fact within 30 days thereof, and shall advise the department as to the disposition of all files and other records relating to his employment agency or search firm business.

Sec. 14. Minnesota Statutes 1982, section 184.38, subdivision 18, is amended to read:

Subd. 18. Every job order communicated to an agency or search firm shall be recorded by the agency or search firm on a job order form which form shall contain specific information as prescribed by the department. A job order form shall be filled out for each job order prior to any attempt to advertise the job opening or to place persons in said job. Such forms shall each be assigned a separate number and shall be maintained by the agency or search firm for a period of one year.

Sec. 15. Minnesota Statutes 1982, section 184.38, subdivision 19, is amended to read:

Subd. 19. No person shall be required to pay a fee to an employment agency for a position, whether temporary or permanent, if the applicant withdraws acceptance of a the position within three days, excluding Saturday, Sunday and legal holidays, of signing an acceptance form and notifies the agency in writing of the withdrawal, provided that the applicant did not actually start the job. The three day withdrawal period applies regardless of who is to pay the fee to the employment agency.

Sec 16. Minnesota Statutes 1982, section 184.38, is amended by adding a subdivision to read:

Subd. 20. No employment agent or search firm shall knowingly misrepresent to any employer the educational background, skills, or qualifications of any job candidate; or knowingly misrepresent to a job candidate the responsibilities, salary, or other features of any position of employment."

Page 4, line 30, delete "section 184.22," and insert "this chapter"

Page 4, line 31, delete "subdivision 2"

Page 5, line 1, after "184.22" insert ", or who engages in the business of or acts as a search firm without first filing the registration required under section 184.22, subdivision 3,"

Page 5, line 1, strike "or" and after "counselor" insert ", or search firm"

Page 5, line 2, after "the" insert "applicable"

Page 5, line 3, strike "or" and after "counselor" insert ", or search firm"

Page 5, line 5, after "agency" insert "or search firm"

Page 5, line 5, after "license" insert "or registration"

Page 5, line 6, strike "or" and after "counselor" insert ", or search firm"

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon insert "prohibiting certain practices; requiring certain practices;"

Page 1, line 8, after "1;" insert "184.37; 184.38, subdivisions 6, 8, 9, 10, 11, 17, 18, 19, and by adding a subdivision;"

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

Senate Conferees: (Signed) Michael O. Freeman, Darril Wegscheid, Don A. Anderson

House Conferees: (Signed) Paul Anders Ogren, Wes Skoglund, O. J. (Lon) Heinitz

Mr. Freeman moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1189 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1189 was read the third time as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill, as amended by the Conference Committee, was repassed and

its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 218 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 218

A bill for an act relating to commitment of persons who are mentally ill, mentally retarded, or mentally ill and dangerous; requiring mental commitment proceedings for persons acquitted of a criminal charge pursuant to a verdict of not guilty by reason of mental illness or not guilty by reason of mental deficiency to be held in the court in which acquittal took place; modifying the burden of going forward with the evidence on the issues of mental illness, mental retardation, and mental illness and dangerousness in certain cases; amending Minnesota Statutes 1982, sections 253B.02, subdivision 4, and by adding subdivisions; 253B.07, subdivisions 1, 2, 3, and 7, and by adding a subdivision; 253B.08, subdivision 7; 253B.12, subdivision 4; 253B.18, subdivision 1; 253B.19, subdivision 1; 253B.21, subdivision 5; and 253B.23, subdivision 7.

May 20, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 218, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 218 be further amended as follows:

Page 1, lines 26 and 27, delete "*pursuant to a verdict of not guilty by reason of mental illness or not guilty by reason of mental deficiency*" and insert "*under section 611.026*"

Page 2, lines 21 to 23, delete "*pursuant to a verdict of not guilty by reason of mental illness or not guilty by reason of mental deficiency*" and insert "*under section 611.026*"

Page 3, lines 29 and 30, delete "*on the grounds of mental illness or mental deficiency*" and insert "*under section 611.026*"

Page 4, lines 2 and 3, delete "*on the grounds of mental illness or mental deficiency*" and insert "*under section 611.026*"

Page 5, line 25, delete "*on the grounds of mental illness or mental deficiency*" and insert "*under section 611.026*"

Page 6, lines 3 and 4, delete "*on the grounds of mental illness or mental deficiency*" and insert "*under section 611.026*"

Page 8, line 5, strike "*solely on the ground of*"

Page 8, lines 5 and 6, delete the new language and insert "*under section*

611.026''

Amend the title as follows:

Page 1, lines 5 to 7, delete "pursuant to a verdict of not guilty by reason of mental illness or not guilty by reason of mental deficiency" and insert "under section 611.026"

Page 1, line 11, after "certain" insert "commitment"

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

Senate Conferees: (Signed) Michael O. Freeman, Gene Merriam, Ron Sieloff

House Conferees: (Signed) Randy C. Kelly, Dee Long, Bert J. McKasy

Mr. Freeman moved that the foregoing recommendations and Conference Committee Report on S.F. No. 218 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 218 was read the third time as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Kamrath	Moe, R. D.	Reichgott
Anderson	Frank	Knutson	Novak	Renneke
Belanger	Frederick	Kronebusch	Olson	Samuelson
Benson	Frederickson	Laidig	Pehler	Schmitz
Berg	Freeman	Langseth	Peterson, D.C.	Sieloff
Berglin	Hughes	Lantry	Peterson, D.L.	Storm
Bernhagen	Isackson	Lessard	Peterson, R.W.	Stumpf
Bertram	Johnson, D.E.	McQuaid	Petty	Vega
Davis	Johnson, D.J.	Mehrkens	Purfeerst	Waldorf
DeCramer	Jude	Merriam	Ramstad	

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

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 253, 879 and 1241.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. President:

I have the honor to announce the passage by the House of the following

Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 201: A bill for an act relating to intoxicating liquor; authorizing off-sale licensees to dispense samples of wine, liqueurs and cordials; amending Minnesota Statutes 1982, section 340.11, subdivision 15.

Senate File No. 201 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. Moe, R.D. moved that S.F. No. 201 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 346: A bill for an act relating to agriculture; granting the commissioner powers relating to agricultural promotion; changing certain procedures related to fees; redefining certain terms; changing the coverage of the consolidated food licensing law; permitting the sale of certain eggs for human consumption; updating certain provisions; specifying certain plumbing and sewage disposal requirements; changing the coverage of certain animal processing laws; prohibiting sale or possession of certain meat; changing certain fees; changing the dates of reports from and payments to certain agricultural societies; eliminating certain duties of the commissioner of agriculture and county agricultural agents; eliminating the prohibition on manufacture or use of certain preservative compounds; eliminating provisions relating to the dairy industry; adjusting fees for inspection of warehouses; directing the commissioner of agriculture to adopt a mandatory collective ratemaking procedure for warehousemen; amending Minnesota Statutes 1982, sections 17.101; 17B.15, subdivision 1; 28A.03; 29.235; 31.01, subdivision 20; 31.10; 31.101, subdivisions 3, 4, 5, 6, 7, and 8; 31.51, subdivision 2; 31.56, subdivision 1; 31A.02, subdivision 5; 31A.10; 31A.15; 32.394, subdivision 8; 34.05, subdivision 1; 38.02, subdivisions 1 and 3; 231.11; 231.12; 231.16; 232.22, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 31; repealing Minnesota Statutes 1982, sections 17.031; 17.032; 17B.15, subdivision 2; 31.401 to 31.406; 32.472; and 32.473.

Senate File No. 346 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. Stumpf moved that S.F. No. 346 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 527: A bill for an act relating to legal liability; prohibiting retaliation against an individual who complies with the child abuse reporting act; providing damages for retaliation; clarifying immunity provisions for good faith compliance with the child abuse reporting act; amending Minnesota Statutes 1982, section 626.556, subdivision 4, and by adding a subdivision.

Senate File No. 527 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Ms. Reichgott moved that S.F. No. 527 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 541: A bill for an act relating to counties; authorizing a jobs program.

Senate File No. 541 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. Moe, R.D. moved that S.F. No. 541 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 554: A bill for an act relating to housing and redevelopment; providing for the appointment of commissioners of multi-county authorities; amending Minnesota Statutes 1982, section 462.428, subdivision 2.

Senate File No. 554 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. Mehrkens moved that S.F. No. 554 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 823: A bill for an act relating to cities; authorizing the issuance of capital notes for certain equipment acquisitions; proposing new law coded in Minnesota Statutes, chapter 410.

Senate File No. 823 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. Belanger moved that S.F. No. 823 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 338: A bill for an act relating to motor vehicles; maintaining the maximum interest rate on certain loans under the Motor Vehicle Retail Installment Sales Act at the current rate; amending Minnesota Statutes 1982, section 168.72, subdivision 2.

There has been appointed as such committee on the part of the House:

Osthoff, Metzen and Dempsey.

Senate File No. 338 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 911: A bill for an act relating to utilities; specifying the commission's authority over the availability of submetering; amending Minnesota Statutes 1982, section 216B.02, subdivision 4, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 216B.

There has been appointed as such committee on the part of the House:

O'Connor, Jacobs and Redalen.

Senate File No. 911 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1008: A bill for an act relating to courts; authorizing the appointment of court referees; amending Minnesota Statutes 1982, sections 260.031, subdivision 1; 484.65, subdivisions 4, 5, and 6; and 484.70, subdivision 1; repealing Minnesota Statutes 1982, section 484.701.

There has been appointed as such committee on the part of the House:
Ellingson, Vanasek and Bishop.

Senate File No. 1008 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 72, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 72: A bill for an act relating to occupations and professions; authorizing the commissioner of public safety to provide administrative support services to the board of peace officer standards and training; amending Minnesota Statutes 1982, sections 214.04, subdivision 1; 626.843, subdivision 1; 626.845, subdivision 1; and 626.849.

Senate File No. 72 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 92, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 92: A bill for an act relating to towns, cities, and counties; requiring other government units to give notice to towns, cities, and counties of actions that affect land use or taxation; proposing new law coded in Minnesota Statutes, chapter 471.

Senate File No. 92 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 398, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 398: A bill for an act relating to vulnerable adults; refining the Vulnerable Adults Reporting Act; specifying reporting requirements; specifying access to reports; preventing record destruction; amending Minnesota Statutes 1982, section 626.557, subdivisions 2, 3, 4, 10, 12, 14, and by adding a subdivision; repealing Minnesota Statutes 1982, section 626.557, subdivision 12a.

Senate File No. 398 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 639, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 639: A bill for an act relating to energy; changing a cross-reference for nonpublic data reporting; amending the definition of "earth sheltered"; changing the due date of biennial energy reports; amending Minnesota Statutes 1982, sections 13.68, subdivision 1; 116J.06, subdivision 2; and 116J.18, subdivision 1.

Senate File No. 639 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 652, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 652: A bill for an act relating to agriculture; adopting recommended federal rules relating to milk quality for manufacturing purposes; providing for phase in of inspections and compliance; proposing new law coded in Minnesota Statutes, chapter 32.

Senate File No. 652 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 923, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 923: A bill for an act relating to libraries; prohibiting the theft or damage of library materials; restricting tort liability for public libraries; prescribing a penalty; amending Minnesota Statutes 1982, section 466.01, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 609.

Senate File No. 923 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommen-

dation and report of the Conference Committee on Senate File No. 1003, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1003: A bill for an act relating to public welfare; establishing a medical assistance social health maintenance organization demonstration project; proposing new law coded in Minnesota Statutes, chapter 256B.

Senate File No. 1003 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1233, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1233: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and for other agencies with certain conditions; fixing and limiting fees; providing for adjustments of responsibilities of the department of agriculture for soil and water conservation; allowing limited donation of accumulated vacation time by certain law enforcement employees to their union representative; providing for deposit of proceeds of assessment by the assigned risk review board; regulating financial assistance to public transit systems; limiting certain hearing functions of the transportation regulation board; transferring certain rules authority to the transportation regulation board; reducing membership and establishing terms of members of the public utilities commission; defining enforcement powers of the hazardous material specialists and transportation representatives of the department of transportation; defining terms and requirements for building movers; crediting certain receipts of the commissioner of transportation to the trunk highway fund; providing for certain costs to be paid from the trunk highway fund; authorizing the commissioner of transportation to enforce certain carrier regulations; extending retirement coverage of certain employees of the department of transportation from age 60 to age 62 and providing for disability benefits; transferring and renaming the air transportation revolving account; instructing the commissioner of transportation to charge users of certain air transportation services for certain costs; limiting fare increases by the metropolitan transit commission; basing taxing for the metropolitan transit taxing district upon the level of transit service provided; providing for the disposition of proceeds of certain trunk highway bonds; reducing the amount appropriated from the bridge construction account in the trunk highway fund to the department of transportation; amending Minnesota Statutes 1982, sections 12.14; 17A.04, subdivision 5; 18.51, subdivision 2; 18.52, subdivision 5; 18.53; 18.54; 18A.22, subdivisions 5 and 7; 18A.26; 27.041, subdivision 2; 28A.08; 28A.09; 32.075; 32.59; 34.02; 34.05, subdivision 1; 40.03, subdivision 2, as amended; 43A.04, by adding a subdivision; 79.251, subdivision 1; 155A.07, subdivision 7; 155A.08, subdivision 5; 169.81, subdivision 3b; 169.86, subdivision 5; 169.862; 170.23; 171.26; 171.29, subdivision 2; 173.07, subdivision 2; 173.08, subdivision

1; 173.13, subdivision 4; 174.24, subdivision 3; 174A.02, subdivision 2; 174A.06; 216A.03, subdivision 1; 221.061; 221.071; 221.131; 221.221; 221.296, subdivision 5; 221.64; 221.81; 296.17, subdivisions 10, 17, and 20; 296.25, subdivision 1; 299C.46, subdivision 3; 352.86, subdivisions 1, 2, and by adding a subdivision; 360.018, subdivision 1; 360.63; 473.408, subdivision 3 and by adding a subdivision; 473.446, subdivision 1, as amended; 500.221, subdivision 4; 626.88, subdivision 2; Laws 1975, chapter 235, section 2; Laws 1977, chapter 277, sections 1 and 3, subdivision 1; and Laws 1983, chapter 17, section 12; proposing new law coded in Minnesota Statutes, chapters 10A; 221; 299C; and 360; repealing Minnesota Statutes 1982, sections 24.24; 24.25; 24.26; 24.27; 24.28; 24.29; 24.30; 24.31; 160.26, subdivision 3; 174.265; and 174A.07.

Senate File No. 1233 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 657.

H.F. No. 657: A bill for an act relating to transportation; authorizing the commissioner to expend money for railroad acquisition by a regional railroad authority; modifying requirements for compliance with standards for zoning ordinances for municipal airports; modifying the regional railroad authority act to allow municipalities to form regional railroad authorities; allowing the expenditure of certain state funds for railroad improvement and acquisition; providing an aircraft base price for taxation purposes; amending Minnesota Statutes 1982, sections 222.50, subdivision 7; 360.063, subdivisions 3, 4, and 6; 360.065, subdivision 2; 360.066, subdivision 1; 360.067, subdivision 1; 360.531, subdivision 4; 398A.02; 398A.03; 398A.04, subdivisions 8 and 9; 398A.07, subdivision 2; and Laws 1980, chapter 610, section 1, as amended.

And the House respectfully requests that a Conference Committee of three members be appointed thereon:

Anderson, G.; Knuth and Schreiber have been appointed as such committee on the part of the House.

House File No. 657 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1983

Mr. DeCramer moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 657, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the

Senate amendments to House File No. 782.

H.F. No. 782: A bill for an act relating to courts; providing for increases in maximum authorized fines for crimes and petty misdemeanors; increasing the value of stolen property necessary for felony theft; increasing the maximum government tort liability limits; amending Minnesota Statutes 1982, sections 3.736, subdivision 4; 466.04, subdivisions 1 and 3; 609.02, subdivisions 3, 4, and 4a; 609.03; and 609.52, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1982, sections 609.031 and 609.032.

And the House respectfully requests that a Conference Committee of three members be appointed thereon:

Vanasek; Clark, J., and Levi have been appointed as such committee on the part of the House.

House File No. 782 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1983

Mr. Moe, R.D., for Mr. Spear, moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 782, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 257.

H.F. No. 257: A bill for an act relating to motor vehicles; providing for special license plates for certain motor vehicles owned by certain members of the Minnesota national guard; imposing fees; appropriating money; amending Minnesota Statutes 1982, section 168.12, by adding a subdivision.

And the House respectfully requests that a Conference Committee of three members be appointed thereon:

Anderson, R.; Sieben and Olsen have been appointed as such committee on the part of the House.

House File No. 257 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1983

Mrs. Adkins moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 257 and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 737, 768, 857, 1222, 1025, 533 and 449.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1983

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 737: A bill for an act relating to the collection and dissemination of data; requiring the bureau of criminal apprehension to compile criminal history data relating to misdemeanor assaults; requiring law enforcement agencies to collect and furnish misdemeanor assault data to the bureau; appropriating money; proposing new law coded in Minnesota Statutes, chapter 299C.

Referred to the Committee on Finance.

H.F. No. 768: A bill for an act relating to state departments and agencies; authorizing a study by the department of energy, planning and development of a possible merger of the departments of health and public welfare into a new state department to be called the department of human services; appropriating money.

Referred to the Committee on Finance.

H.F. No. 857: A bill for an act relating to labor; establishing the job skills partnership; creating a board; appropriating money; proposing new law coded as Minnesota Statutes, chapter 116K.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 584, now on Special Orders.

H.F. No. 1222: A bill for an act relating to government operations; requiring a review of certain capital improvement programs; requiring reports and capital improvement plans; expanding the scope of the capital budget.

Referred to the Committee on Finance.

H.F. No. 1025: A bill for an act relating to economic development; appropriating money for a grant for development of the motion picture and television industry; creating an advisory council.

Referred to the Committee on Economic Development and Commerce.

H.F. No. 533: A bill for an act relating to state government; providing for legislative expenses; amending Minnesota Statutes 1982, section 3.101; repealing Minnesota Statutes 1982, section 3.102.

Referred to the Committee on Rules and Administration.

H.F. No. 449: A bill for an act relating to elections; limiting campaign expenditures by congressional candidates who choose to receive a public subsidy for their campaigns; redefining certain terms in relation to congressional candidates; limiting the applicability of certain provisions of law to

state constitutional and state legislative candidates; providing for the transfer of debts and funds of a principal campaign committee under certain circumstances; limiting certain lobbyist contributions; providing for filing of campaign reports by certain congressional candidates; proposing expenditure limits for congressional candidates who choose to receive a public subsidy; providing a penalty for exceeding campaign expenditure limits by congressional candidates; changing the designated amount of certain income tax payments; providing for the allocation of party accounts and the general account to certain state and congressional candidates; providing estimates of minimum amounts of public subsidy to be received by certain congressional candidates; requiring signed agreements by congressional candidates who choose to receive a public subsidy; specifying when congressional candidates who accept a public subsidy must return all or part thereof; providing for the return of money from the state elections campaign fund to the general fund; making certain technical amendments; imposing penalties; amending Minnesota Statutes 1982, sections 10A.01; 10A.24; 10A.25; 10A.255; 10A.27; 10A.275; 10A.28; 10A.30; 10A.31; 10A.33; 10A.335; and 290.06, subdivision 11; proposing new law coded in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1982, section 10A.32.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 343, now on Special Orders.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

S.F. No. 440: A resolution memorializing the President and Congress of the United States to amend the law to abolish the denial of financial aid benefits to students who refuse to register for the draft.

Reports the same back with the recommendation that the resolution do pass. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was re-referred

S.F. No. 1010: A resolution memorializing the President and Congress of the United States to provide service-connected disability compensation for former members of the military forces who were exposed in Vietnam to toxic herbicides, chemicals, medications, and other environmental hazards and conditions.

Reports the same back with the recommendation that the resolution do pass. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

S.F. No. 1263: A resolution memorializing the governments of the United

States and the Republic of China that the State of Minnesota adopts the Province of Taiwan as a sister state.

Reports the same back with the recommendation that the resolution do pass. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 449 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
449	343				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 449 be amended as follows:

Delete everything after the enacting clause, and delete the title of H.F. No. 449, and insert the language after the enacting clause, and the title, of S.F. No. 343, the Second Engrossment.

And when so amended H.F. No. 449 will be identical to S.F. No. 343, and further recommends that H.F. No. 449 be given its second reading and substituted for S.F. No. 343, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SUSPENSION OF RULES

Mr. Luther moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 449 and that the rules of the Senate be so far suspended as to give H.F. No. 449 its second reading and place it on Special Orders. The motion prevailed.

SECOND READING OF SENATE BILLS

S.F. Nos. 440, 1010 and 1263 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 449 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Moe, R.D. moved that his name be stricken as chief author, shown as a co-author and the name of Mr. Chmielewski be added as chief author to S.F. No. 141. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of

the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 1097: Messrs. Stumpf, Purfeerst and Bernhagen.

S.F. No. 428: Messrs. Pogemiller; Moe, D.M and Mrs. McQuaid.

S.F. No. 132: Messrs. Kroening, Vega and Storm.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Messrs. Johnson, D.J.; Peterson, C.C.; Ms. Berglin; Messrs. Novak and Dieterich were excused from this evening's Session from 9:00 to 9:50 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:00 a.m., Saturday, May 21, 1983. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

FIFTY-NINTH DAY

St. Paul, Minnesota, Saturday, May 21, 1983

The Senate met at 11:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Frank imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Senator Donald A. Storm.

The roll was called, and the following Senators answered to their names:

Adkins	Diessner	Kroening	Olson	Sieloff
Anderson	Dieterich	Kronebusch	Pehler	Solon
Belanger	Frank	Laidig	Peterson, C.C.	Spear
Benson	Frederick	Langseth	Peterson, D.C.	Storm
Berg	Frederickson	Lantry	Peterson, D.L.	Stumpf
Berglin	Freeman	Lessard	Peterson, R.W.	Taylor
Bernhagen	Hughes	Luther	Petty	Ulland
Bertram	Isackson	McQuaid	Pogemiller	Vega
Brataas	Johnson, D.E.	Mehrrens	Purfeerst	Waldorf
Chmielewski	Johnson, D.J.	Merriam	Ramstad	Wegscheid
Dahl	Jude	Moe, D.M.	Reichgott	Willet
Davis	Kamrath	Moe, R.D.	Renneke	
DeCramer	Knaak	Nelson	Samuelson	
Dicklich	Knutson	Novak	Schmitz	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

May 18, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1983 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1983	Date Filed 1983
689		158	May 18	May 18
756		159	May 18	May 18
824		160	May 18	May 18
927		161	May 18	May 18
	91	162	May 18	May 18
	159	163	May 18	May 18
	519	164	May 18	May 18
	584	165	May 18	May 18
	605	166	May 18	May 18
	987	167	May 18	May 18

Sincerely,
Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 985.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 194: A bill for an act relating to causes of action; providing that certain causes of action survive the death of a party; amending Minnesota Statutes 1982, section 573.01.

Senate File No. 194 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

CONCURRENCE AND REPASSAGE

Mr. Spear moved that the Senate concur in the amendments by the House to S.F. No. 194 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 194: A bill for an act relating to causes of action; providing that certain causes of action survive the death of a party; allowing award of punitive damages in actions for death by wrongful act; clarifying the time limitation for bringing an action for wrongful death when the act constitutes murder; amending Minnesota Statutes 1982, sections 573.01; and 573.02.

subdivisions 1 and 4.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Langseth	Pehler	Spear
Anderson	Frederickson	Lantry	Peterson, D.C.	Storm
Belanger	Freeman	Lessard	Peterson, D.L.	Stumpf
Benson	Hughes	Luther	Peterson, R.W.	Taylor
Berg	Isackson	McQuaid	Pogemiller	Ulland
Bertram	Johnson, D.E.	Mehrks	Purfeerst	Vega
Brataas	Jude	Merriam	Ramstad	Waldorf
Davis	Kamrath	Moe, D. M.	Reichgott	Wegscheid
DeCramer	Knaak	Moe, R. D.	Renneke	Willet
Dicklich	Kroening	Nelson	Schmitz	
Diessner	Kronebusch	Olson	Sieloff	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 607: A bill for an act relating to state employees; authorizing the deduction from salaries or wages of sums of money designated by them for certain combined charitable funds; amending Minnesota Statutes 1982, section 15.375, subdivision 2; proposing new law coded in Minnesota Statutes, chapter 309; repealing Minnesota Statutes 1982, section 15.375, subdivision 1.

Senate File No. 607 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

CONCURRENCE AND REPASSAGE

Mr. Spear moved that the Senate concur in the amendments by the House to S.F. No. 607 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 607 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 51 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Langseth	Pehler	Storm
Anderson	Diessner	Lantry	Peterson, D.C.	Stumpf
Belanger	Frank	Lessard	Peterson, R.W.	Taylor
Benson	Frederick	Luther	Pogemiller	Ulland
Berg	Frederickson	McQuaid	Purfeerst	Vega
Bernhagen	Freeman	Mehrkens	Ramstad	Wegscheid
Bertram	Isackson	Merriam	Reichgott	Willet
Brataas	Johnson, D.E.	Moe, D. M.	Renneke	
Chmielewski	Knaak	Moe, R. D.	Schmitz	
Davis	Kroening	Nelson	Sieloff	
DeCramer	Kronebusch	Olson	Spear	

Messrs. Jude; Kamrath; Peterson, D.L. and Waldorf voted in the negative.

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1015: A bill for an act relating to cemeteries; requiring the state or political subdivision to obtain archaeologist services and to pay for removal of Indian burial grounds under certain circumstances; amending Minnesota Statutes 1982, section 307.08, subdivisions 2, 4, 8, and 10.

Senate File No. 1015 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

CONCURRENCE AND REPASSAGE

Mrs. Kronebusch moved that the Senate concur in the amendments by the House to S.F. No. 1015 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1015 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 48 and nays 6, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Moe, R. D.	Sieloff
Anderson	Diessner	Kroening	Nelson	Solon
Belanger	Frank	Kronebusch	Olson	Spear
Benson	Frederickson	Laidig	Peterson, D.C.	Storm
Berg	Freeman	Langseth	Peterson, D.L.	Taylor
Bernhagen	Hughes	Lantry	Peterson, R.W.	Ulland
Bertram	Isackson	Lessard	Ramstad	Vega
Brataas	Johnson, D.E.	Luther	Reichgott	Willet
Chmielewski	Jude	Mehrkens	Renneke	
DeCramer	Kamrath	Moe, D. M.	Schmitz	

Those who voted in the negative were:

Davis
Frederick

Merriam

Pehler

Stumpf

Waldorf

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 242.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1983

FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the committee indicated.

H.F. No. 242: A bill for an act relating to labor; providing for occupational safety and health; defining "hazardous substance" and "harmful physical agent"; requiring manufacturers of hazardous substances or harmful physical agents to provide certain information; creating a right to refuse to work under conditions violating the state occupational safety and health act; creating a right to refuse to work with a hazardous substance or harmful physical agent under certain conditions; requiring employers using hazardous substances and harmful physical agents to provide employees with certain training and information; requiring that hazardous substances and harmful physical agents be labeled under certain circumstances; requiring inservice training for hospital and lab employees; prohibiting waiver of any employee rights under the state occupational safety and health act; clarifying relation of bargaining agreements to safety laws; providing protection for trade secrets; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 182.651, by adding subdivisions; 182.653, by adding subdivisions; 182.654, subdivision 7, and by adding subdivisions; 182.655, subdivisions 4, 10, 11, and by adding a subdivision; 182.658; 182.66, subdivision 1; 182.663, subdivision 3; 182.666, by adding a subdivision; and 182.668; proposing new law coded in Minnesota Statutes, chapter 182.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 183, now on Special Orders.

REPORTS OF COMMITTEES

Mr. Luther moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 858 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
858	839				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 858 be amended as follows:

Page 1, line 25, after "college," insert "*an area vocational-technical institute,*"

Page 2, line 2, reinstate "trade" and insert ", business, or"

Page 2, line 2, delete "technical"

Page 2, line 2, strike "which may be"

Page 2, line 8, strike "that" and insert "the"

Page 2, line 8, strike "therefore" and insert "*for the benefit*"

Page 2, line 11, strike "herein" and insert "*in this section*"

Page 2, line 11, strike "such" and insert "the"

Page 2, line 12, strike "shall have"

Page 2, line 13, strike "said" and insert "the"

Page 2, line 14, strike "hereunder" and insert "*according to this section*"

Page 2, line 17, delete "benefits"

Page 2, line 17, strike "as provided for herein"

Page 2, line 17, before "shall" insert "*benefits*"

Page 2, line 24, strike the comma

Page 2, line 25, after "law" insert "*or regulation*"

Page 2, line 26, strike everything after "States"

Page 2, line 27, strike "said"

Page 2, line 27, before "veteran" insert "the"

Page 2, line 28, strike "he" and insert "*the veteran*"

Page 2, line 30, after "*thereof*" insert a comma

Page 2, line 30, strike "he" and insert "*the veteran*"

Page 4, line 23, delete "his/her" and insert "the"

Page 4, line 27, delete "*as defined herein*"

Page 4, line 27, delete "his"

Page 4, line 28, delete everything after "*Minnesota*"

Page 4, delete line 29

Page 4, line 30, delete "*vocational school*" and insert "*public post-secondary institution*"

Page 4, line 33, after "*Minnesota*" insert "*post-secondary*"

Page 4, line 34, delete everything after "*institution*"

Page 4, line 35, delete everything before "*shall*"

Page 4, line 36, delete everything after "*rate*"

Page 5, delete lines 1 and 2 and insert "*not to exceed \$250 per year*"

Page 5, line 3, delete "*institutions*"

Page 5, line 3, delete "*he*" and insert "*the dependent*"

Page 5, line 3, delete "*such*" and insert "*the*"

Page 5, line 7, delete "*subdivision*" and insert "*section*"

Page 5, line 8, delete "*he*" and insert "*the person*"

Page 5, line 22, delete "*subdivision*" and insert "*section*"

Page 5, line 23, delete "*father*" in both places and insert "*spouse or parent*" in both places

Page 5, line 25, delete "*subdivision*" and insert "*section*"

Page 5, line 30, delete "*This act is*" and insert "*Sections 1 to 4 are*"

Amend the title as follows:

Page 1, line 6, delete everything before "*amending*"

And when so amended H.F. No. 858 will be identical to S.F. No. 839, and further recommends that H.F. No. 858 be given its second reading and substituted for S.F. No. 839, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. No. 858 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Peterson, R.W. moved that the name of Mr. Merriam be added as a co-author to S.F. No. 708. The motion prevailed.

Mr. DeCramer moved that the name of Mr. Purfeerst be added as a co-author to S.F. No. 1267. The motion prevailed.

Mr. Benson moved that the names of Mr. Ramstad, Mrs. Kronebusch and Mr. Kamrath be added as co-authors to S.F. No. 1278. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Samuelson moved that the following members be excused for a Conference Committee on S.F. No. 1234 at 11:00 a.m.:

Messrs. Samuelson; Johnson, D.E.; Knutson; Dicklich and Spear. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 1259 at 11:00 a.m.:

Messrs. Johnson, D.J.; Peterson, C.C.; Dieterich; Novak and Ms. Berglin. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Peterson, R.W. moved that the following members be excused for a Conference Committee on S.F. No. 989 at 12:00 noon:

Messrs. Peterson, R.W.; Merriam and Sieloff. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1012 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1012

A bill for an act relating to waste management; amending the Waste Management Act of 1980; providing for the evaluation of bedrock disposal of hazardous waste; providing for participation by private developers and operators of waste facilities in the evaluation of hazardous waste disposal sites; creating phases of environmental impact statements; expanding the definition of hazardous waste; extending the deadlines for the adoption of certain hazardous waste rules; extending certain deadlines of the metropolitan council; clarifying the contents of environmental impact statements; providing reports to counties on permit conditions and permit application requirements for county sites; authorizing issuance of bonds by Washington and Ramsey counties for a solid waste facility; amending Minnesota Statutes 1982, sections 115.071, subdivision 3; 115A.03, subdivision 10; 115A.05, subdivisions 2 and 3; 115A.06, subdivision 4; 115A.08, subdivisions 4, 5, and 6; 115A.10; 115A.11, subdivisions 1 and 2; 115A.21; 115A.22, subdivisions 1, 3, 4, 6, and 7; 115A.24, subdivision 1; 115A.25, subdivisions 1, 2, 3, and by adding subdivisions; 115A.26; 115A.27, subdivision 2; 115A.28, subdivisions 1, 2, and 3; 115A.30; 115A.54, subdivision 2; 115A.67; 115A.70, subdivision 3; 116.06, subdivision 13, and by adding a subdivision; 116.07, subdivision 4; 116.41, subdivision 1a; 473.149, subdivisions 2b, 2c, 2d, 2e, and 4; 473.153, subdivisions 2, 5, 6, 6b, and by adding a subdivision; 473.803, subdivisions 1a and 1b; 473.823, subdivision 6; 473.831, subdivision 2; 473.833, subdivisions 2a, 3, 7, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 1982, sections 115A.23; 115A.27, subdivision 1; 116.07, subdivision 4c; and 116.41, subdivision 1.

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1012, report that we have agreed upon the items in dispute and recommend as follows:

That the house recede from its amendments and S.F. No. 1012, be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 115.071, subdivision 2, is amended to read:

Subd. 2. [CRIMINAL PENALTIES.] (a) [VIOLATIONS OF LAWS; ORDERS; PERMITS.] (1) *Except as provided in sections 2 and 3*, any person who willfully or negligently violates any provision of chapters 115 or 116, or any standard, regulation, variance, order, stipulation agreement, schedule of compliance or permit issued or adopted by the agency thereunder, which violation is not included in clause (2), shall upon conviction be guilty of a misdemeanor.

(2) Any person who willfully or negligently violates any effluent standard and limitation or water quality standard adopted by the agency, any National Pollutant Discharge Elimination System permit or any term or condition thereof, any duty to permit or carry out any recording, reporting, monitoring, sampling, information entry, access, copying, or other inspection or investigation requirement as provided under applicable provisions of this chapter and, with respect to the pollution of waters of the state, chapter 116, or any National Pollutant Discharge Elimination System filing requirement, shall upon conviction be punished by a fine of not less than \$2,500 in the event of a willful violation or not less than \$300 in the event of a negligent violation. In any case the penalty shall not be more than \$25,000 per day of violation or by imprisonment for not more than one year, or both. If the conviction is for conduct committed after a first conviction of such person under this subdivision, punishment shall be by fine of not more than \$50,000 per day of violation, or by imprisonment for not more than two years, or both.

(b) [INFORMATION AND MONITORING.] Any person who knowingly makes any false statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained under this chapter and, with respect to the pollution of the waters of the state, chapter 116, or standards, regulations, orders, stipulation agreements, schedule of compliance or permits pursuant hereto, or who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under this chapter and, with respect to the pollution of waters of the state, chapter 116, or standards, regulations, variances, orders, stipulation agreements, schedules of compliance, or permits pursuant thereto, shall upon conviction, be punished by a fine of not more than \$10,000 per day of violation, or by imprisonment for not more than six months, or both.

(c) [DUTY OF LAW ENFORCEMENT OFFICIALS.] It shall be the duty

of all county attorneys, sheriffs and other peace officers, and other officers having authority in the enforcement of the general criminal laws to take all action to the extent of their authority, respectively, that may be necessary or proper for the enforcement of said provisions, regulations, standards, orders, stipulation agreements, variances, schedule of compliance, or permits.

Sec. 2. Minnesota Statutes 1982, section 115.071, is amended by adding a subdivision to read:

Subd. 2a. [HAZARDOUS WASTE; CRIMINAL PENALTIES.] A person shall be punished by a fine of not more than \$25,000 per day of violation or by imprisonment of not more than one year, or both, upon conviction of any of the following offenses:

(a) willfully or negligently violating any provision relating to hazardous waste of chapter 115 or 116, or any standard, rule, variance, order, stipulation agreement, schedule of compliance, permit, or term or condition of a permit issued or adopted by the agency under such a provision;

(b) willfully or negligently violating any duty to permit or carry out any recording, reporting, monitoring, sampling, information entry, access, copying or other inspection or investigation requirement as provided under any provision relating to hazardous waste of chapter 115 or 116, or any standard, rule, variance, order, stipulation agreement, schedule of compliance or permit issued or adopted by the agency under such a provision; or

(c) knowingly making any false material statement, representation or certification in any application, label, manifest, record, report, plan, permit or other document, or knowingly destroying, altering, or concealing any document, filed or required to be maintained with respect to hazardous waste under any provision of chapter 115 or 116, or under any standard, rule, order, stipulation agreement, schedule of compliance or permit issued or adopted by the agency under such a provision.

If the conviction is for conduct committed after a first conviction of the person under this subdivision, punishment shall be by a fine of not more than \$50,000 per day of violation or by imprisonment of not more than two years, or both.

Sec. 3. Minnesota Statutes 1982, section 115.071, is amended by adding a subdivision to read:

Subd. 2b. [HAZARDOUS WASTE; UNLAWFUL DISPOSAL; CRIMINAL PENALTIES.] Any person who knowingly, or with reason to know, disposes of hazardous waste in a manner contrary to any provision of chapter 115 or 116, or any standard or rule adopted in accordance with those chapters relating to disposal, is guilty of a felony. Punishment shall be by a fine of not more than \$25,000 per day of violation or by imprisonment for not more than five years, or both.

For the purposes of this subdivision, the terms defined in this clause have the meanings given them.

(a) "Disposal" has the meaning given it in section 115A.03, subdivision 9.

(b) "Hazardous waste" has the meaning given it in section 116.06, sub-

division 13.

Sec. 4. Minnesota Statutes 1982, section 115.071, subdivision 3, is amended to read:

Subd. 3. [CIVIL PENALTIES.] Any person who violates any provision of chapters 115 or 116, except any provisions of chapter 116 relating to air and land pollution caused by agricultural operations which do not involve National Pollutant Discharge Elimination System permits, or of (1) any effluent standards and limitations or water quality standards, (2) any ~~National Pollutant Discharge Elimination System~~ permit or term or condition thereof, (3) any National Pollutant Discharge Elimination System filing requirements, (4) any duty to permit or carry out inspection, entry or monitoring activities, or (5) any rules, ~~regulations~~, stipulation agreements, variances, schedules of compliance, or orders issued by the agency, shall forfeit and pay to the state a penalty, in an amount to be determined by the court, of not more than \$10,000 per day of violation *except that if the violation relates to hazardous waste the person shall forfeit and pay to the state a penalty, in an amount to be determined by the court, of not more than \$25,000 per day of violation.*

In addition, in the discretion of the court, the defendant may be required to:

(a) forfeit and pay to the state a sum which will adequately compensate the state for the reasonable value of cleanup and other expenses directly resulting from unauthorized discharge of pollutants, whether or not accidental;

(b) forfeit and pay to the state an additional sum to constitute just compensation for any loss or destruction to wildlife, fish or other aquatic life and for other actual damages to the state caused by an unauthorized discharge of pollutants.

As a defense to any of said damages, the defendant may prove that the violation was caused solely by (1) an act of God, (2) an act of war, (3) negligence on the part of the state of Minnesota, or (4) an act or failure to act which constitutes sabotage or vandalism, or any combination of the foregoing clauses.

The civil penalties and damages provided for in this subdivision may be recovered by a civil action brought by the attorney general in the name of the state.

Sec. 5. Minnesota Statutes 1982, section 115A.03, subdivision 10, is amended to read:

Subd. 10. "Disposal facility" means a waste facility permitted by the agency that is designed or operated for the purpose of disposing of waste on or in the land, *together with any appurtenant facilities needed to process waste for disposal or transfer to another waste facility.*

Sec. 6. Minnesota Statutes 1982, section 115A.03, is amended by adding a subdivision to read:

Subd. 28a. "Retrievable storage" means a method of disposal whereby wastes are placed in a facility established pursuant to sections 115A.18 to 115A.30 for an indeterminate period in a manner designed to allow the re-

moval of the waste at a later time.

Sec. 7. Minnesota Statutes 1982, section 115A.05, subdivision 2, is amended to read:

Subd. 2. [PERMANENT MEMBERS.] Eight of the permanent members of the board shall be appointed by the governor, with the advice and consent of the senate, to represent diverse areas and interests within the state. One member shall be appointed from each congressional district in accordance with boundaries existing on January 1, 1980. The term of office and compensation of the eight members thus appointed, and the manner of removal and filling of vacancies, shall be as provided in section 15.0575, except that the initial term of all members shall be ~~four years~~ *extend until 90 days after the board makes the decisions required by section 115A.28* and the rate of compensation shall be \$50 per day spent on board activities. The ninth permanent member of the board shall be the chairperson who shall be appointed by the governor with the advice and consent of the senate. The chairperson shall serve at the pleasure of the governor for a term coterminous with that of the governor, except that the initial term of the chairperson shall be ~~four years~~ *extend until 90 days after the board makes the decisions required by section 115A.28*. The chairperson shall be the executive and operating officer of the board and shall determine the time and place of meetings, preside at meetings, appoint all board officers and hire and supervise all employees subject to the approval of the board, carry out the policy decisions of the board, and perform all other duties and functions assigned to him by the board or by law. No permanent member of the board shall hold other elected or appointed public office.

Sec. 8. Minnesota Statutes 1982, section 115A.05, subdivision 3, is amended to read:

Subd. 3. [TEMPORARY MEMBERS.] ~~For the purposes of each project review conducted by the board under sections 115A.18 to 115A.30 and 115A.32 to 115A.39 and for the purpose of preparing and adopting the hazardous waste management plan under section 115A.11 and making decisions on the elements of the certification of need for disposal required under sections 115A.18 to 115A.30, six~~ Local representatives shall be added to the board as temporary voting members, as provided in sections 17; 115A.22, subdivision 4; and 115A.34. The provisions of section 15.0575, subdivisions 3 and 4 relating to compensation, removal, and vacancy shall apply to temporary members except that the rate of compensation shall be \$50 per day spent on board activities and that appointments by the governor to fill vacancies shall take effect in the same manner as the original appointment.

Sec. 9. Minnesota Statutes 1982, section 115A.06, subdivision 4, is amended to read:

Subd. 4. [ACQUISITION OF SITES FOR HAZARDOUS WASTE FACILITIES.] The board may direct the commissioner of administration to acquire by purchase, lease, condemnation, gift, or grant, any permanent or temporary right, title, and interest in and to real property, including positive and negative easements and water, air, and development rights, for sites and buffer areas surrounding sites for hazardous waste facilities approved by the board pursuant to sections 115A.18 to 115A.30 and 115A.32 to 115A.39. The board may also direct the commissioner of administration to acquire by

purchase, lease, gift, or grant, development rights for sites and buffer areas surrounding sites for all or part of the period that the development ~~moratorium~~ *limitations* imposed by section 115A.21, subdivision 3, ~~is~~ *are* in effect. Money for the acquisition of any real property and interest in real property pursuant to this subdivision shall come from the issuance of state waste management bonds in accordance with sections 115A.57 to 115A.59. The property shall be leased *in accordance with terms determined by the board* to the owner and operator of the hazardous waste facility located thereon at a rate sufficient to pay debt service on the bonds which provided funds used to acquire the property and to evaluate the eligibility of the property for inclusion in the inventory under section 115A.09 or candidacy under sections 115A.18 to 115A.30. Any local government unit and the commissioners of transportation, natural resources, and administration may convey or allow the use of any property for such sites and areas, subject to the rights of the holders of any bonds issued with respect thereto, with or without compensation and without an election or approval by any other government agency. Land owned by the state may be exchanged for land not owned by the state for the purpose of providing a site and buffer area for a commercial hazardous waste facility, in accordance with the provisions of section 94.341 to 94.347 and other law. The commissioner of administration may hold the property for the purposes for which it was acquired, and may lease, rent, or dispose of the property so far as not needed for such purposes, upon the terms and in the manner the commissioner deems advisable. The right to acquire lands and property rights by condemnation shall be exercised in accordance with chapter 117. The commissioner of administration may take possession of any property for which condemnation proceedings have been commenced at any time after the issuance of a court order appointing commissioners for its condemnation. Where the property is acquired through eminent domain proceedings, the land owner's compensation shall be the fair market value of the property. Where the property is acquired by means other than through eminent domain proceedings, as by direct purchase or gift, the land owner's compensation shall be determined by the agreement of the parties involved. An award of compensation in a condemnation proceeding shall not be increased or decreased by reason of any increase or decrease in the value of the property caused by its designation in the inventory of preferred areas under section 115A.09 or as a candidate site under sections 115A.18 to 115A.30 or its selection as a site or buffer area.

Sec. 10. Minnesota Statutes 1982, section 115A.08, subdivision 4, is amended to read:

Subd. 4. [REPORT ON HAZARDOUS WASTE MANAGEMENT; DRAFT MANAGEMENT PLAN AND CERTIFICATION OF NEED.] By ~~August 15, 1982~~ *November 1, 1983*, the board through its chairperson shall ~~issue a report to the legislative commission~~ *issue a report to the legislative commission* on hazardous waste management. The report shall include at least:

(a) an evaluation of alternative disposal facilities, disposal facility technologies, and disposal facility design and operating specifications ~~and an explanation of the preliminary design and operating specifications for disposal facilities selected for consideration under section 115A.23;~~

(b) an evaluation of prospects, strategies, and methods for developing commercial hazardous waste disposal facilities of various types, sizes, and

functions;

(c) an evaluation of all feasible and prudent alternatives to disposal, including waste reduction, separation, pretreatment, processing, and resource recovery, and the potential of the alternatives to reduce the need for and practice of disposal;

(d) an evaluation of feasible and prudent disposal abatement objectives, along with a description of hazardous waste management methods and technologies, private and government actions, facilities and services, development schedules, revenue-raising measures, and levels of public and private expenditure and effort necessary to the achievement of those objectives;

(e) an evaluation of implementation strategies, including at least:

(1) waste reduction, on-site processing, and off-site management by generators;

(2) changes and improvements in regulation, licensing, permitting, and enforcement;

(3) government tax and financing programs to encourage proper waste management;

(4) institutional alternatives, such as generator associations, cooperatives, franchises, public ownership, and flow control districts;

(5) promotion of private investment;

(6) interstate cooperation;

(f) an evaluation of the possibilities for negotiating long-term contracts with other states or with facilities in other states for disposal or processing of hazardous waste from Minnesota.

The report shall analyze the environmental, social, and economic effects of the alternatives and methods by which unavoidable adverse effects could be mitigated.

~~The report shall include a draft hazardous waste management plan, based on the analysis in the report and proposed for adoption pursuant to section 115A.11, and a draft certificate or certificates of need proposed for issuance under section 115A.24.~~

Sec. 11. Minnesota Statutes 1982, section 115A.08, subdivision 5, is amended to read:

Subd. 5. [REPORT ON MITIGATION OF LOCAL EFFECTS OF HAZARDOUS WASTE FACILITIES.] ~~By August 15, 1982~~ *With the report required by subdivision 4, the board through its chairperson shall issue a report and make recommendations to the legislative commission on methods of mitigating and compensating for the local risks, costs, and other adverse effects of various types of hazardous waste facilities and on methods of financing mitigation and compensation measures. The methods of mitigating and compensating to be considered shall include but not be limited to the following: payment outside of levy limitations in lieu of taxes for all property taken off the tax rolls; preference in reviews of applications for federal funds conducted by the metropolitan council and regional development*

commissions; payment of all costs to service the facilities including the cost of roads, monitoring, inspection, enforcement, police and fire, and litter clean up costs; payment for buffer zone amenities and improvement; local control over buffer zone design; a guarantee against any and all liability that may occur.

Sec. 12. Minnesota Statutes 1982, section 115A.08, subdivision 5a, is amended to read:

Subd. 5a. [REPORT ON ASSURANCE OF SECURITY OF HAZARDOUS WASTE FACILITIES.] With the report required by subdivision 5, the board through its chairperson shall *issue a* report and make recommendations ~~to the legislative commission~~ on methods of assuring the security of commercial hazardous waste facilities. The report and recommendations shall be based on the need to assure: effective monitoring and enforcement during operation; effective containment, control, and corrective action in any emergency situation; financial responsibility of the owner and operator throughout the operating life of the facility, using performance bonds, insurance, escrow accounts, or other means; proper closure; financial responsibility after closure; and perpetual post-closure monitoring and maintenance. The report shall include recommendations on the source of funds, including operator contributions, fee surcharges, taxes, and other sources; the amount of funds; effective protection and guarantee of funds; administration; regulatory and permit requirements; the role of local authorities; and other similar matters.

Sec. 13. Minnesota Statutes 1982, section 115A.08, subdivision 6, is amended to read:

Subd. 6. [PREPARATION OF HAZARDOUS WASTE REPORTS; PROCEDURES; PUBLIC INVOLVEMENT.] By January 1, 1981, the board through its chairperson shall submit a proposed scope of work and work program for the hazardous waste reports required by subdivisions 4 and 5 to the legislative commission for review. During the preparation of the proposed scope of work and work plan and the reports, the board and the chairperson on behalf of the board shall encourage public debate and discussion of the issues relating to the reports. ~~The board and the chairperson on behalf~~ *Representatives* of the board, *including at least one permanent member*, shall meet with local officials and sponsor at least one public meeting in areas of the state affected by the inventory of preferred processing facility areas prepared pursuant to section 115A.09. The board and the chairperson on behalf of the board shall follow the procedures set out in section 115A.22, for consulting with citizens in areas affected by the selection of candidate sites for disposal facilities. To assist it in preparing the reports, *the plan, and the certification of need* required by subdivisions 4 ~~and 5~~ *to 5a and sections 115A.11 and 115A.24*, the board through its chairperson shall make grants to each local project review committee established for a candidate site for disposal identified under sections 115A.18 to 115A.30. The grants may be used by the committee to employ staff, pay administrative expenses, or contract with affected units of government or qualified consultants. The board and the chairperson on behalf of the board shall request recommendations from the private waste management industry, the board's advisory councils, affected regional development commissions, and the metropolitan council and shall consult with them on the board's

intended disposition of the recommendations. The reports of the board shall summarize the comments received and the board's response to the comments. *Copies of the reports must be submitted to the legislative commission on waste management.*

Sec. 14. Minnesota Statutes 1982, section 115A.10, is amended to read:

115A.10 [DUTIES OF THE BOARD; HAZARDOUS WASTE FACILITIES; ENCOURAGEMENT OF PRIVATE ENTERPRISE.]

The board and the chairperson on behalf of the board shall encourage the development and operation of hazardous waste facilities by private enterprise to the extent practicable and consistent with the purposes of sections 115A.01 to 115A.72 and the board's hazardous waste management plan adopted pursuant to section 115A.11. In preparing the reports under section 115A.08 and the inventory of processing facility sites under section 115A.09, in adopting the management plan, and in its actions and decisions under sections 115A.18 to 115A.30 and 115A.32 to 115A.39, the board and the chairperson on behalf of the board shall solicit the active participation of private waste management firms and shall so conduct its activities as to encourage private permit applications for facilities needed in the state. The board shall promulgate rules for accepting, and evaluating, and selecting applications for permits for the construction and operation of facilities at sites preferred or selected by the board pursuant to section 115A.09 or sections ~~115A.18 to 115A.30~~. The rules shall include standards and procedures for making determinations on the minimum qualifications, including technical competence and financial capability, of permit applicants. ~~The rules shall include standards and procedures for soliciting and accepting bids or permit applications and for selecting developers and operators of hazardous waste disposal facilities at sites chosen by the board pursuant to sections 115A.18 to 115A.30, which shall include a preference for qualified permit applicants who control a site chosen by the board.~~

Sec. 15. Minnesota Statutes 1982, section 115A.11, subdivision 1, is amended to read:

Subdivision 1. [CONTENTS.] ~~By December 15, 1982,~~ The board shall adopt a hazardous waste management plan. In developing and implementing the plan, the highest priority of the board shall be placed upon alternatives to land disposal of hazardous wastes including: technologies to modify industrial processes or introduce new processes which will reduce or eliminate hazardous waste generation; recycling, re-use, and recovery methods to reduce or eliminate hazardous waste disposal; and conversion and treatment technologies to reduce the degree of environmental risk from hazardous waste. The board shall also consider technologies for retrievable storage of hazardous wastes for later recycling, re-use, recovery, conversion, or treatment.

The plan shall include at least the following elements:

(a) an estimate of the types and volumes of hazardous waste which will be generated in the state through the year 2000;

(b) specific and quantifiable objectives for reducing to the greatest feasible and prudent extent the need for and practice of disposal, through waste reduction, pretreatment, retrievable storage, processing, and resource re-

covery;

(c) a description of the minimum disposal capacity and capability needed to be developed within the state for use through the year 2000, based on the achievement of the objectives under clause (b);

(d) a description of implementation strategies required to develop the needed disposal capacity under clause (c) and to achieve the objectives under clause (b), including: the necessary private and government actions; development schedules for facilities, services, and regulations; revenue-raising and financing measures; levels of public and private effort and expenditure; legal and institutional changes; and other similar matters.

The plan shall provide for the orderly development of hazardous waste management sites and facilities to protect the health and safety of rural and urban communities. In preparing the plan the board shall consider its impact upon agriculture and natural resources.

The plan shall require the establishment in the state of at least one commercial retrievable storage or disposal facility and *shall recommend and encourage methods and procedures that will insure the establishment of at least one facility for the recycling, re-use, recovery, conversion, treatment, destruction, transfer, or storage of hazardous waste.* The board may make the implementation of elements of the plan contingent on actions of the legislature which have been recommended in the *draft plan and certification of need and considered in the reports submitted pursuant to section 115A.08.*

Sec. 16. Minnesota Statutes 1982, section 115A.11, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE.] The plan shall be based upon the reports prepared pursuant to section 115A.08. The plan, *the certificate of need issued under section 115A.24, and the procedures for hearings on the draft plan and draft certificate of need,* shall not be subject to the rule-making or contested case provisions of chapter 14. *By July 1, 1983, the chairman of the board shall report to the legislative commission on waste management about the hearing to be held pursuant to this subdivision. The chairman shall describe the board's plans and procedures for the hearing, the provisions for encouraging public participation in the hearing, and the board's plans for preparing the required report to the legislature fully and accurately summarizing the results of the hearing, the objections raised to the board's draft plan and certification, and the board's response to the testimony received. The legislative commission shall hold a hearing to receive public comment on the board's proposed hearing procedures and thereafter shall make any recommendations it deems appropriate for changes in the board's procedures. Following the submission of the report on hazardous management required under section 115A.08, subdivision 4, By November 1, 1983, the board through its chairperson shall issue a draft hazardous waste management plan proposed for adoption pursuant to this section, and a draft certificate or certificates of need proposed for issuance under section 115A.24. The draft plan and certificates must include an explanation of the basis of the findings, conclusions, and recommendations contained therein. The board shall hold a public hearing on the draft plan and draft certificate or certificates of need contained in the report within 30 days of their issuance. Notices*

of the draft plan and the draft certificate or certificates and notice of the hearing shall be published in the state register and newspapers of general circulation in the state. *The notices must indicate how copies of the draft plan and draft certificate or certificates of need may be obtained. The board shall make the draft plan and draft certificate or certificates of need available for public review and comment at least 21 days before the hearing.* The hearing shall be ordered by the chairperson of the board and shall be conducted by the state office of administrative hearings in a manner consistent with the completion of the proceedings in the time allowed by this section. *The hearing officer shall not issue a report but shall preside at the hearing to ensure that the hearing is conducted in a fair, orderly, and expeditious manner and in accordance with the hearing procedures of the board.* A majority of the permanent members of the board shall attend the hearing. In connection with the hearing, the chairperson of the board shall provide copies of the studies and reports on which the draft plan and certification of need are based and shall ~~make an affirmative presentation showing the need for and reasonableness of the draft plan and certification of need~~ *present an explanation of the basis of the findings, conclusions, and recommendations in the draft plan and certification of need.*

Within 15 days following the hearing the director of the agency shall issue a hazardous waste pollution control report. The report must be submitted to the legislative commission. The report must be based on existing and proposed federal and state pollution control rules and available information and expertise on the character, nature, and degree of hazard of the types and categories of hazardous waste identified in the plan. The report must:

(a) assess the pollution control problems and risks associated with each type and category of hazardous waste identified by the draft certification of need as eligible for disposal, before or after pretreatment, at a facility or facilities of the type and design selected by the board, and identify design and pretreatment alternatives or other methods for dealing with those problems and risks;

(b) identify at least one specific alternative technology for dealing with each waste which the report recommends should not be certified for disposal, and assess the pollution control problems and risks associated with the alternatives;

(c) assess the pollution control problems and risks associated with each standard and criteria contained in the plan and certification for determining the eligibility or ineligibility of waste for disposal;

(d) assess the pollution control programs and risks associated with the processing and other alternatives to disposal which are recommended in the plan for specific types or categories of hazardous waste, and identify methods for dealing with those problems and risks.

Within 30 days following the hearing, the board shall revise the draft plan and the draft certificate or certificates of need as it deems appropriate, shall make a written response to the testimony received at the hearing and to the agency's report explaining its disposition of any recommendations made with respect to the plan and certification, and shall finally adopt a plan in accordance with this section and issue a certificate or certificates of need in accordance with section 115A.24 submit to the legislative commission the

revised draft plan and certification of need, together with a report on the testimony received, the board's response, and the results of the hearing process.

Sec. 17. [115A.201] [BEDROCK DISPOSAL.]

Subdivision 1. [EVALUATION OF TECHNOLOGY; STUDY AREAS.] The board shall evaluate the feasibility of bedrock disposal of hazardous waste. If the board determines that bedrock disposal is or may be a feasible disposal technology, the board shall identify bedrock study areas of up to four square miles in size for further evaluation.

Subd. 2. [PARTICIPATION BY AFFECTED LOCALITIES.] A plan review committee shall be established for each study area and a temporary board member shall be appointed as provided in this subdivision, to participate in the preparation of the draft plan and certification of need to be issued under section 115A.11 and adopted under sections 115A.11 and 115A.24. Within 30 days following the identification of a bedrock study area by the board, the governor shall appoint the chair and members of a plan review committee, ensuring a balanced representation of all parties with a legitimate and direct interest in the review of the plan and certification of need. The plan review committee shall be eligible for technical assistance and grants pursuant to section 115A.08, subdivision 6, to assist it in participating in the plan and certification of need. Within 30 days following the appointment of a plan review committee, the committee shall select a temporary board member to be added to the board. Temporary board members may be members of the local plan review committee, and they shall be residents of the county in which the study area is primarily located. Temporary board members shall serve for terms lasting so long as the location the member represents is a study area. Temporary board members shall not participate or vote in decisions affecting the selection and certification of sites under this section and section 115A.21.

Subd. 3. [CANDIDATE SITES.] If the board determines that candidate sites are to be selected in the bedrock study areas, the candidate sites must be proposed and selected as provided in section 115A.21, subdivisions 1 and 2a.

Sec. 18. Minnesota Statutes 1982, section 115A.21, is amended to read:

115A.21 [CANDIDATE SITES.]

Subdivision 1. [SELECTION.] ~~By March 15, 1982,~~ The board shall select ~~six~~ at least four locations in the state, no more than one site per county, as candidate sites for commercial disposal facilities for hazardous waste. ~~Candidate sites selected by the board before February 1, 1983, and additional candidate sites selected pursuant to this section, must be reviewed pursuant to sections 115A.22 to 115A.30.~~ No location shall be selected as a candidate site unless the agency certifies its intrinsic suitability for the use intended pursuant to subdivision 2a.

Subd. 2. [SEARCH PROCEDURE.] The board shall consult with the agency and the private waste management industry in selecting candidate sites. Any sites proposed in applications for permits for disposal facilities being reviewed by the agency may be included by the board as candidate sites, provided the agency certifies the intrinsic suitability of the sites. The

agency shall suspend its review of any permit application being reviewed by the board for inclusion as a candidate site until the site is eliminated from consideration as a candidate site.

~~Subd. 2. [PROCEDURE.]~~ As soon as practicable, the board through its chairperson shall publish a request soliciting proposals and permit applications for hazardous waste disposal facilities from potential developers and operators of such facilities. Notice of the request shall be published in the state register and newspapers of general circulation in the state and shall be transmitted to all regional development commissions, the metropolitan council, and all counties in the state. The board may select conceptual design and operating specifications for a variety of hazardous waste disposal facilities in sufficient detail and extent in the judgment of the board to assist the evaluation of sites and the selection of candidate sites. By November 1, 1980, the board through its chairperson shall notify each regional development commission, or the metropolitan council, and each local government unit within whose jurisdiction the board intends to search for candidate sites. The notification shall explain the selection of the jurisdiction as a search area; shall summarize any conceptual specifications and the evaluation factors, criteria, standards, and procedures the board intends to use in selecting candidate sites; and shall describe the relationship of the candidate site selection process to the other review procedures under sections 115A.18 to 115A.30 and the hazardous waste reports and plans required under sections 115A.04 to 115A.15. The notification shall request recommendations and suggestions from each such commission, the metropolitan council, and local government unit on the criteria, standards, and procedures the board should use in selecting candidate sites within the time allowed. The board through its chairperson shall make a written response to any recommendations, explaining its disposition of the recommendations. *No action of the board may be held invalid by reason of the board's failure to notify any of the entities listed in this subdivision.*

Subd. 2a. [INTRINSIC SUITABILITY CERTIFICATION.] The board shall provide to the agency data relating to the intrinsic suitability of ~~the sites a site to be proposed as a candidate sites site~~ as soon as available ~~but no later than November 1, 1981. By November 15, 1981, the board shall propose at least six locations as candidate sites, and.~~ The director of the agency shall issue a notice indicating ~~which of those sites whether~~ the director recommends ~~that the proposed sites should~~ be certified as intrinsically suitable. The board through its chairperson and the director shall publish notice of hearings on the board's proposal and the director's recommendations. Notice shall be published in the state register and newspapers of general circulation in the state and shall be sent by mail to all regional development commissions, or the metropolitan council, and to local government units containing a proposed candidate site. The hearings shall be conducted by the state office of administrative hearings in a manner consistent with the completion of the proceedings and the hearing examiner's report to the agency and board in the time allowed by this section. The hearing shall afford all interested persons an opportunity to testify and present evidence on the subject of the hearing. The subject of the hearing shall be limited to information submitted by the board and additional information on the proposed sites which is relevant to the board's decision on candidate sites and the agency's decision on intrinsic suitability. The rulemaking and contested case procedures of chapter 14 shall not apply to this hearing. The hearing examiner may consolidate hearings. The report of the hearing examiner shall contain findings of fact, conclusions, and recommendations on the

subject of the hearing. The agency shall make a final determination as to the intrinsic suitability of each proposed site and shall certify sites accordingly by March 1, 1982. No action of the board or agency shall may be held invalid by reason of the board's or agency's failure to notify any of the entities listed in this subdivision.

Subd. 3. [MORATORIUM DEVELOPMENT LIMITATIONS.] In order to permit the comparative evaluation of sites and buffer areas and the participation of affected localities in decisions about the use of sites and buffer areas, a moratorium is hereby imposed as provided in this subdivision on all development within each proposed or candidate site identified pursuant to this section development in each candidate site and in a buffer area identified by the board surrounding and at least equal in area to the site shall be limited to development consistent with the development plans, land use classifications, and zoning and other official controls applying to the property on February 1, 1983. No development inconsistent with the plans, use classification, controls, and zoning requirements; no transfers or change of use of public land; and no conditional uses may be permitted. The moratorium on candidate sites and buffer areas development limitations shall extend until the board chooses a final candidate site or final candidate sites pursuant to this article. The moratorium on the final sites and buffer areas shall extend until six months following final action of the board pursuant to sections 115A.18 to 115A.30. No development shall be allowed to occur within a proposed site or buffer area during the period of the moratorium without the approval of the board section 115A.28. No plan, land use classification, official control, or zoning of any political subdivision shall permit or be amended to permit development which has not been approved by the board inconsistent with the requirements of this section, nor shall any political subdivision sanction or approve any subdivision, permit, license, or other authorization which would allow development to occur which has not been approved by the board. The board shall not approve actions which would jeopardize the availability of a candidate site for use as a hazardous waste facility. The board may establish guidelines for reviewing requests for approval under this subdivision. The guidelines shall not be subject to the rule-making provisions of chapter 14. Requests for approval shall be submitted in writing to the chairperson of the board and shall be deemed to be approved by the board unless the chairperson otherwise notifies the submitter in writing within 15 days inconsistent with the requirements of this section.

Sec. 19. Minnesota Statutes 1982, section 115A.22, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] In order systematically to involve those who would be affected most directly by disposal facilities in all decisions leading to their establishment, the board's decisions on reports referred to in subdivision 7, the preliminary specifications plan adopted under section 115A.23 115A.11, and the certification of need required under section 115A.24 shall not be made until after the establishment of local project review committees for each candidate site, with representation on the board, pursuant to this section.

Sec. 20. Minnesota Statutes 1982, section 115A.22, subdivision 3, is amended to read:

Subd. 3. [MEMBERSHIP ON LOCAL COMMITTEES.] By April 15, 1982 Within 60 days following the selection of a candidate site under section 115A.21, the governor shall appoint the chairperson and members of each

the local project review committee, ensuring a balanced representation of all parties with a legitimate and direct interest in the outcome of the project review. The governor shall consult particularly with affected local units of government before selecting members. Members may be added to the local committee from time to time by the governor.

Sec. 21. Minnesota Statutes 1982, section 115A.22, subdivision 4, is amended to read:

Subd. 4. [APPOINTMENT OF TEMPORARY BOARD MEMBERS.] ~~By May 15, 1982, each~~ *Within 30 days following the appointment of a local project review committee, the local committee shall select a temporary board member to be added to the board for the purposes of the reports, to be issued under section 115A.08, the plan to be adopted under section 115A.11, and the need certifications; and review of candidate sites conducted under sections 115A.18 to 115A.30. Temporary board members shall not participate or vote in decisions affecting the selection and certification of sites under sections 17 and 115A.21. If a local committee fails to appoint a temporary board member within 45 days after the appointment of the committee the time permitted by this subdivision, the governor shall appoint a temporary board member to represent the committee on the board. Temporary board members may be members of the local project review committee, and they shall be residents of the county where the candidate site is located. Temporary board members shall serve for terms lasting until the board has taken final action pursuant to section 115A.28 and as long as the location the member represents is a candidate site or, in the case of members representing the site or sites finally chosen for the facility, until the commencement of the operation of the facility at that site.*

Sec. 22. Minnesota Statutes 1982, section 115A.22, subdivision 6, is amended to read:

Subd. 6. [TECHNICAL ASSISTANCE; GRANTS.] *To assist local project review committees to participate in the certification of need and the review process preparation of environmental impact statements and permit applications, the board through its chairperson shall make grants to the committees to be used to employ staff, pay administrative expenses, or contract with affected units of government or qualified consultants. The board through its chairperson shall ensure the delivery to the committees of technical information and assistance by appropriate state agencies.*

Sec. 23. Minnesota Statutes 1982, section 115A.22, subdivision 7, is amended to read:

Subd. 7. [HAZARDOUS WASTE MANAGEMENT REPORTS.] *The chairperson and the board shall prepare and submit the hazardous waste management reports required by section 115A.08, subdivisions 4 and 5 to 5a, in consultation with the local project review committees. The chairperson and the board shall request recommendations from the local committees and shall consult with the committees on the board's intended disposition of the recommendations. The reports of the board shall summarize the recommendations of the committees and the board's response to the recommendations. Before submitting the reports, the board shall hold at least one public meeting in each county in which a candidate site is located. A majority of the permanent members shall be present at each meeting. Notice of*

the meeting shall be published in a newspaper or newspapers of general circulation in the area for two successive weeks ending at least 15 days before the date of the meeting. The notice shall describe the proposed facilities, the proposed location, the purpose of the board's report to the legislature, and the subsequent and related activities of the board.

Sec. 24. Minnesota Statutes 1982, section 115A.24, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATE.] Except as provided in subdivision 2, ~~by December 15, 1982,~~ on the basis of and consistent with its hazardous waste management plan adopted under section 115A.11, the board shall issue a certificate or certificates of need for disposal facilities for hazardous wastes in the state. The certificate or certificates shall indicate the types and volumes of waste for which disposal facilities are and will be needed through the year 2000 and the number, types, ~~sizes, general design and operating specifications~~ capacity, and function or use of the disposal facilities needed in the state. ~~Before finally adopting the certificate of need the board shall submit it to the agency for a revision of the hazardous waste pollution control report required under section 115A.11, subdivision 2.~~ The board shall certify need only to the extent that the board has determined that there are no feasible and prudent alternatives including waste reduction, separation, pretreatment, processing, and resource recovery which would minimize adverse impact upon air, water, land and all other natural resources, provided that the board shall require the establishment of at least one commercial disposal facility in the state. Economic considerations alone shall not justify certification nor the rejection of alternatives. Alternatives that are speculative and conjectural shall not be deemed to be feasible and prudent. The board shall consider all technologies being developed in other countries as well as in the United States when it considers the alternatives to hazardous waste disposal. The certificate or certificates shall not be subject to the provisions of chapter 14 but shall be the final determination required on the matters decided by the certificate or certificates and shall have the force and effect of law. The certificate or certificates shall not be amended for five years *except as provided in section 36.* ~~The board and the permitting agencies,~~ In reviewing and selecting sites, completing *and determining the adequacy of* environmental impact statements, and issuing approvals and permits for waste disposal facilities described in the certificate or certificates of need, ~~shall not reconsider matters determined in the certification shall not be reconsidered except as otherwise provided in section 36.~~ The board and the permitting agencies shall be required to make a final decision approving the establishment of facilities consistent with the certification. ~~The board and the permitting agencies shall be required to make a final decision approving the establishment of at least one commercial disposal facility for hazardous waste in the state except as otherwise provided in section 36.~~

Sec. 25. [115A.241] [PARTICIPATION BY FACILITY DEVELOPERS AND OPERATORS.]

The board shall solicit the participation of private developers and operators of waste facilities in the evaluation of hazardous waste disposal sites and facility specifications. To qualify for consideration as a developer or operator, a person shall submit a letter of intent to the board within 90 days following the publication of the board's draft plan pursuant to section 115A.08,

subdivision 4. To qualify for selection as a developer or operator, a person shall submit operability reports to the board at least 60 days before the board's hearings under section 115A.27. The letters of intent and reports shall be in the form and contain the information deemed appropriate by the board.

Sec. 26. Minnesota Statutes 1982, section 115A.25, subdivision 1, is amended to read:

115A.25 [AGENCY; ENVIRONMENTAL REVIEW PROCEDURES.]

Subdivision 1. [ENVIRONMENTAL IMPACT STATEMENT.] ~~A~~ ~~A~~ ~~phased~~ environmental impact statement ~~meeting the requirements of chapter 116D~~ shall be completed by the board and the agency on disposal facilities at each candidate site. ~~The statement shall be finally accepted or rejected within 120 days following the issuance of a certificate or certificates of need under section 115A.24. The statement must be prepared and reviewed in accordance with chapter 116D and the rules issued pursuant thereto, except as otherwise required by this section and sections 115A.11, 115A.24, 115A.28, and 115A.30. The board and agency shall follow the procedures in subdivisions 2 and 3 in lieu of the scoping requirements of chapter 116D and rules issued pursuant thereto. The statement shall be completed in two phases as provided in sections 27 and 28.~~

Sec. 27. Minnesota Statutes 1982, section 115A.25, is amended by adding a subdivision to read:

Subd. 1a. [PHASE I.] Phase I of the statement shall be completed by the board on the environmental effects of the board's decision on sites and facility specifications under section 115A.28. Phase I of the statement shall not address or reconsider alternative sites or facility numbers, types, capacity, function, and use which have been eliminated from consideration by the board's decisions under sections 115A.21 and 115A.24. The determination of the adequacy of phase I of the statement is exclusively the authority of the board. The governor shall establish an interagency advisory group to comment on the scope of phase I of the statement, to review drafts, and to provide technical assistance in the preparation and review of phase I of the statement. The advisory group shall include representatives of the agency, the departments of natural resources, health, agriculture, energy, planning and development, and transportation, and the Minnesota geological survey. In order to obtain the staff assistance necessary to prepare the statement, the chairperson of the board may request reassignment of personnel pursuant to section 16.21 and may arrange to have other agencies prepare parts of the statement pursuant to section 16.135.

Sec. 28. Minnesota Statutes 1982, section 115A.25, is amended by adding a subdivision to read:

Subd. 1b. [PHASE II.] Phase II of the statement shall be completed by the agency as a supplement to phase I specifically for the purpose of examining the environmental effects of the permitting decisions required to be made by the permitting agencies under section 36. In preparing, reviewing, and determining the adequacy of phase II of the statement, the agency shall not repeat or duplicate the research and analysis contained in phase I of the statement, unless the agency determines that the information available is not

adequate or that additional information is necessary to examine the environmental effects of the permitting decisions. Phase II of the statement shall not address or reconsider alternative sites and facility numbers, types, capacity, function, and use which have been eliminated from consideration by the board's decisions under sections 115A.21, 115A.24, and 115A.28. The determination of adequacy of phase II of the statement must be made by the agency within 180 days following submission of the preliminary permit application or applications under section 36. The determination of the adequacy of phase II of the statement is exclusively the authority of the agency.

Sec. 29. Minnesota Statutes 1982, section 115A.25, subdivision 2, is amended to read:

Subd. 2. [PUBLIC DISCLOSURE.] Before commencing preparation of a phase of the environmental impact statement, the board or agency shall issue a document summarizing and making full disclosure of the intended objectives and contents of the environmental impact statement and the environmental review. Announcement of the disclosure shall be published in the state register, the environmental quality board monitor, and appropriate newspapers of general distribution. The disclosure shall:

(a) identify the candidate sites;

(b) summarize preliminary design and operating facility specifications and indicate where and when the specifications are available for inspection;

(c) describe as fully as possible the object of the review, including the significant actions, issues, alternatives, types of impacts, and compensation and mitigation measures expected to be addressed in the statement; the depth of the analysis expected; and subjects which the statement will not address in depth because they have been disposed of previously or because they are believed to be insignificant or remote and speculative;

(d) identify, by reference and brief summary, any related planning activities and environmental reviews which have been, are being, or will be conducted, and the substantive, chronological, and procedural relationship between the proposed review and the other activities and reviews;

(e) identify the membership and address of the local project review committees and the names of the local representatives on the board;

(f) summarize the comments and suggestions received from the public pursuant to subdivision 3 and the board's or agency's response.

Sec. 30. Minnesota Statutes 1982, section 115A.25, subdivision 3, amended to read:

Subd. 3. [PUBLIC PARTICIPATION PROCEDURES.] The public disclosure document shall be issued following diligent effort to involve the public in determining the objective and contents of the environmental impact statement. At least one public meeting shall be held in each county with a candidate site. The advice of the board, facility developers, state agencies, the local project review committees, and local units of government shall be actively solicited. The board or agency may engage the state hearing examiner to conduct meetings and make recommendations concerning the review. Each local project review committee shall present to the board or agency a written report summarizing local concerns and attitudes about the

proposed action and the specific issues which the local communities and residents wish to see addressed in the environmental review.

Sec. 31. Minnesota Statutes 1982, section 115A.26, is amended to read:

115A.26 [AGENCIES; REPORT ON PERMIT CONDITIONS AND APPLICATION REQUIREMENTS.]

Within ~~60~~ 30 days following the board's determination of the adequacy of the final phase I of the environmental impact statement, and after consulting with the board, facility developers, affected local government units, and the local project review committees, the chief executive officer of each permitting state agency shall issue a notice of intent to issue permits indicating, to the board draft reports on permit conditions and permit application requirements at each candidate site. The reports must indicate, to the extent possible based on existing information, the probable terms, conditions, and requirements of agency approval for all permits needed at each candidate site for the establishment of the facilities described in the board's certification of need permits, including the types and categories of waste eligible for disposal with or without pretreatment, and the probable supplementary documentation that will be required for phase II of the environmental impact statement under section 115A.25 and for permit applications under section 36. The reports may be revised following the hearings under section 115A.27 as the chief executive officer deems necessary. The agency decisions shall reports must be consistent with the establishment of facilities in accordance with the certification of need.

Sec. 32. Minnesota Statutes 1982, section 115A.27, subdivision 2, is amended to read:

Subd. 2. [BOARD HEARINGS.] Within ~~90~~ 120 days following the issuance of agency notice of intent under section ~~115A.26~~ board's determination of the adequacy of phase I of the environmental impact statement under section 115A.25, the board shall conduct a hearing in each county containing a candidate site, for the purpose of receiving testimony on the sites and facilities to be established decisions required under section 115A.28. The hearings shall be ordered by the chairperson of the board and shall be conducted concurrently with any agency hearing regarding the site held pursuant to subdivision 1. The subject of the board hearing shall not extend to matters previously decided in the board's decision on sites under section 115A.21 and the certificate of need issued under section 115A.24. The hearing shall be conducted for the board by the state office of administrative hearings in a manner determined by the hearing examiner to be consistent with the completion of the proceedings in the time allowed. The proceedings shall and the hearing procedures are not be deemed a subject to the rule-making or contested case under provisions of chapter 14. The hearing officer shall not issue a report but shall preside at the hearings to ensure that the hearings are conducted in a fair, orderly, and expeditious manner and in accordance with the hearing procedures of the board. A majority of the permanent members of the board shall be present at the hearing.

Sec. 33. Minnesota Statutes 1982, section 115A.28, subdivision 1, is amended to read:

115A.28 [FINAL ACTION DECISION.]

Subdivision 1. [DECISION OF BOARD.] Within 60 days following final agency decisions on permits pursuant to sections 115A.26 and 115A.27, subdivision 1 and the conclusion of the hearings under section 115A.27, subdivision 2, and after consulting with private facility developers, the agency permitting agencies, affected local government units, and the local project review committees, the board shall finally select the site or sites for the facilities and shall submit or cause to be submitted final permit applications and the developer and operator of the facility and shall prescribe further specifications on the number, type, capacity, function, and use of the facilities as the board deems appropriate, consistent with the board's certification of need issued under section 115A.24. If the chairperson of the board determines that an agency notice of intent report on permit conditions and application requirements has been substantially revised following hearings held pursuant to section 115A.27, subdivision 2, the chairperson shall may delay the decision for 30 days and may order a public hearing to receive further testimony on the sites and facilities to be established. The proceeding shall be conducted as provided in section 115A.27, subdivision 2, except that hearings shall not be separately held in the affected counties and the issues relating to all agency notices reports shall be considered at one hearing. The board's decision and final permit applications shall embody all terms, conditions, and requirements of the permitting agencies, provided that the board may: (a) finally resolve any conflicts between state agencies regarding permit terms, conditions, and requirements, and (b) require more stringent terms, conditions, and requirements respecting the facility as may be consistent with the certification of need and the agency rules and permit conditions. The board's resolution of conflicts under clause (a) shall be in favor of the more stringent terms, conditions, and requirements. The board's decision and the permit applications shall provide for the establishment of facilities consistent with the board's certification of need.

Sec. 34. Minnesota Statutes 1982, section 115A.28, subdivision 2, is amended to read:

Subd. 2. [BOARD'S DECISION PARAMOUNT.] The board's decision under subdivision 1 shall be final and shall supersede and preempt requirements of state agencies and political subdivisions and the requirements of sections 473H.02 to 473H.17; except that a facility established pursuant to the decision shall be subject to those terms, conditions, and requirements in permits of state or federal permitting agencies embodied in the board's decision, the terms of lease determined by the board under section 115A.06, subdivision 4, and any requirements imposed pursuant to subdivision 3. The permitting agencies shall issue permits within 60 days following and in accordance with the board's final decision, and all permits shall conform to the terms, conditions, and requirements of the board's decision. Except as otherwise provided in this section, no charter provision, ordinance, regulation, permit, or other requirement of any state agency or political subdivision shall prevent or restrict the establishment, operation, expansion, continuance, or closure of a facility in accordance with the final decision and leases of the board and permits issued pursuant thereto by state or federal permitting agencies.

Sec. 35. Minnesota Statutes 1982, section 115A.28, subdivision 3, is amended to read:

Subd. 3. [LOCAL REQUIREMENTS.] A political subdivision may impose reasonable requirements respecting the construction, inspection, operation, monitoring, and maintenance of a facility. Any such require-

ments shall be subject to review by the ~~agency board~~ to determine their reasonableness and consistency with the establishment and use of a facility in accordance with the final decision ~~and lease~~ of the board and ~~by the agency to determine their reasonableness and consistency with permits issued pursuant thereto~~ of state and federal permitting agencies. The board or agency may approve, disapprove, suspend, modify, or reverse any such requirements. The decision of the ~~board or agency~~ shall be final.

Sec. 36. [115A.291] [PERMITS.]

Research and analysis necessary to the permit applications and permit decisions required under this chapter, and the supporting environmental study, must commence immediately following the board's decision under section 115A.28. Within 180 days following its final decision under section 115A.28, the board shall submit or cause to be submitted a preliminary application for permits for a facility or facilities consistent with its decision under section 115A.28. Following review by the permitting agencies and within 60 days following the agency's determination of the adequacy of phase II of the environmental impact statement, the board shall revise the application, or cause it to be revised, in accordance with the recommendations of the permitting agencies. In preparing its revised permit application, the board may amend its certification of need issued under section 115A.24 or its facility specifications under section 115A.28, if the board finds and determines, based upon the recommendations of the permitting agencies, that: (a) the amendments are necessary to secure permits for the construction and operation of the proposed facility at the proposed site, and (b) the recommendations and amendments are the result of new information or rules produced after the board's decisions under sections 115A.24 and 115A.28. Within 210 days following the submission of the revised permit application, the permitting agencies shall issue the necessary permits unless the pollution control agency determines that the facility or facilities proposed for permitting present environmental problems which cannot be addressed through the imposition of permit conditions.

Sec. 37. Minnesota Statutes 1982, section 115A.30, is amended to read:

115A.30 [JUDICIAL REVIEW.]

Any civil action maintained by or against the agency or board under sections 115A.18 to 115A.30 shall be brought in the county where the board is located and shall take precedence over all other matters of a civil nature and be expedited to the maximum extent possible. Any person aggrieved by a ~~final~~ decision of the board ~~authorizing facilities or an agency~~ under sections 115A.18 to 115A.30 may appeal therefrom within 30 days following all final decisions on the issuance of permits. Any appeal shall be conducted as a review of the administrative record as provided in ~~chapter 14~~ sections 14.63 to 14.70. No civil action shall be maintained pursuant to section 116B.03 with respect to conduct taken by a person pursuant to any environmental quality standard, limitation, regulation, rule, order, license, stipulation agreement or permit issued by the board under sections 115A.18 to 115A.30. Notwithstanding any provision of chapter 116B to the contrary, in any action brought under that chapter with respect to any decision or conduct undertaken by any person or the board or agency pursuant to sections 115A.18 to 115A.30 after the period for appeal under this section has

lapsed, the plaintiff shall have the burden of proving that the evidence required under section 116B.10 was not reasonably available within the time provided for appeal. The trial court shall, upon motion of any prevailing non-governmental party, award costs, disbursements, reasonable attorney's fees, and reasonable expert witness fees, if the court finds the action hereunder was commenced or defended in bad faith or was frivolous.

Sec. 38. Minnesota Statutes 1982, section 115A.54, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATION; ASSURANCE OF FUNDS.] The board shall provide technical and financial assistance for the acquisition and betterment of the facilities and transfer stations from revenues derived from the issuance of bonds authorized by section 115A.58. *Facilities for the incineration of solid waste without resource recovery are not eligible for assistance.* Of money appropriated for the purposes of the demonstration program, at least 70 percent shall be distributed as loans, and the remainder shall be distributed as grants. An individual project may receive assistance totaling up to 100 percent of the capital cost of the project and grants up to 50 percent of the capital cost of the project. No grant or loan shall be disbursed to any recipient until the board has determined the total estimated capital cost of the project and ascertained that financing of the cost is assured by funds provided by the state, by an agency of the federal government within the amount of funds then appropriated to that agency and allocated by it to projects within the state, by any person, or by the appropriation of proceeds of bonds or other funds of the recipient to a fund for the construction of the project.

Sec. 39. Minnesota Statutes 1982, section 115A.67, is amended to read:

115A.67 [ORGANIZATION OF DISTRICT.]

The governing body of each county wholly or partly within the district shall appoint two persons to serve on the first board of directors of the district, *except that in the case of a district having territory within only two counties each county may appoint three persons. At least one person appointed by each county shall be an elected official of a local government unit having territory within the district.* The first chairperson of the board of directors shall be appointed from outside the first board of directors by the chairperson of the waste management board ~~and shall be a local elected official within the district.~~ The first chairperson shall serve for a term of two years. Thereafter the chairperson shall be elected from outside the board of directors by majority vote of the board of directors. *Members of the board of directors shall be residents of the district.* The first meeting of the board of directors shall be held at the call of the chairperson, after notice, for the purpose of proposing the bylaws, electing officers and for any other business that comes before the meeting. The bylaws of the district, and amendments thereto, shall be adopted by a majority vote of the board of directors unless the certificate of incorporation requires a greater vote. The bylaws shall state:

(a) the manner and time of calling regular meetings of the representatives and the board of directors, not less than once annually;

(b) the title, manner of selection, and term of office of officers of the

district;

(c) the term of office of members of the board of directors, the manner of their removal, and the manner of filling vacancies on the board of directors;

(d) the powers and duties of the board of directors consistent with the order and articles of incorporation establishing the district;

(e) the definition of a quorum for meetings of the board of directors, which shall be not less than a majority of the members;

(f) the compensation and reimbursement for expenses for members of the board of directors, which shall not exceed that provided for in section 15.0575, subdivision 3; and

(g) such other provisions for regulating the affairs of the district as the board of directors shall determine to be necessary.

Sec. 40. Minnesota Statutes 1982, section 115A.70, subdivision 3, is amended to read:

Subd. 3. [EXEMPTION.] ~~The district shall not designate and require use of facilities for materials which are being separated from solid waste and recovered for reuse or recycling by the generator, by a private person under contract with the generator or by a licensed solid waste collector. The district shall not designate and require use of facilities for materials which are being delivered to another resource recovery facility. The designation may not apply to or include:~~

(a) materials which are separated from solid waste and recovered for reuse in their original form or for use in manufacturing processes; or

(b) materials other than those described in clause (a) which are being used at another resource recovery facility unless the district finds and determines that the required use is consistent with criteria and standards concerning displacement of existing facilities and with the evaluation of resource recovery designation which are required in the solid waste management plan of the district.

Sec. 41. Minnesota Statutes 1982, section 115A.70, is amended by adding a subdivision to read:

Subd. 7. [RELATIONSHIP TO COUNTY DESIGNATION PROCEDURES.] *A district need not repeat the designation procedures set out in subdivision 4 to the extent that these procedures have been completed by each county having territory in the district or by a joint powers board composed of each county having territory in the district. A district need not submit the designation for review pursuant to subdivision 2 if the designation has already been approved under section 115A.071 following submission by each county having territory in the district or by a joint powers board composed of each county having territory in the district.*

Sec. 42. Minnesota Statutes 1982, section 116.06, is amended by adding a subdivision to read:

Subd. 9i. *"Sludge" means any solid, semi-solid, or liquid waste generated from a municipal, commercial, or industrial waste water treatment plant, water supply treatment plant, or air contaminant treatment facility, or any*

other waste having similar characteristics and effects.

Sec. 43. Minnesota Statutes 1982, section 116.06, subdivision 13, is amended to read:

Subd. 13. "Hazardous waste" means any refuse, *sludge*, or ~~discarded~~ *other waste material* or combinations of refuse, *sludge* or ~~discarded~~ *other waste materials* in solid, semi-solid, liquid, or *contained* gaseous form which ~~cannot be handled by routine waste management techniques~~ because ~~they~~ *of its quantity, concentration, or chemical, physical, or infectious characteristics may (a) cause or significantly contribute to an increase in mortality or an increase in serious irreversible, or incapacitating reversible illness; or (b) pose a substantial present or potential hazard to human health or other living organisms because of their chemical, biological, or physical properties the environment when improperly treated, stored, transported, or disposed of, or otherwise managed.* Categories of hazardous waste materials include, but are not limited to: explosives, flammables, oxidizers, poisons, irritants, and corrosives. Hazardous waste does not include ~~sewage sludge and~~ *source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954, as amended.*

Sec. 44. Minnesota Statutes 1982, section 116.07, subdivision 4, is amended to read:

Subd. 4. [RULES AND STANDARDS.] Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the pollution control agency may adopt, amend and rescind rules and standards having the force of law relating to any purpose within the provisions of Laws 1969, Chapter 1046, for the prevention, abatement, or control of air pollution. Any such rule or standard may be of general application throughout the state, or may be limited as to times, places, circumstances, or conditions in order to make due allowance for variations therein. Without limitation, rules or standards may relate to sources or emissions of air contamination or air pollution, to the quality or composition of such emissions, or to the quality of or composition of the ambient air or outdoor atmosphere or to any other matter relevant to the prevention, abatement, or control of air pollution.

Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the pollution control agency may adopt, amend, and rescind rules and standards having the force of law relating to any purpose within the provisions of Laws 1969, Chapter 1046, for the collection, transportation, storage, processing, and disposal of solid waste and the prevention, abatement, or control of water, air, and land pollution which may be related thereto, and the deposit in or on land of any other material that may tend to cause pollution. The agency shall adopt such rules and standards for sewage sludge, addressing the intrinsic suitability of land, the volume and rate of application of sewage sludge of various degrees of intrinsic hazard, design of facilities, and operation of facilities and sites. The agency shall promulgate temporary rules for sewage sludge pursuant to sections 14.29 to 14.36. Notwithstanding the provisions of sections 14.29 to 14.36, the temporary rules shall be effective until permanent rules are promulgated or March 1, 1982, whichever is earlier. Any such rule or standard may be of general application throughout the state or may be limited as to times, places, circumstances, or conditions in order to make due allowance for variations

therein. Without limitation, rules or standards may relate to collection, transportation, processing, disposal, equipment, location, procedures, methods, systems or techniques or to any other matter relevant to the prevention, abatement or control of water, air, and land pollution which may be advised through the control of collection, transportation, processing, and disposal of solid waste and sewage sludge, and the deposit in or on land of any other material that may tend to cause pollution. By January 1, 1983, the rules for the management of sewage sludge shall include an analysis of the sewage sludge determined by the commissioner of agriculture to be necessary to meet the soil amendment labeling requirements of section 17.716.

Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the pollution control agency may adopt, amend and rescind rules and standards having the force of law relating to any purpose within the provisions of Laws 1971, Chapter 727, for the prevention, abatement, or control of noise pollution. Any such rule or standard may be of general application throughout the state, or may be limited as to times, places, circumstances or conditions in order to make due allowances for variations therein. Without limitation, rules or standards may relate to sources or emissions of noise or noise pollution, to the quality or composition of noises in the natural environment, or to any other matter relevant to the prevention, abatement, or control of noise pollution.

As to any matters subject to this chapter, local units of government may set emission regulations with respect to stationary sources which are more stringent than those set by the pollution control agency.

Pursuant to chapter 14, the pollution control agency may adopt, amend, and rescind rules and standards having the force of law relating to any purpose within the provisions of this chapter for *generators of hazardous waste*, the management, identification, labeling, classification, storage, collection, treatment, transportation, processing, and disposal of hazardous waste and *the location of hazardous waste facilities*. A rule or standard may be of general application throughout the state or may be limited as to time, places, circumstances, or conditions. ~~The public utilities commission, in cooperation with the pollution control agency, shall set standards for the transportation of hazardous waste in accordance with chapter 224.~~ In implementing its hazardous waste rules, the pollution control agency shall give high priority to providing planning and technical assistance to hazardous waste generators. The agency shall assist generators in investigating the availability and feasibility of both interim and long term hazardous waste management methods. The methods shall include waste reduction, waste separation, waste processing, resource recovery, and temporary storage.

The pollution control agency shall give highest priority in the consideration of permits to authorize disposal of diseased shade trees by open burning at designated sites to evidence concerning economic costs of transportation and disposal of diseased shade trees by alternative methods.

Sec. 45. Minnesota Statutes 1982, section 116.07, is amended by adding a subdivision to read:

Subd. 4d. [HAZARDOUS WASTE PROCESSING FACILITIES; AGREEMENTS; FINANCIAL RESPONSIBILITY.] When the agency issues a permit for a facility for the processing of hazardous waste, the

agency may approve as a condition of the permit an agreement by which the permittee indemnifies the generators of hazardous waste accepted by the facility for part or all of any liability which may accrue to the generators as a result of a release or threatened release of a hazardous waste from the facility. The agency may approve an agreement under this subdivision only if the agency determines that the permittee has demonstrated financial responsibility to carry out the agreement during the term of the permit. If a generator of hazardous waste accepted by a permitted processing facility is held liable for costs or damages arising out of a release of a hazardous waste from the facility, and the permittee is subject to an agreement approved under this subdivision, the generator is liable to the extent that the costs or damages were not paid under this agreement.

Sec. 46. Minnesota Statutes 1982, section 473.149, subdivision 2b, is amended to read:

Subd. 2b. [INVENTORY OF SOLID WASTE DISPOSAL SITES.] By ~~February 1, 1982~~ *September 1, 1983*, the council shall adopt by resolution an inventory of eligible solid waste disposal sites and buffer areas within the metropolitan area. The council's inventory shall be composed of the sites and buffer areas proposed by the counties and reviewed and approved by the council pursuant to section 473.803, subdivision 1a. If a county does not have an approved inventory of the *required number of sites by June 1, 1983*, the council shall ~~adopt the required inventory for the county~~, *following* begin investigations ~~by the council~~ and public hearings ~~as the council deems appropriate in order to adopt the required inventory for the county by September 1, 1983~~. The council's inventory shall satisfy all requirements and standards described in section 473.803, subdivision 1a, for sites and buffer areas proposed by counties. For sites and buffer areas included in the council's inventory, the ~~moratorium~~ *development limitation* imposed under section ~~473.803 59~~, subdivision ~~1a 1~~, shall extend until ~~October 1, 1983~~ *90 days following the selection of sites pursuant to section 473.833, subdivision 3*.

Sec. 47. Minnesota Statutes 1982, section 473.149, subdivision 2c, is amended to read:

Subd. 2c. [REPORT ON LOCAL EFFECTS OF SOLID WASTE DISPOSAL FACILITIES; REPORT TO LEGISLATURE.] By ~~August 15, 1982~~ *November 1, 1983*, the council shall report to the legislative commission on methods of mitigating and compensating for the local risks, costs, and other adverse effects of solid waste disposal facilities and on methods of financing mitigation and compensation measures. The methods of mitigating and compensating to be considered shall include but not be limited to the following: *compensation to landowners for damages resulting from the selection of a site for the inventory of sites or for development as a facility*, payment outside of levy limitations in lieu of taxes for all property taken off the tax rolls; preference for the city or town containing a facility in federal A-95 reviews conducted by the council; payment of all costs to service the facilities including the costs of roads, monitoring, inspection, enforcement, police and fire, and litter clean up costs; payment for buffer zone amenities and improvements; city or town control over buffer zone design; elimination of the tipping charge for solid waste collected in the city or town; a guarantee against any and all liability that may occur; payment for reclamation of closed sites to local design specifications.

Sec. 48. Minnesota Statutes 1982, section 473.149, subdivision 2d, is amended to read:

Subd. 2d. [LAND DISPOSAL ABATEMENT PLAN.] By January 1, ~~1983~~ 1984, after considering county land disposal abatement proposals submitted pursuant to section 473.803, subdivision 1b, the council shall amend its policy plan to include specific and quantifiable objectives for abating the land disposal of mixed municipal solid waste. The plan shall include a reduced estimate, based on the council's abatement objectives, of the added solid waste disposal capacity needed in appropriate sectors of the metropolitan area, stated in annual increments through the year 1990 and thereafter in five year increments through the year 2000. The objectives in the plan shall be based upon standards for county resource recovery and waste reduction and separation programs and activities. The plan shall include standards and procedures to be used by the council in determining that metropolitan counties have not implemented the council's land disposal abatement plan and have not met the standards for county abatement programs and activities. The council shall report to the legislative commission on its abatement plan and on legislation that may be required to implement the plan.

Sec. 49. Minnesota Statutes 1982, section 473.149, subdivision 2e, is amended to read:

Subd. 2e. [SOLID WASTE DISPOSAL FACILITIES DEVELOPMENT SCHEDULE.] By January 1, ~~1983~~ 1984, after requesting and considering recommendations from the counties, cities, and towns, the council as part of its policy plan shall determine the number *and capacity* of sites to be acquired within each metropolitan county for solid waste disposal facilities in accordance with section 473.833. The council shall adopt a schedule for development of disposal facilities by each ~~such~~ county through the year 2000. The schedule shall be based upon the council's reduced estimate of the disposal capacity needed because of the council's land disposal abatement plan. *The council may make the implementation of elements of the schedule contingent on actions of the counties in adopting and implementing county abatement plans pursuant to section 473.803, subdivision 1b; and the council shall review the development schedule at least every two years and shall revise the development schedule as it deems appropriate based on the progress made in the adoption and implementation of the council and county abatement plans.* The schedule may include procedures to be used by counties in selecting sites for acquisition pursuant to section 473.833. The schedule shall include standards and procedures for council certification of need pursuant to section 473.823. The schedule shall include a facility closure schedule and plans for post-closure management and disposition, for the use of property after acquisition and before facility development, and for the disposition of property and development rights, as defined in section 473.833, no longer needed for disposal facilities. The schedule shall also include a closure schedule and plans for post-closure management for facilities in existence ~~prior to January 1, 1983~~ before the adoption of the development schedule.

Sec. 50. Minnesota Statutes 1982, section 473.149, subdivision 4, is amended to read:

Subd. 4. [ADVISORY COMMITTEE.] The council shall establish an ad-

visory committee to aid in the preparation of the policy plan, the performance of the council's responsibilities under subdivisions 2 to 2e, the review of county master plans and reports and applications for permits for waste facilities, under sections 473.151 and 473.801 to 473.823 and sections 473.827, 473.831 and 473.833, and other duties determined by the council. The committee shall consist of one-third citizen representatives, one-third representatives from metropolitan counties and municipalities, and one-third representatives from private waste management firms. From ~~October 1, 1981 to January 1, 1983~~ *at least the date that the council adopts the inventory under subdivision 2b to the date that the council adopts a development schedule under subdivision 2e*, for the purpose only of participating in the preparation of the legislative report required by subdivision 2c ~~and~~, the land disposal abatement plan required by subdivision 2d, *and the development schedule required by subdivision 2e*, additional members shall be included on the advisory committee sufficient to assure that at least one-third of the members of the committee are residents of cities or towns containing eligible solid waste disposal sites included in the council's disposal site inventory, and that counties containing three sites have at least two additional members and counties containing one or two sites have at least one additional member. A representative from the pollution control agency, one from the waste management board established under section 115A.04, and one from the Minnesota health department shall serve as ex officio members of the committee.

Sec. 51. Minnesota Statutes 1982, section 473.153, subdivision 2, is amended to read:

Subd. 2. [CANDIDATE SITE SELECTION.] ~~By December 15, 1981,~~ The council shall select ~~six~~ candidate sites for the disposal of the commission's sewage sludge and solid waste, together with appropriate surrounding buffer areas. *The council shall select at least four candidate sites by September 1, 1983.* The council shall evaluate sites for candidacy on the basis of at least the following factors: local land use and land use controls, the protection of agriculture and natural resources, existing and future development patterns, transportation facilities, distance from the points of generation, and the intrinsic suitability of sites compared with other potential sites. Notwithstanding any plan, charter provision, law, ordinance, regulation, or other requirement of the council, counties, or local units of government, no land shall be excluded from consideration for candidacy except land determined by the agency to be intrinsically unsuitable. No site shall be selected for candidacy unless the agency certifies its intrinsic suitability for the use intended, based on preliminary environmental analysis and on-site surveys and investigations conducted by the council. The council shall provide to the agency data relating to the intrinsic suitability of the sites to be proposed as candidate sites as soon as available ~~but no later than August 15, 1981.~~ *By September 1, 1981,* The council shall propose at least six locations as candidate sites and the director of the agency shall issue a notice indicating which of those sites the director recommends be certified as intrinsically suitable. The director shall publish notice of a consolidated hearing on the recommendation. Notice shall be published in the state register and newspapers of general circulation in the metropolitan area and shall be sent by mail to local government units containing a proposed candidate site. The hearing shall be conducted by the state office of administrative hearings in a manner consistent with the completion of the proceedings and the hearing examiner's report to the agency in the time allowed by this section. The hearing shall afford all interested persons an opportunity to testify and

present evidence on the subject of the hearing. The subject of the hearing shall be limited to information submitted by the council and additional information on the proposed sites which is relevant to the agency's decision on intrinsic suitability. The rulemaking and contested case procedures of chapter 14 shall not apply to this hearing. The report of the hearing examiner shall contain findings of fact, conclusions, and recommendations on the subject of the hearing. The agency shall make a final determination as to the intrinsic suitability of each proposed site and shall certify them accordingly ~~by December 1, 1981~~ *within 90 days of the council's proposal of a site.* The agency shall not be required to promulgate rules pursuant to chapter 14 on criteria and standards to govern its certification of intrinsic suitability under this section. No action of the agency shall be held invalid by reason of the agency's failure to notify any of the entities listed in this subdivision. In selecting candidate sites, the council shall prefer land which is capable of being returned to its existing use or the use anticipated in a plan of a metropolitan agency, county, or local unit of government use after closure of a disposal facility.

Sec. 52. Minnesota Statutes 1982, section 473.153, subdivision 5, is amended to read:

Subd. 5. [ENVIRONMENTAL AND PERMIT REVIEW.] An environmental impact statement ~~meeting the requirements of chapter 116D~~ *shall must be completed on each candidate site, provided that the environmental effects of the council's decisions required by subdivision 6.* The statement ~~shall must be finally accepted or rejected within 280 days of the selection of candidate sites.~~ *Within 90 days following the acceptance of the statement, the agency shall indicate the conditions and terms of approval of all permits needed at each candidate site prepared and reviewed in accordance with chapter 116D and the rules issued pursuant thereto, except as otherwise required by this section. The statement must not address or reconsider alternatives eliminated from consideration pursuant to subdivisions 1 and 2 and must not address the matters to be decided by the council pursuant to subdivision 6b.*

Sec. 53. Minnesota Statutes 1982, section 473.153, is amended by adding a subdivision to read:

Subd. 5a. [AGENCIES; REPORT ON PERMIT CONDITIONS AND APPLICATION REQUIREMENTS.] *Within 30 days following the council's determination of adequacy pursuant to subdivision 5, the chief executive officer of each permitting state agency shall issue to the council reports on permit conditions and permit application requirements at each candidate site. The reports must indicate, to the extent possible based on existing information, the probable terms, conditions, and requirements of permits and the probable supplementary documentation that will be required for permit applications. The reports must be consistent with the establishment of facilities in accordance with the requirements of this section, must not address or reconsider alternatives eliminated from consideration under subdivisions 1 and 2, and must not address the matters to be decided by the council pursuant to subdivision 6b.*

Sec. 54. Minnesota Statutes 1982, section 473.153, subdivision 6, is amended to read:

Subd. 6. [COUNCIL SITE SELECTION.] Within 90 days following the

agency's decision on permit conditions and terms determination of adequacy, the council shall select at least one of the candidate sites for acquisition and development by the commission. Before its selection the council shall consult with the advisory committee and affected counties, cities, and towns.

Sec. 55. Minnesota Statutes 1982, section 473.153, subdivision 6b, is amended to read:

Subd. 6b. [CERTIFICATION OF NEED.] No new facility for disposing of ~~sludge, ash,~~ and other waste generated by the commission shall be permitted in the metropolitan area without a certification of need issued by the council indicating the council's determination:

(a) that the disposal of waste with concentrations of hazardous materials is necessary; and

(b) that the additional ash disposal capacity planned for the facility is needed.

The council shall certify need only to the extent that there are no feasible and prudent methods of reducing the concentrations of hazardous materials in the waste and no feasible and prudent alternatives to the ash disposal facility, *including large-scale composting and co-composting of sludge*, which would minimize adverse impact upon natural resources. Methods and alternatives that are speculative or conjectural shall not be deemed to be feasible and prudent. Economic considerations alone shall not justify the certification of need or the rejection of methods or alternatives, *including large-scale composting and co-composting of sludge as an alternative to incineration*. *In its certification the council shall not consider alternatives which have been eliminated from consideration by the selection of sites pursuant to subdivisions 2 and 6.*

Sec. 56. Minnesota Statutes 1982, section 473.153, is amended by adding a subdivision to read:

Subd. 6c. [CERTIFICATION OF NEED; RESTRICTION.] *No certification of need may be issued by the council pursuant to subdivision 6b until the report required by this subdivision is submitted to the legislative commission on waste management. The council shall submit the report by January 1, 1984. The report shall evaluate the potential of large-scale sewage sludge composting and co-composting to reduce the need for sewage sludge incineration, sewage sludge ash disposal, and mixed municipal solid waste land disposal; recommend institutional arrangements necessary for the implementation of large-scale sewage sludge composting and co-composting; and compare the costs and benefits of composting and co-composting with the costs, including costs already incurred, and the benefits of incineration.*

Sec. 57. Minnesota Statutes 1982, section 473.803, subdivision 1a, is amended to read:

Subd. 1a. [PROPOSED INVENTORY OF DISPOSAL SITES.] By October 15, 1981, each county shall adopt, by resolution of its governing body, an inventory of four proposed sites in the county suitable for mixed municipal solid waste disposal facilities ~~and one proposed site in the county suitable for the disposal of demolition debris~~ and shall submit the inventory to the council for approval or disapproval. The council shall evaluate and ap-

prove or disapprove each proposed site in accordance with the standards set out in this subdivision. Except as otherwise provided in this subdivision, each site shall satisfy the standards and criteria in federal and state regulations and the council's policy plan for solid waste management. In proposing and approving sites for the inventory, the counties and the council shall prefer land which is capable of being returned to its existing use or the use anticipated in a plan of a metropolitan agency, county, or local unit of government use after closure of a disposal facility. Each site shall contain no less than 80 acres and no more than 250 acres. Each proposed site shall be surrounded by a buffer area at least equal to the area of the site. No site shall be adopted by a county or the council as part of an inventory unless the agency certifies its intrinsic suitability for the use intended, based on preliminary environmental analysis and on site surveys and investigations conducted by the county. Notwithstanding any plan, charter provision, law, ordinance, regulation, or other requirement of any state agency or political subdivision, no land shall be excluded from consideration for inclusion in the inventory except land determined by the agency to be intrinsically unsuitable. Each county shall provide to the agency data relating to the intrinsic suitability of the sites to be proposed for the inventory as soon as available ~~but no later than June 15, 1981~~. By July 1, 1981 each county shall propose at least the number of sites required for the inventory, and the director of the agency shall issue a notice indicating which of those sites the director recommends be certified as intrinsically suitable. Notice of hearings on the director's recommendation shall be published in the state register and newspapers of general circulation in the metropolitan area and shall be sent by mail to the metropolitan council and local government units containing a proposed inventory site. A hearing shall be held in each metropolitan county and shall be conducted by the state office of administrative hearings in a manner consistent with the completion of the proceedings and the hearing examiner's report to the agency in the time allowed by this section. The hearing shall afford all interested persons an opportunity to testify and present evidence on the subject of the hearing. The subject of the hearing shall be limited to information submitted by the county and additional information on the proposed sites which is relevant to the agency's decision on intrinsic suitability. The rulemaking and contested case procedures of chapter 14 shall not apply to this hearing. The report of the hearing examiner shall contain findings of fact, conclusions, and recommendations on the subject of the hearing. The agency shall make a final determination as to the intrinsic suitability of each proposed site and shall certify them accordingly ~~by October 1, 1981~~ *within 90 days of the county's proposal of a site*. The agency shall not be required to promulgate rules pursuant to chapter 15 on criteria and standards to govern its certification of intrinsic suitability under this section. No action of the agency shall be held invalid by reason of the agency's failure to notify any of the entities listed in this subdivision. The council shall evaluate each site with respect to local land use and land use controls, the protection of agriculture and natural resources, existing and future development patterns, transportation facilities and other services and facilities appropriate to land disposal facilities, the quality of other potential sites, and patterns of generation of solid waste. The council shall notify a county of any site proposed by the county which the council disapproves and shall allow the county 60 days to propose an alternative site. If the county fails to propose an alternative acceptable to the council in the time allowed, the council shall propose a site acceptable to it for inclusion in the inventory of sites in that county. If in the council's judgment a county does not contain the requisite number of satisfactory

sites, the council may reduce the number of sites required of that county.

In order to permit the comparative evaluation of sites and the participation of affected localities in decisions about the use of sites, a moratorium is hereby imposed as provided in this subdivision on development within the area of each site and buffer area proposed by a county, pending the council's adoption of an inventory pursuant to section 473.149, subdivision 2b. For sites and buffer areas included in the council's inventory, the moratorium shall extend until October 1, 1983, except that the council may at any time, with the approval of the county in which the site is located, abrogate the application of the moratorium to a specific site or sites or buffer areas. No development shall be allowed to occur within the area of a site or buffer area during the period of the moratorium without the approval of the council. No county, city, or town land use control shall permit development which has not been approved by the council, nor shall any county, city, or town sanction or approve any subdivision, permit, license, or other authorization which would allow development to occur which has not been approved by the council. The council shall not approve actions which would jeopardize the availability of a site for use as a solid waste facility. The council may establish guidelines for reviewing requests for approval under this subdivision. Requests for approval shall be submitted in writing to the chairman of the council and shall be deemed to be approved by the council unless the chairman otherwise notifies the submitter in writing within 15 days.

Sec. 58. Minnesota Statutes 1982, section 473.803, subdivision 1b, is amended to read:

Subd. 1b. [LAND DISPOSAL ABATEMENT.] By April 1, 1982, after considering the council's disposal abatement report submitted to the counties pursuant to section 473.149, subdivision 2a, each county shall submit to the council a proposal to reduce to the greatest feasible and prudent extent the need for and practice of land disposal of mixed municipal solid waste. The proposal shall address at least waste reduction, separation, and resource recovery. The proposal shall include objectives, immediately and over specified time periods, for reducing the land disposal of mixed municipal solid waste generated within the county. The proposal shall describe specific functions to be performed and activities to be undertaken by the county and cities and towns within the county to achieve the objectives and shall describe the estimated cost, proposed manner of financing, and timing of the functions and activities. The proposal shall include alternatives which could be used to achieve the objectives if the proposed functions and activities are not established. By June 1, 1983, Each county shall revise its master plan to include a land disposal abatement element to implement the council's land disposal abatement plan adopted under section 473.149, subdivision 2d, and shall submit the revised plan to the council for review under subdivision 2 within nine months after the adoption of the council's abatement plan. The proposal and master plan revision required by this subdivision shall be prepared in consultation with cities and towns within the county, particularly the cities and towns in which a solid waste disposal facility is or may be located pursuant to the county master plan.

Sec. 59. [473.806] [INVENTORY OF DISPOSAL SITES; DEVELOPMENT LIMITATIONS.]

Subdivision 1. [COUNCIL APPROVAL REQUIRED.] In order to permit

the comparative evaluation of sites and the participation of affected localities in decisions about the use of sites, a metropolitan development limitation is hereby imposed as provided in this subdivision on development within the area of each site and buffer area proposed by a county pursuant to section 473.803, subdivision 1a, pending the council's adoption of an inventory pursuant to section 473.149, subdivision 2b. For sites and buffer areas included in the council's inventory, the limitation shall extend until 90 days following the selection of sites pursuant to section 473.833, subdivision 3, except that the council may at any time, with the approval of the county in which the site is located, abrogate the application of the limitation to a specific site or sites or buffer areas. No development shall be allowed to occur within the area of a site or buffer area during the period of the metropolitan development limitation without the approval of the council. No county, city, or town land use control shall permit development which has not been approved by the council, nor shall any county, city, or town sanction or approve any subdivision, permit, license, or other authorization which would allow development to occur which has not been approved by the council. The council shall not approve actions which would jeopardize the availability of a site for use as a solid waste facility. The council may establish guidelines for reviewing requests for approval under this subdivision. Requests for approval shall be submitted in writing to the chairman of the council and shall be deemed to be approved by the council unless the chairman otherwise notifies the submitter in writing within 15 days.

Subd. 2. [ACQUISITION OF TEMPORARY DEVELOPMENT RIGHTS.] If pursuant to subdivision 1 the council refuses to approve development which is permitted by local development plans, land use classification, and zoning and other official controls applying to the property on February 1, 1983, the land owner may elect to have the county purchase temporary development rights to the property for the period extending from the date when the council approved the site which affects the property for inclusion in the metropolitan inventory of sites until July 1, 1985. The election must be made within 30 days of the council's decision to refuse to approve development. The council shall provide funds, from the proceeds of the bonds issued pursuant to section 473.831, for the county to purchase the temporary development rights. The land owner's compensation shall be determined by the agreement of the owner, the county, and the council. If the parties cannot agree within 60 days of the owner's election, the county shall acquire the temporary development rights through eminent domain proceedings, and the land owner's compensation shall be the fair market value of the temporary development rights.

Sec. 60. Minnesota Statutes 1982, section 473.811, subdivision 1a, is amended to read:

Subd. 1a. [RIGHT OF ACCESS.] Whenever the county or county site selection authority deems it necessary to the evaluation of a waste facility for enforcement purposes or to the evaluation of a site or buffer area for inclusion in the inventory of disposal sites pursuant to section 473.149, subdivision 2b, and section 473.803, subdivision 1a, or for selection or final acquisition under section 473.833, or for the accomplishment of any other purpose under sections 473.149, 473.153, and 473.801 to 473.834, the county, county site selection authority or any member, employee, or agent

thereof, when authorized by it, may enter upon any property, public or private, for the purpose of obtaining information or conducting surveys or investigations, provided that the entrance and activity is undertaken after reasonable notice and during normal business hours and provided that compensation is made for any damage to the property caused by the entrance and activity.

Sec. 61. Minnesota Statutes 1982, section 473.823, subdivision 6, is amended to read:

Subd. 6. [COUNCIL; CERTIFICATION OF NEED.] No new mixed municipal solid waste disposal facility shall be permitted in the metropolitan area without a certificate of need issued by the council indicating the council's determination that the additional disposal capacity planned for the facility is needed in the metropolitan area. The council shall amend its policy plan, adopted pursuant to section 473.149, to include standards and procedures for certifying need. The standards and procedures shall be based on the council's disposal abatement plan adopted pursuant to section 473.149, subdivision 2d, and the abatement master plans of counties adopted pursuant to section 473.803, subdivision 1b. The council shall certify need only to the extent that there are no feasible and prudent alternatives to the disposal facility, including waste reduction, source separation and resource recovery which would minimize adverse impact upon natural resources. Alternatives that are speculative or conjectural shall not be deemed to be feasible and prudent. Economic considerations alone shall not justify the certification of need or the rejection of alternatives. *In its certification the council shall not consider alternatives which have been eliminated from consideration by the adoption of the inventory pursuant to section 473.149, subdivision 2b, or the selection of sites under section 473.833, subdivision 3.*

Sec. 62. Minnesota Statutes 1982, section 473.831, is amended to read:

473.831 [DEBT OBLIGATIONS; SOLID WASTE DISPOSAL.]

Subdivision 1. [GENERAL OBLIGATION BONDS.] The council may by resolution authorize the issuance of general obligation bonds of the council to provide funds for the environmental analysis and acquisition of *permanent or temporary right, title, or interest in real property, including easements and development rights*, for sites and surrounding buffer areas for ~~development~~ as solid waste disposal facilities pursuant to this section and section 473.833 and to provide funds for refunding obligations issued under this section. The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for general obligation bonds, and the council shall have the same power and duties as a municipality and its governing body in issuing bonds under chapter 475, except as otherwise provided in this chapter. No election shall be required, and the net debt limitations in chapter 475 shall not apply. The council shall have the power levy ad valorem taxes for debt service of the council's solid waste bonds upon all taxable property within the metropolitan area, without limitation of rate or amount and without affecting the amount or rate of taxes which may be levied by the council for other purposes or by any local government unit in the area. Each of the county auditors shall annually assess and extend upon the tax rolls in his county the portion of the taxes levied by the council in each year which is certified to him by the council. The principal amount of bonds issued pur-

suant to this section shall not exceed \$15,000,000.

Subd. 2. [USE OF PROCEEDS.] The proceeds of bonds issued under subdivision 1 shall be used pursuant to section 473.833, by the council, for the purposes provided in subdivision 1 and to make grants to metropolitan counties to pay the cost of the *environmental review of sites, the acquisition of development rights for all or part of the period that the development limitation imposed by section 473.806 is in effect, and the acquisition of all property or interests in property for solid waste disposal sites and surrounding buffer areas required to be acquired by the county, pursuant to section 473.833, by the council's policy plan and development schedule adopted pursuant to section 473.149, subdivision 2e.* If the council is required by law or regulation to prepare environmental analyses on one or more solid waste disposal sites and surrounding buffer areas, the council may use the proceeds of the bonds issued under subdivision 1 to contract for consultant services in the preparation of such analyses only upon a finding that equivalent expertise is not available among its own staff.

Sec. 63. Minnesota Statutes 1982, section 473.833, subdivision 2a, is amended to read:

Subd. 2a. [ENVIRONMENTAL ANALYSIS IMPACT STATEMENT.] ~~By January 1, 1983, Each metropolitan county shall complete an analysis comparing environmental impact statement on the environmental effects of solid waste disposal facilities at the sites in the county which are included in the metropolitan inventory of solid waste disposal sites adopted by the metropolitan council pursuant to section 473.149, subdivision 2b the decision required by subdivision 3. The analysis statement shall be in detail sufficient, in the judgment of the county board, to inform adequately the county site selection authority established under subdivision 3 of the environmental effects of facilities at sites within the county and to assure that facilities at the sites can reasonably be expected to qualify for permits in accordance with the rules of the agency prepared and reviewed in accordance with chapter 116D and the rules issued pursuant thereto, except as otherwise required by section 473.149 and this section. The determination of adequacy must be made within one year following the council's adoption of the facilities development schedule pursuant to section 473.149, subdivision 2e. The statement must be consistent with the establishment of facilities in accordance with the requirements of the council's development schedule, must not address or reconsider alternatives eliminated from consideration under sections 473.149, 473.803, subdivisions 1, 1a, and 1b, and this section, and must not address matters to be determined by the council under section 473.823, subdivision 6. The statement must address matters respecting permitting under section 473.823 only to the extent deemed necessary for the siting decision required by subdivision 3 of this section. The pollution control agency and the council shall assist and advise counties in the scoping decision and the preparation notice.~~

Sec. 64. Minnesota Statutes 1982, section 473.833, is amended by adding a subdivision to read:

Subd. 2b. [AGENCIES; COUNCIL; REPORT ON PERMIT CONDITIONS AND APPLICATION REQUIREMENTS.] *Within 30 days following the county's determination of adequacy under subdivision 2a, the chief ex-*

ecutive officer of the metropolitan council and each permitting state agency shall issue to the county reports on permit conditions and permit application requirements at each site in the county. The reports must indicate, to the extent possible based on existing information, the probable terms, conditions, and requirements of permits and the probable supplementary documentation and environmental review that will be required for permit applications pursuant to chapter 116 and section 473.823. A report may recommend that a site should be dropped from consideration because of information in the environmental impact statement showing that the site is environmentally unsuitable for land disposal and unlikely to qualify for permits. The reports must be consistent with the establishment of facilities in accordance with the requirements of the council's development schedule adopted under section 473.149, subdivision 2e, must not address or reconsider alternatives eliminated from consideration under sections 473.149, 473.803, subdivisions 1, 1a, and 1b, and this section, and must not address matters to be determined by the council under section 473.823, subdivision 6.

Sec. 65. Minnesota Statutes 1982, section 473.833, subdivision 3, is amended to read:

Subd. 3. [COUNTY SITE SELECTION AUTHORITIES.] Each metropolitan county shall establish a site selection authority. ~~By June 1, 1983~~ Within 90 days following the county's determination of adequacy under subdivision 2a, each site selection authority shall select specific sites within the county from the council's disposal site inventory, in accordance with the procedures established by the council under section 473.149, subdivision 2e, and in a number and capacity equal to that required by the council to be acquired by the county. Each site selection authority shall be composed of the county board, plus one member appointed by the governing body of each city or town within the county containing a site in the council's disposal site inventory or the majority of the land contained within such a site. If the number of members on the site selection authority who reside in a city or town containing all or part of a site or buffer area is equal to or greater than the number of members who do not, the chairman of the county board shall appoint to the authority an additional member or members, residing within the county but not within a city or town containing all or part of a site or buffer area, sufficient to assure a majority of one on the authority of members residing in cities and towns not containing all or any part of a site or buffer area. The chairman of the county board shall be the chairman of the site selection authority. If a site selection authority has not selected the requisite number and capacity of sites in accordance with the council's standards, criteria, and procedures ~~by June 1, 1983~~ within the time allowed by this subdivision, the council shall make the selection.

Sec. 66. Minnesota Statutes 1982, section 473.833, subdivision 7, is amended to read:

Subd. 7. [FAILURE OF COUNTIES TO ACQUIRE; REPORT TO LEGISLATURE.] If any county fails to identify property for acquisition or ~~if any county refuses~~ to proceed with *environmental analysis and acquisition*, as required by this section and the council's disposal facility development schedule adopted pursuant to section 473.149, subdivision 2e, the council shall prepare and recommend ~~to the legislature, no later than January 1, 1984,~~

legislation to transfer solid waste management authority and responsibility in the metropolitan area from the counties to the waste control commission or a new metropolitan commission established for that purpose.

Sec. 67. [SLUDGE INCINERATION.]

The metropolitan waste control commission established by section 473.503 may not acquire or expand additional incineration facilities, or plan or undertake studies for such acquisition and expansion, until the report required by section 56 is submitted.

Sec. 68. [COUNTY FINANCING OF FACILITIES.]

The counties of Washington and Ramsey, separately or jointly, may, by resolution, authorize the issuance of bonds or other obligations, including initial obligations in an amount not to exceed an aggregate amount of \$4,000,000 issued to finance solely preliminary costs such as site acquisition and preparations and legal, engineering, financial, and planning services, to provide funds to acquire or better solid waste and related facilities, including transmission facilities and property or property rights for a solid waste or related facility, or to refund any outstanding obligations issued for that purpose.

Any later formation of a solid waste management district under Minnesota Statutes, chapter 115A, or contemplated sale or lease of any of the facilities or their work product to a private person, after the county or solid waste management district has incurred the costs of the facilities or work product, shall not restrict or limit the use of the proceeds of the bonds or other obligations.

The county may pledge to the payment of the obligations and the interest on them,

(a) its full faith, credit, and taxing powers;

(b) the proceeds of any designated tax levies;

(c) the gross or net revenues or charges to be derived from any facility operated by or for the county;

(d) the proceeds of any anticipating refunding obligations, state or federal loan or grant, or any sale of the facilities or their work product;

(e) any other funds of the county; or

(f) any combination of the foregoing.

Taxes levied for the payment of the obligations and interest shall not reduce the amounts of other taxes which the county is authorized by law to levy.

The proceeds of the bonds may be used in part to establish a reserve as further security for the payment of the principal and interest when due and to pay the cost of interest accruing on the obligations before six months after the date the facilities are first placed in service.

Revenue bonds issued pursuant to this section may be sold at public or private sale upon the conditions the county board shall determine, but any bonds to which the full faith and credit and taxing powers of the county are pledged shall be sold in accordance with Minnesota Statutes, chapter 475.

No election shall be required to authorize the issuance of the obligations, and the debt limitations of chapter 475 or other law shall not apply to the obligations. The obligations may mature at a time or times, and in amounts, as the county board determines.

The county may covenant to refund, to the extent necessary, any temporary obligations with a term of no more than four years, in which event the tax which would otherwise be required by section 475.61, subdivision 1, need not be required. The interest rate on temporary obligations may be fixed at the time of sale or be adjusted from time to time based on an index related to the cost of borrowing, and the price at which the temporary obligations may be sold may be at any amount determined most favorable by the county board, but the resulting composite interest rate may not exceed the rate permitted under section 475.55.

Except as provided in this section, the obligations shall be issued and sold in accordance with chapter 475.

Sec. 69. [DISTRICT FORMATION.]

Notwithstanding any contrary provisions of Minnesota Statutes, section 115A.63, subdivision 3, or other law, Ramsey and Washington counties, before establishing a waste management district solely within their boundaries, need not demonstrate that they are unable to fulfill the purposes of a district through joint action under Minnesota Statutes, section 471.59.

Sec. 70. [POWERS ADDITIONAL AND SUPPLEMENTAL.]

The powers conferred by sections 68 and 69 are in addition and supplemental to the powers conferred by any other law or charter. Insofar as any other law or charter is inconsistent with sections 68 and 69, the provisions of sections 68 and 69 control as to facilities authorized under those sections.

Sec. 71. Laws 1980, chapter 449, section 3, is amended to read:

Sec. 3. The city, by resolution of the city council, may borrow for the payment of capital costs of the system, may establish and collect from all public and private persons, including persons operating waste collection and delivery services, charges for the use and or availability of the facilities of the system; and. The city may establish charges, and may levy special assessments upon properties deemed to be specially benefited by particular facilities, in the same manner and to the same extent and with the same force and effect as provided in the case of sewage treatment and disposal systems in Minnesota Statutes, Sections 115.46 and 444.075, and Chapter 429, as far as practicable. Charges for availability of facilities may be established on any equitable basis including the cost of furnishing the facilities. An election shall not be required upon the issuance of general obligation bonds or the incurring of any lease or purchase obligation for this purpose except as provided in section 4, and the bonds or other obligations shall not be included in computing the net debt of the city within the meaning of Minnesota Statutes, Chapter 475, but all special assessments levied for improvements to the system and all net revenues derived from charges for the use and availability of the system, in excess of current operating costs, shall be pledged for the payment of the bonds or obligations and interest, and the city council shall endeavor to establish and collect charges sufficient to provide net revenues, with collections of special assessments, at least equal

to the total debt service.

Sec. 72. [REPEALER.]

Minnesota Statutes 1982, sections 115A.23; 115A.27, subdivision 1; 116.07, subdivision 4c; and 116.41, subdivisions 1 and 1a, are repealed.

Sec. 73. [APPLICATION.]

Sections 46 to 67 are effective in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. Section 71 is effective in the city of Austin in Mower County.

Sec. 74. [EFFECTIVE DATE.]

Sections 1 to 67, 72, and 73 are effective the day following final enactment. Sections 68 to 70 are effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing bodies of both Ramsey and Washington counties. Section 71 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Austin."

Delete the title and insert:

"A bill for an act relating to waste management; amending the Waste Management Act of 1980; providing for the evaluation of bedrock disposal of hazardous waste; changing various definitions; adding definitions; altering various provisions, procedures, and requirements relating to the duties and authorities of the waste management board, pollution control agency, metropolitan agencies, counties, and waste management districts; changing various dates and deadlines; altering environmental review procedures for waste facilities; providing criminal and civil penalties for violations; requiring various reports from the pollution control agency; authorizing issuance of bonds by Washington and Ramsey counties for a solid waste facility; providing additional solid waste management authority to the city of Austin; amending Minnesota Statutes 1982, sections 115.071, subdivisions 2 and 3, and by adding subdivisions; 115A.03, subdivision 10, and by adding a subdivision; 115A.05, subdivisions 2 and 3; 115A.06, subdivision 4; 115A.08, subdivisions 4, 5, 5a, and 6; 115A.10; 115A.11, subdivisions 1 and 2; 115A.21; 115A.22, subdivisions 1, 3, 4, 6, and 7; 115A.24, subdivision 1; 115A.25, subdivisions 1, 2, 3, and by adding subdivisions; 115A.26; 115A.27, subdivision 2; 115A.28, subdivisions 1, 2, and 3; 115A.30; 115A.54, subdivision 2; 115A.67; 115A.70, subdivision 3, and by adding a subdivision; 116.06, subdivision 13, and by adding a subdivision; 116.07, subdivision 4, and by adding a subdivision; 473.149, subdivisions 2b, 2c, 2d, 2e, and 4; 473.153, subdivisions 2, 5, 6, 6b, and by adding subdivisions; 473.803, subdivisions 1a and 1b; 473.811, subdivision 1a; 473.823, subdivision 6; 473.831; 473.833, subdivisions 2a, 3, 7, and by adding a subdivision; amending Laws 1980, chapter 449, section 3; proposing new law coded in chapters 115A and 473; repealing Minnesota Statutes 1982, sections 115A.23; 115A.27, subdivision 1; 116.07, subdivision 4c; and 116.41, subdivisions 1 and 1a."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Gene Merriam, James C. Pehler, Earl W. Renneke

House Conferees: (Signed) Dee Long, Darby Nelson, Bob Anderson

Mr. Merriam moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1012 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1012 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 46 and nays 7, as follows:

Those who voted in the affirmative were:

Anderson	DeCramer	Kroening	Moe, R. D.	Storm
Befanger	Dicklich	Kronebusch	Nelson	Stumpf
Benson	Diessner	Laidig	Olson	Taylor
Berg	Dieterich	Langseth	Pety	Ulland
Berglin	Frank	Lantry	Purfeerst	Vega
Bernhagen	Freeman	Lessard	Ramstad	Waldorf
Brataas	Hughes	Luther	Renneke	
Chmielewski	Isackson	McQuaid	Schmitz	
Dahl	Knaak	Mehrkens	Solon	
Davis	Knutson	Merriam	Spear	

Those who voted in the negative were:

Adkins	Frederickson	Jude	Kamrath	Peterson, D.L.
Bertram	Johnson, D.E.			

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 257: Mrs. Adkins, Messrs. Bernhagen and Jude.

H.F. No. 657: Messrs. DeCramer, Berg and Novak.

H.F. No. 782: Messrs. Spear; Peterson, R.W. and Anderson.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Special Orders Calendar. The motion prevailed.

SPECIAL ORDER

H.F. No. 233: A bill for an act relating to retirement; providing post re-

tirement annuity or benefit increases for certain retired or disabled public employees.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knutson	Nelson	Spear
Anderson	Dieterich	Kroening	Olson	Storm
Belanger	Frank	Kronebusch	Pehler	Stumpf
Benson	Frederick	Laidig	Peterson, C.C.	Taylor
Berg	Frederickson	Langseth	Peterson, D.L.	Ulland
Berglin	Freeman	Lantry	Petty	Vega
Bernhagen	Hughes	Lessard	Pogemiller	Waldorf
Bertram	Isackson	Luther	Purfeerst	Willet
Brataas	Johnson, D.E.	McQuaid	Ramstad	
Chmielewski	Jude	Mehrkens	Renneke	
Davis	Kamrath	Moe, D. M.	Schmitz	
DeCramer	Knaak	Moe, R. D.	Solon	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Belanger moved that S.F. No. 823 be taken from the table. The motion prevailed.

S.F. No. 823: A bill for an act relating to cities; authorizing the issuance of capital notes for certain equipment acquisitions; proposing new law coded in Minnesota Statutes, chapter 410.

CONCURRENCE AND REPASSAGE

Mr. Belanger moved that the Senate concur in the amendments by the House to S.F. No. 823 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 823: A bill for an act relating to cities; authorizing the issuance of capital notes for certain equipment acquisitions; permitting establishment of special service districts and providing taxing and other authority for the city of Bloomington; proposing new law coded in Minnesota Statutes, chapter 410.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 56 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Olson	Storm
Anderson	Diessner	Kronebusch	Pehler	Stumpf
Belanger	Frank	Laidig	Peterson, C.C.	Taylor
Benson	Frederick	Langseth	Peterson, D.C.	Ulland
Berg	Frederickson	Lantry	Peterson, D.L.	Vega
Berglin	Freeman	Lessard	Petty	Waldorf
Bernhagen	Hughes	Luther	Purfeerst	Wegscheid
Bertram	Isackson	McQuaid	Ramstad	Willet
Brataas	Johnson, D.E.	Mehrkens	Renneke	
Chmielewski	Jude	Moe, D. M.	Samuelson	
Dahl	Kamrath	Moe, R. D.	Sieloff	
Davis	Knaak	Nelson	Spear	

Messrs. Dieterich and Kroening voted in the negative.

So the bill, as amended, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 164 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 164

A bill for an act relating to state government; removing the requirement of senate confirmation for appointment to certain state agencies; limiting terms of certain holdover appointees; formulating a procedure for senate and house confirmations; changing a time requirement for filing a statement of economic interest in certain cases; amending Minnesota Statutes 1982, sections 1.33; 3.9223, subdivision 1; 10A.09, subdivisions 1 and 3; 14.48; 15.0575, subdivision 2; 15.0597, subdivision 6; 15.06, subdivisions 2 and 5; 15.50, subdivision 1; 40.03, subdivision 1; 85A.01, subdivision 1; 105.401, subdivision 1; 115A.05, subdivision 2; 116E.02, subdivision 1; 116J.04; 121.82, subdivision 1; 121.844, subdivision 1; 182.664, subdivision 1; 250.05, subdivision 2; 299B.05, subdivision 1; 414.01, subdivision 2; 473.123, subdivision 4; 473.141, subdivision 3; 490.15, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 15; repealing Minnesota Statutes 1982, section 11A.07, subdivision 3.

May 20, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 164, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 164 be amended as follows:

Page 8, line 35, strike "department of natural"

Page 8, strike line 36

Page 9, line 1, strike "region number one" and insert "soil and water conservation board administrative region"

Page 13, after line 18, insert:

“Sec. 20. Minnesota Statutes 1982, section 179.72, subdivision 1, is amended to read:

Subdivision 1. There is hereby established a public employment relations board with the powers and duties assigned to it by this section. The board shall consist of five members appointed by the governor of the state of Minnesota ~~with the advice and consent of the senate~~. Two members shall be representative of public employees; two shall be representative of public employers; and one shall be representative of the public at large. Public employers and employee organizations representing public employees may submit for consideration names of persons representing their interests to serve as members of the board. The board shall select one of its members to serve as chairman for a term beginning May 1 each year.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 15, after the first semicolon insert “179.72, subdivision 1;”

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Donald M. Moe, Gene Merriam, James Ulland

House Conferees: (Signed) Fred C. Norton, O.J. (Lon) Heinitz, Bob Neuenschwander

Mr. Moe, D.M. moved that the foregoing recommendations and Conference Committee Report on S.F. No. 164 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 164 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 36 and nays 20, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Langseth	Petty	Vega
Anderson	Diessner	Lantry	Purfeerst	Waldorf
Berglin	Dieterich	Luther	Samuelson	Wegscheid
Bertram	Frank	Moe, D. M.	Solon	Willet
Chmielewski	Freeman	Nelson	Spear	
Dahl	Jude	Pehler	Storm	
Davis	Kroening	Peterson, C.C.	Stumpf	
DeCramer	Kronebusch	Peterson, D.C.	Ulland	

Those who voted in the negative were:

Benson	Frederick	Kamrath	McQuaid	Ramstad
Berg	Frederickson	Knaak	Mehrkens	Renneke
Bernhagen	Isackson	Knutson	Olson	Sieloff
Brataas	Johnson, D.E.	Laidig	Peterson, D.L.	Taylor

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 695 and the Conference Committee Report thereon were re-

ported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 695

A bill for an act relating to public welfare; requiring new procedures for determining nursing home payment rates; requiring a moratorium on certification or welfare licensure of new beds with certain exceptions; providing for an interagency board for quality assurance; appropriating money; amending Minnesota Statutes 1982, sections 144A.10, subdivisions 4, 6, and by adding a subdivision; 256B.091, subdivisions 1, 2, 4, and 8; 256B.41; 256B.47; and 256B.48; proposing new law coded in Minnesota Statutes 1982, chapters 144A and 256B; repealing Minnesota Statutes 1982, sections 256B.42; 256B.43; 256B.44; 256B.45; and 256B.46; and 12 MCAR 2.049.

May 20, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 695, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 695 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [144A.071] [MORATORIUM ON CERTIFICATION OF NURSING HOME BEDS.]

Subdivision 1. [FINDINGS.] The legislature finds that medical assistance expenditures are increasing at a much faster rate than the state's ability to pay them; that reimbursement for nursing home care and ancillary services comprises over half of medical assistance costs, and, therefore, controlling expenditures for nursing home care is essential to prudent management of the state's budget; that construction of new nursing homes, the addition of more nursing home beds to the state's long-term care resources, and increased conversion of beds to skilled nursing facility bed status inhibits the ability to control expenditures; that Minnesota already leads the nation in nursing home expenditures per capita, has the fifth highest number of beds per capita elderly, and that private paying individuals and medical assistance recipients have equivalent access to nursing home care; and that in the absence of a moratorium the increased numbers of nursing homes and nursing home beds will consume resources that would otherwise be available to develop a comprehensive long-term care system that includes a continuum of care. Unless action is taken, this expansion of bed capacity and changes of beds to a higher classification of care are likely to accelerate with the repeal of the certificate of need program effective March 15, 1984. The legislature also finds that Minnesota's dependence on institutional care for elderly persons is due in part to the dearth of alternative services in the home and community.

The legislature declares that a moratorium on medical assistance certifi-

cation of new nursing home beds and on changes in certification to a higher level of care is necessary to control nursing home expenditure growth and enable the state to meet the needs of its elderly by providing high quality services in the most appropriate manner along a continuum of care.

Subd. 2. [MORATORIUM.] Notwithstanding the provisions of the Certificate of Need Act, sections 145.832 to 145.845, or any other law to the contrary, the commissioner of health, in coordination with the commissioner of public welfare, shall deny each request by a nursing home or boarding care home, except an intermediate care facility for the mentally retarded, for addition of new certified beds or for a change or changes in the certification status of existing beds except as provided in subdivision 3. The total number of certified beds in the state in the skilled level and in the intermediate levels of care shall remain at or decrease from the number of beds certified at each level of care on the effective date of this section, except as allowed under subdivision 3. "Certified bed" means a nursing home bed or a boarding care bed certified by the commissioner of health for the purposes of the medical assistance program, under United States Code, title 42, sections 1396 et seq.

The commissioner of public welfare, in coordination with the commissioner of health, shall deny any request to issue a license under sections 245.781 to 245.812 and 252.28 to a nursing home or boarding care home, if that license would result in an increase in the medical assistance reimbursement amount.

Subd. 3. [EXCEPTIONS.] The commissioner of health, in coordination with the commissioner of welfare, may approve the addition of a new certified bed or change in the certification status of an existing bed under the following conditions:

(a) To replace a bed decertified after the effective date of this section or to address an extreme hardship situation, in a particular county that, together with all contiguous Minnesota counties, has fewer nursing home beds per 1,000 elderly than the number that is ten percent higher than the national average of nursing home beds per 1,000 elderly individuals. For the purposes of this section, the national average of nursing home beds shall be the most recent figure that can be supplied by the federal health care financing administration and the number of elderly in the county or the nation shall be determined by the most recent federal census or the most recent estimate of the state demographer as of July 1, of each year of persons age 65 and older, whichever is the most recent at the time of the request for replacement. In allowing replacement of a decertified bed, the commissioners shall ensure that the number of added or recertified beds does not exceed the total number of decertified beds in the state in that level of care. An extreme hardship situation can only be found after the county documents the existence of unmet medical needs that cannot be addressed by any other alternatives;

(b) To certify a new bed in a facility that commenced construction before the effective date of this section. For the purposes of this section, "commenced construction" means that all of the following conditions were met: the final working drawings and specifications were approved by the commissioner of health; the construction contracts were let; a timely construction schedule was developed, stipulating dates for beginning, achieving various stages, and completing construction; and all zoning and building

permits were secured;

(c) To certify beds in a new nursing home that is needed in order to meet the special dietary needs of its residents, if: the nursing home proves to the commissioner's satisfaction that the needs of its residents cannot otherwise be met; elements of the special diet are not available through most food distributors; and proper preparation of the special diet requires incurring various operating expenses, including extra food preparation or serving items, not incurred to a similar extent by most nursing homes; or

(d) When the change in certification status results in a decrease in the reimbursement amount.

Subd. 4. [MONITORING.] The commissioner of health, in coordination with the commissioner of public welfare, shall implement mechanisms to monitor and analyze the effect of the moratorium in the different geographic areas of the state. The commissioner of health shall submit to the legislature, no later than January 15, 1984, and annually thereafter, an assessment of the impact of the moratorium by geographic area, with particular attention to service deficits or problems and a corrective action plan.

Subd. 5. [REPORT.] The commissioner of energy, planning, and development, in consultation with the commissioners of health and public welfare, shall report to the senate health and human services committee and the house health and welfare committee by January 15, 1986 and biennially thereafter regarding:

projections on the number of elderly Minnesota residents including medical assistance recipients;

the number of residents most at risk for nursing home placement;

the needs for long term care and alternative home and non-institutional services;

availability of and access to alternative services by geographic region; and

the necessity or desirability of continuing, modifying, or repealing the moratorium in relation to the availability and development of the continuum of long term care services.

Sec. 2. Minnesota Statutes 1982, section 144A.10, subdivision 4, is amended to read:

Subd. 4. [CORRECTION ORDERS.] Whenever a duly authorized representative of the commissioner of health finds upon inspection of a nursing home, that the facility or a controlling person or an employee of the facility is not in compliance with sections 144.651, 144A.01 to 144A.17, or 626.557 or the rules promulgated thereunder, a correction order shall be issued to the facility. The correction order shall state the deficiency, cite the specific rule or statute violated, state the suggested method of correction, and specify the time allowed for correction. ~~The commissioner of health by rule shall establish a schedule of allowable time periods for correction of nursing home deficiencies.~~ If the commissioner finds that the nursing home had uncorrected violations and that two or more of the uncorrected violations create a risk to resident care, safety, or rights, the commissioner shall notify the commissioner of public welfare who shall review reimbursement to the

nursing home to determine the extent to which the state has paid for standard care.

Sec. 3. Minnesota Statutes 1982, section 144A.10, subdivision 6, is amended to read:

Subd. 6. [FINES.] A nursing home which is issued a notice of noncompliance with a correction order shall be assessed a civil fine in accordance with a schedule of fines ~~promulgated by rule of~~ established by the commissioner of health ~~before December 1, 1983. In establishing the schedule of fines, the commissioner shall consider the potential for harm presented to any resident as a result of noncompliance with each statute or rule.~~ The fine shall be assessed for each day the facility remains in noncompliance and until a notice of correction is received by the commissioner of health in accordance with subdivision 7. No fine for a specific violation may exceed ~~\$250~~ \$500 per day of noncompliance.

Sec. 4. Minnesota Statutes 1982, section 144A.10, is amended by adding a subdivision to read:

Subd. 6a. [SCHEDULE OF FINES.] *The commissioner of health shall propose for adoption the schedule of fines by publishing it in the state register and allowing a period of 60 days from the publication date for interested persons to submit written comments on the schedule. Within 60 days after the close of the comment period, and after considering any comments received, the commissioner shall adopt the schedule in final form.*

The schedule of fines is exempt from the definition of "rule" in section 14.02, subdivision 4, and has the force and effect of law upon compliance with section 14.38, subdivision 7. The effective date of the schedule of fines is five days after publication, as provided in section 14.38, subdivision 8. The provisions of any rule establishing a schedule of fines for noncompliance with correction orders issued to nursing homes remain effective with respect to nursing homes until repealed, modified, or superseded by the schedule established in accordance with this subdivision.

Sec. 5. [144A.31] [INTERAGENCY BOARD FOR QUALITY ASSURANCE.]

Subdivision 1. [INTERAGENCY BOARD.] *The commissioners of health and public welfare shall establish, by July 1, 1983, an interagency board of employees of their respective departments who are knowledgeable and employed in the areas of long term care, geriatric care, long term care facility inspection, or quality of care assurance. The number of interagency board members shall not exceed seven; three members each to represent the commissioners of health and public welfare and one member to represent the commissioner of public safety in the enforcement of fire and safety standards in nursing homes. The commissioner of public welfare or a designee shall chair and convene the board. The board may utilize the expertise and time of other individuals employed by either department as needed. The board may recommend that the commissioners contract for services as needed. The board shall meet as often as necessary to accomplish its duties, but at least monthly. The board shall establish procedures, including public hearings, for allowing regular opportunities for input from residents, nursing homes, and other interested persons.*

Subd. 2. [INSPECTIONS.] No later than January 1, 1984, the board shall develop and recommend implementation and enforcement of an effective system to ensure quality of care in each nursing home in the state. Quality of care includes evaluating, using the resident's care plan, whether the resident's ability to function is optimized and should not be measured solely by the number or amount of services provided.

The board shall assist the commissioner of health in ensuring that inspections and reinspections of nursing homes are conducted with a frequency and in a manner calculated to most effectively and appropriately fulfill its quality assurance responsibilities and achieve the greatest benefit to nursing home residents. The commissioner of health shall require a higher frequency and extent of inspections with respect to those nursing homes that present the most serious concerns with respect to resident health, treatment, comfort, safety, and well-being. These concerns include but are not limited to: complaints about care, safety, or rights; situations where previous inspections or reinspections have resulted in correction orders related to care, safety, or rights; instances of frequent change in administration in excess of normal turnover rates; and situations where persons involved in ownership or administration of the nursing home have been convicted of engaging in criminal activity. A nursing home that presents none of these concerns or any other concern or condition established by the board that poses a risk to resident care, safety, or rights shall be inspected once every two years for compliance with key requirements as determined by the board.

The board shall develop and recommend to the commissioners mechanisms beyond the inspection process to protect resident care, safety, and rights, including but not limited to coordination with the office of health facility complaints and the nursing home ombudsman program.

Subd. 3. [METHODS FOR DETERMINING RESIDENT CARE NEEDS.] The board shall develop and recommend to the commissioners definitions for levels of care and methods for determining resident care needs for implementation on July 1, 1985 in order to adjust payments for resident care based on the mix of resident needs in a nursing home. The methods for determining resident care needs shall include assessments of ability to perform activities of daily living and assessments of medical and therapeutic needs.

Subd. 4. [ENFORCEMENT.] The board shall develop and recommend for implementation effective methods of enforcing quality of care standards. When it deems necessary, and when all other methods of enforcement are not appropriate, the board shall recommend to the commissioner of health closure of all or part of a nursing home and revocation of the license. The board shall develop, and the commissioner of public welfare shall implement, a resident relocation plan that instructs the county in which the nursing home is located of procedures to ensure that the needs of residents in nursing homes about to be closed are met. The county shall ensure placement in swing beds in hospitals, placement in unoccupied beds in other nursing homes, utilization of home health care on a temporary basis, foster care placement, or other appropriate alternative care. In preparing for relocation, the board shall ensure that residents and their families or guardians are involved in planning the relocation.

Subd. 5. [REPORTS.] The board shall prepare a report and the commis-

tioners of health and public welfare shall deliver this report to the legislature no later than January 15, 1984, on the board's proposals and progress on implementation of the methods required under subdivisions 2, 3, and 4. The commissioners shall recommend changes in or additions to legislation necessary or desirable to fulfill their responsibilities. The board shall prepare an annual report and the commissioners shall deliver this report annually to the legislature, beginning in January, 1985, on the implementation and enforcement of the provisions of this section.

Subd. 6. [DATA.] The interagency board may have access to data from the commissioners of health, public welfare, and public safety for carrying out its duties under this section. The commissioner of health and the commissioner of public welfare may each have access to data on persons, including data on vendors of services, from the other to carry out the purposes of this section. If the interagency board, the commissioner of health, or the commissioner of public welfare receives data on persons, including data on vendors of services, that is collected, maintained, used or disseminated in an investigation, authorized by statute and relating to enforcement of rules or law, the board or the commissioner shall not disclose that information except:

(a) Pursuant to section 13.05;

(b) Pursuant to statute or valid court order; or

(c) To a party named in a civil or criminal proceeding, administrative or judicial, for preparation of defense.

Data described in this subdivision is classified as public data upon its submission to a hearing examiner or court in an administrative or judicial proceeding.

Sec. 6. Minnesota Statutes 1982, section 256B.091, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] It is the purpose of this section to prevent inappropriate nursing home or boarding care home placement by establishing a program of preadmission screening teams for all medical assistance recipients and any individual who would become eligible for medical assistance within 90 180 days of admission to a licensed nursing home or boarding care home participating in the program. Further, it is the purpose of this section and the program to gain further information about how to contain costs associated with inappropriate nursing home or boarding care home admissions. The commissioners of public welfare and health shall seek to maximize use of available federal and state funds and establish the broadest program possible within the appropriation available. ~~The commissioner of public welfare shall promulgate temporary rules in order to implement this section by September 1, 1980.~~

Sec. 7. Minnesota Statutes 1982, section 256B.091, subdivision 2, is amended to read:

Subd. 2. [SCREENING TEAMS; ESTABLISHMENT.] Each county agency designated by the commissioner of public welfare to participate in the program shall contract with the local board of health organized under section 145.911 to 145.922 or other public or non-profit agency to establish

a screening team to assess, prior to admission to a nursing home or a *boarding care home* licensed under section 144A.02 or sections 144.50 to 144.56, that is certified for medical assistance as a skilled nursing facility, intermediate care facility level I, or intermediate care facility level II, the health and social needs of medical assistance recipients and individuals who would become eligible for medical assistance within ~~90~~ 180 days of nursing home or *boarding care home* admission. Each local screening team shall be composed of a public health nurse from the local public health nursing service and a social worker from the local community welfare agency. Each screening team shall have a physician available for consultation and shall utilize individuals' attending physicians' physical assessment forms, if any, in assessing needs. The individual's physician shall be included on the screening team if the physician chooses to participate. If the individual is being discharged from an acute care facility, a discharge planner from that facility may be present, at the facility's request, during the screening team's assessment of the individual and may participate in discussions but not in making the screening team's recommendations under subdivision 3, clause (e). If the assessment procedure or screening team recommendation results in a delay of the individual's discharge from the acute care facility, the facility shall not be denied *medical assistance* reimbursement or incur any other financial or regulatory penalty of the *medical assistance program* that would otherwise be caused by the individual's extended length of stay; 50 percent of the cost of this reimbursement or financial or regulatory penalty shall be paid by the state and 50 percent shall be paid by the county. Other personnel as deemed appropriate by the county agency may be included on the team. *The county agency may contract with an acute care facility to have the facility's discharge planners perform the functions of a screening team with regard to individuals discharged from the facility and in those cases the discharge planners may participate in making recommendations under subdivision 3, clause (e).* No member of a screening team shall have a direct or indirect financial or self-serving interest in a nursing home or non-institutional referral such that it would not be possible for the member to consider each case objectively.

Sec. 8. Minnesota Statutes 1982, section 256B.091, subdivision 4, is amended to read:

Subd. 4. [SCREENING OF PERSONS.] Prior to nursing home or *boarding care home* admission, screening teams shall assess the needs of all persons receiving medical assistance and of all persons who would be eligible for medical assistance within ~~90~~ 180 days of admission to a nursing home or *boarding care home*, except patients transferred from other nursing homes or patients who, having entered acute care facilities from nursing homes, are returning to nursing home care. Any other interested person may be assessed by a screening team upon payment of a fee based upon a sliding fee scale.

Sec. 9. Minnesota Statutes 1982, section 256B.091, subdivision 8, is amended to read:

Subd. 8. [ALTERNATIVE CARE GRANTS.] The commissioner shall provide grants to counties participating in the program to pay costs of providing alternative care to individuals screened under subdivision 4. Payment is available under this subdivision only for individuals (1) for whom

the screening team would recommend nursing home admission if alternative care were not available; (2) who are receiving medical assistance or who would be eligible for medical assistance within 90 180 days of admission to a nursing home; and (3) who need services that are not available at that time in the county through other public assistance.

Grants may be used for payment of costs of providing services such as, but not limited to, foster care for elderly persons, day care whether or not offered through a nursing home, nutritional counseling, or medical social services, which services are provided by a licensed health care provider, a home health service eligible for reimbursement under Titles XVIII and XIX of the federal Social Security Act, or by persons employed by or contracted with by the county board or the local welfare agency. The county agency shall ensure that a plan of care is established for each individual in accordance with subdivision 3, clause (e)(2). The plan shall include any services prescribed by the individual's attending physician as necessary and follow up services as necessary. The county agency shall provide documentation to the commissioner verifying that the individual's alternative care is not available at that time through any other public assistance or service program and shall provide documentation in each individual's plan of care that the most cost effective alternatives available have been offered to the individual. Grants to counties under this subdivision are subject to audit by the commissioner for fiscal and utilization control.

The commissioner shall establish a sliding fee schedule for requiring payment for the cost of providing services under this subdivision to persons who are eligible for the services but who are not yet eligible for medical assistance. The sliding fee schedule is not subject to chapter 14 but the commissioner shall publish the schedule and any later changes in the state register and allow a period of 20 working days from the publication date for interested persons to comment before adopting the sliding fee schedule in final forms.

The commissioner shall apply for a waiver for federal financial participation to expand the availability of services under this subdivision. The commissioner shall provide grants to counties from the non-federal share, unless the commissioner obtains a federal waiver for medical assistance payments, of medical assistance appropriations. ~~The state expenditures for this section shall not exceed \$1,800,000 for the biennium ending June 30, 1983.~~ A county agency may use grant money to supplement but not supplant services available through other public assistance or service programs and shall not use grant money to establish new programs for which public money is available through sources other than grants provided under this subdivision. A county agency shall not use grant money to provide care under this subdivision to an individual if the anticipated cost of providing this care would exceed the average payment, as determined by the commissioner, for the level of nursing home care that the recipient would receive if placed in a nursing home. The non-federal share may be used to pay up to 90 percent of the start-up and service delivery costs of providing care under this subdivision. Each county agency that receives a grant shall pay 10 percent of the costs.

The commissioner shall promulgate temporary rules in accordance with sections 14.29 to 14.36, to establish required documentation and reporting

of care delivered.

Sec. 10. Minnesota Statutes 1982, section 256B.41, is amended to read:

256B.41 [INTENT.]

Subdivision 1. [AUTHORITY.] ~~The state agency commissioner shall by rule establish a formula, by rule, procedures for establishing payment determining rates for care of residents of nursing homes which qualify as vendors of medical assistance, and for implementing the provisions of sections 256B.41, 256B.47, 256B.48, and sections 11, 12, 15, and 16. The procedures shall be based on methods and standards that the commissioner finds are adequate to provide for the costs that must be incurred for the care of residents in efficiently and economically operated nursing homes and shall specify the costs that are allowable for establishing payment rates through medical assistance.~~

Subd. 2. [FEDERAL REQUIREMENTS.] ~~It is the intent of the legislature to establish certain limitations on the state agency in setting standards for nursing home rate setting for the care of recipients of medical assistance pursuant to this chapter. It is not the intent of the legislature to repeal or change any existing or future rule promulgated by the state agency relating to the setting of rates for nursing homes unless the rule is clearly in conflict with sections 256B.41 to 256B.48. If any provision of sections 256B.41 to 256B.47, and 256B.48 and sections 11, 12, 15, and 16, is determined by the United States government to be in conflict with existing or future requirements of the United States government with respect to federal participation in medical assistance, the federal requirements shall prevail.~~

Sec. 11. [256B.421] [DEFINITIONS.]

Subdivision 1. [SCOPE.] *For the purposes of sections 256B.41, 256B.47, 256B.48, and sections 11, 12, 15, and 16, the following terms and phrases shall have the meaning given to them.*

Subd. 2. [ACTUAL ALLOWABLE HISTORICAL OPERATING COST PER DIEM.] *“Actual allowable historical operating cost per diem” means the per diem payment for actual costs, including operating costs, allowed by the commissioner for the most recent reporting year.*

Subd. 3. [COMMISSIONER.] *“Commissioner” means the commissioner of public welfare.*

Subd. 4. [FINAL RATE.] *“Final rate” means the rate established after any adjustment by the commissioner, including but not limited to adjustments resulting from cost report reviews and field audits.*

Subd. 5. [GENERAL AND ADMINISTRATIVE COSTS.] *“General and administrative costs” means all allowable costs for administering the facility, including but not limited to: salaries of administrators, assistant administrators, medical directors, accounting personnel, data processing personnel, and all clerical personnel; board of directors fees; business office functions and supplies; travel; telephone and telegraph; advertising; licenses and permits; membership dues and subscriptions; postage; insurance, except as included as a fringe benefit under subdivision 14; professional services such as legal, accounting and data processing services; central or home office costs; management fees; management consultants;*

employee training, for any top management personnel and for other than direct resident care related personnel; and business meetings and seminars. These costs shall be included in general and administrative costs in total, without direct or indirect allocation to other cost categories.

In a nursing home of 60 or fewer beds, part of an administrator's salary may be allocated to other cost categories to the extent justified in records kept by the nursing home. Central or home office costs representing services of required consultants in areas including, but not limited to, dietary, pharmacy, social services, or activities may be allocated to the appropriate department, but only if those costs are directly identified by the nursing home.

Subd. 6. [HISTORICAL OPERATING COSTS.] "Historical operating costs" means the allowable operating costs incurred by the facility during the reporting year immediately preceding the rate year for which the payment rate becomes effective, after the commissioner has reviewed those costs and determined them to be allowable costs under the medical assistance program, and after the commissioner has applied appropriate limitations such as the limit on administrative costs.

Subd. 7. [NURSING HOME.] "Nursing home" means a facility licensed under chapter 144A or a boarding care facility licensed under sections 144.50 to 144.56.

Subd. 8. [OPERATING COSTS.] "Operating costs" means the day to day costs of operating the facility in compliance with licensure and certification standards. Operating cost categories are: nursing, including nurses and nursing assistants training; dietary; laundry and linen; housekeeping; plant operation and maintenance; other care-related services; general and administration; payroll taxes; real estate taxes and actual special assessments paid; and fringe benefits, including clerical training.

Subd. 9. [PAYMENT RATE.] "Payment rate" means the rate determined under section 12.

Subd. 10. [PRIVATE PAYING RESIDENT.] "Private paying resident" means a nursing home resident who is not a medical assistance recipient and whose payment rate is not established by another third party, including the veterans administration or medicare.

Subd. 11. [RATE YEAR.] "Rate year" means the fiscal year for which a payment rate determined under section 12 is effective, from July 1 to the next June 30.

Subd. 12. [REPORTING YEAR.] "Reporting year" means the period from October 1 to September 30, immediately preceding the rate year, for which the nursing home submits reports required under section 256B.48, subdivision 2.

Subd. 13. [ACTUAL RESIDENT DAY.] "Actual resident day" means a billable, countable day as defined by the commissioner.

Subd. 14. [FRINGE BENEFITS.] "Fringe benefits" means workers' compensation insurance, group health or dental insurance, group life insurance, retirement benefits or plans, and uniform allowances.

Subd. 15. [PAYROLL TAXES.] "Payroll taxes" means the employer's

share of FICA taxes, governmentally required retirement contributions, and state and federal unemployment compensation taxes.

Sec. 12. [256B.431] [RATE DETERMINATION.]

Subdivision 1. [IN GENERAL.] The commissioner shall determine prospective payment rates for resident care costs. In determining the rates, the commissioner shall group nursing homes according to different levels of care and geographic location until July 1, 1985, and after that date, mix of resident needs, and geographic location, as defined by the commissioner. The commissioner shall consider the use of the standard metropolitan statistical areas when developing groups by geographic location. Until groups are established according to mix of resident needs, the commissioner shall group all convalescent and nursing care units attached to hospitals into one group for purposes of determining reimbursement for operating costs. On or before June 15, 1983, the commissioner shall mail notices to each nursing home of the rates to be effective from July 1 of that year to June 30 of the following year. In subsequent years, the commissioner shall provide notice to each nursing home on or before May 1 of the rates effective for the following rate year. If a statute enacted after May 1 affects the rates, the commissioner shall provide a revised notice to each nursing home as soon as possible.

The commissioner shall establish, by rule, limitations on compensation recognized in the historical base for top management personnel. The commissioner shall also establish, by rule, limitations on allowable nursing hours for each level of care for the rate years beginning July 1, 1983 and July 1, 1984.

Subd. 2. [OPERATING COSTS.] (a) The commissioner shall establish, by rule, procedures for determining per diem reimbursement for operating costs based on actual resident days. The commissioner shall disallow any portion of the general and administration cost category, exclusive of fringe benefits and payroll taxes, that exceeds

10 percent for nursing homes with more than 100 certified beds in total,

12 percent for nursing homes with fewer than 101 but more than 40 certified beds in total,

14 percent for nursing homes with 40 or fewer certified beds in total, and

15 percent for convalescent and nursing care units attached to hospitals for the rate year beginning July 1, 1983, of the expenditures in all operating cost categories except fringe benefits, payroll taxes, and general and administration.

(b) For the rate year beginning July 1, 1983, and ending June 30, 1984, the prospective operating cost payment rate for each nursing home shall be determined by the commissioner based on the allowed historical operating costs as reported in the most recent cost report received by December 31, 1982 and audited by March 1, 1983, and may be subsequently adjusted to reflect the costs allowed. To determine the allowed historical operating cost, the commissioner shall update the historical per diem shown in those cost reports to June 30, 1983, using a nine percent annual rate of increase after applying the general and administrative cost limitation described in paragraph (a). The commissioner shall calculate the 60th percentile of actual

allowable historical operating cost per diems for each group of nursing homes established under subdivision 1.

(1) Within each group, each nursing home whose actual allowable historical operating cost per diem as determined under this paragraph (b) is above the 60th percentile shall receive the 60th percentile increased by six percent plus 80 percent of the difference between its actual allowable operating cost per diem and the 60th percentile.

(2) Within each group, each nursing home whose actual allowable historical operating cost per diem is at or below the 60th percentile shall receive that actual allowable historical operating cost per diem increased by six percent.

For the rate year beginning July 1, 1984, and ending June 30, 1985, the prospective operating cost payment rate for each nursing home shall be determined by the commissioner based on actual allowable historical operating costs incurred during the reporting year preceding the rate year. The commissioner shall analyze and evaluate each nursing home's report of allowable operating costs incurred by the nursing home during the reporting year immediately preceding the rate year. The actual allowable historical operating costs, after the commissioner's analysis and evaluation, shall be added together and divided by the number of actual resident days to compute the actual allowable historical operating cost per diem. The commissioner shall calculate the 60th percentile of actual allowable historical operating cost per diems for each group of nursing homes established under subdivision 1.

(3) Within each group, each nursing home whose actual allowable historical operating cost per diem is above the 60th percentile of payment rates shall receive the 60th percentile increased at an annual rate of six percent plus 75 percent of the difference between its actual allowable historical operating cost per diem and the 60th percentile.

(4) Within each group, each nursing home whose actual allowable historical operating cost per diem is at or below the 60th percentile shall receive that actual allowable historical operating cost per diem increased at an annual rate of six percent.

(c) For subsequent years, the commissioner shall:

(1) Contract with an econometric firm with recognized expertise in and access to national economic change indices that can be applied to the appropriate cost categories when determining the operating cost payment rate;

(2) Establish the 60th percentile of actual allowable historical operating cost per diems for each group of nursing homes established under subdivision 1 based on cost reports of allowable operating costs in the previous reporting year. The commissioner shall analyze and evaluate each nursing home's report of allowable operating costs incurred by the nursing home during the reporting year immediately preceding the rate year for which the payment rate becomes effective. The allowable historical operating costs, after the commissioner's analysis and evaluation, shall be added together and divided by the actual number of resident days in order to compute the actual allowable historical operating cost per diem;

(3) Establish a composite index for each group by determining the weighted

average of all economic change indicators applied to the operating cost categories in that group.

(4) Within each group, each nursing home shall receive the 60th percentile increased by the composite index calculated in paragraph (c)(3). The historical base for determining the prospective payment rate shall not exceed the operating cost payment rates during that reporting year.

The commissioner shall include the reported actual real estate tax liability of each proprietary nursing home as an operating cost of that nursing home. The commissioner shall include a reported actual special assessment for each nursing home as an operating cost of that nursing home. Total real estate tax liability and actual special assessments paid for each nursing home (i) shall be divided by actual resident days in order to compute the operating cost payment rate for this operating cost category, but (ii) shall not be used to compute the 60th percentile.

(d) The commissioner shall allow the nursing home to keep, as an efficiency incentive, the difference between the nursing home's operating cost payment rate established for that rate year and the actual historical operating costs incurred for that rate year, if the latter amount is smaller. If a nursing home's actual historic operating costs are greater than the prospective payment rate for that rate year, there shall be no retroactive cost settle-up. If an annual cost report or field audit indicates that the expenditures for direct resident care have been reduced in amounts large enough to indicate a possible detrimental effect on the quality of care, the commissioner shall notify the commissioner of health and the interagency board for quality assurance. If a field audit reveals that unallowable expenditures have been included in the nursing home's historical operating costs, the commissioner shall disallow the expenditures and recover the entire overpayment. The commissioner shall establish, by rule, procedures for assessing an interest charge at the rate determined for unpaid taxes or penalties under section 270.75 on any outstanding balance resulting from an overpayment or underpayment.

(e) The commissioner may negotiate, with a nursing home that is eligible to receive medical assistance payments, a payment rate of up to 125 percent of the allowed payment rate to be paid for a period of up to three months for individuals who have been hospitalized for more than 100 days, who have extensive care needs based on nursing hours actually provided or mental or physical disability, or need for respite care for a specified and limited time period, and based on an assessment of the nursing home's resident mix as determined by the commissioner of health. The payment rate negotiated and paid pursuant to this paragraph is specifically exempt from the definition of "rule" and the rule-making procedures required by chapter 14 and section 16.

(f) Until groups are established according to mix of resident care needs, nursing homes licensed on June 1, 1983 by the commissioner to provide residential services for the physically handicapped and nursing homes that have an average length of stay of less than 180 days shall not be included in the calculation of the 60th percentile of any group. For rate year beginning July 1, 1983 and July 1, 1984, each of these nursing homes shall receive their actual allowed historical operating cost per diem increased by six per-

cent. The commissioner shall also apply to these nursing homes the percent-age limitation on the general and administrative cost category as provided in subdivision 2, paragraph (a).

Subd. 3. [PROPERTY-RELATED COSTS.] For rate years beginning July 1, 1983 and July 1, 1984, property-related costs shall be reimbursed to each nursing home at the level recognized in the most recent cost report received by December 31, 1982 and audited by March 1, 1983, and may be subsequently adjusted to reflect the costs recognized in the final rate for that cost report, adjusted for rate limitations in effect before the effective date of this section. Property-related costs include: depreciation, interest, earnings or investment allowance, lease, or rental payments. No adjustments shall be made as a result of sales or reorganizations of provider entities.

Adjustments for the cost of repairs, replacements, renewals, betterments, or improvements to existing buildings, and building service equipment shall be allowed if:

(i) The cost incurred is reasonable, necessary, and ordinary;

(ii) The net cost is greater than \$5,000. "Net cost" means the actual cost, minus proceeds from insurance, salvage, or disposal;

(iii) The nursing home's property-related costs per diem is equal to or less than the average property-related costs per diem within its group; and

(iv) The adjustment is shown in depreciation schedules submitted to and approved by the commissioner.

Annual per diem shall be computed by dividing total property-related costs by 96 percent of the nursing home's licensed capacity days for nursing homes with more than 60 beds and 94 percent of the nursing home's licensed capacity days for nursing homes with 60 or fewer beds. For a nursing home whose residents' average length of stay is 180 days or less, the commissioner may waive the 96 or 94 percent factor and divide the nursing home's property-related costs by the actual resident days to compute the nursing home's annual property-related per diem. The commissioner shall promulgate temporary and permanent rules to recapture excess depreciation upon sale of a nursing home.

For rate years beginning on or after July 1, 1985, the commissioner, by permanent rule, shall reimburse nursing home providers that are vendors in the medical assistance program for the rental use of their property. The "rent" is the amount of periodic payment which a renter might expect to pay for the right to the agreed use of the real estate and the depreciable equipment as it exists. "Real estate" means land improvements, buildings, and attached fixtures used directly for resident care. "Depreciable equipment" means the standard moveable resident care equipment and support service equipment generally used in long-term care facilities.

In developing the method for determining payment rates for the rental use of nursing homes, the commissioner shall consider factors designed to:

(i) simplify the administrative procedures for determining payment rates for property-related costs;

(ii) minimize discretionary or appealable decisions;

- (iii) eliminate any incentives to sell nursing homes;
- (iv) recognize legitimate costs of preserving and replacing property;
- (v) recognize the existing costs of outstanding indebtedness allowable under the statutes and rules in effect on May 1, 1983;
- (vi) address the current value of, if used directly for patient care, land improvements, buildings, attached fixtures, and equipment;
- (vii) establish an investment per bed limitation;
- (viii) reward efficient management of capital assets;
- (ix) provide equitable treatment of facilities;
- (x) consider a variable rate; and
- (xi) phase in implementation of the rental reimbursement method.

No later than January 1, 1984, the commissioner shall report to the legislature on any further action necessary or desirable in order to implement the purposes and provisions of this subdivision.

Subd. 4. [SPECIAL RATES.] A newly-constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the commissioner, receive an interim payment rate for reimbursement for property-related costs calculated pursuant to the statutes and rules in effect on May 1, 1983 and for operating costs negotiated by the commissioner based upon the 60th percentile established for the appropriate group under subdivision 2, paragraph (b) to be effective from the first day a medical assistance recipient resides in the home or for the added beds. For newly-constructed nursing homes which are not included in the calculation of the 60th percentile for any group, subdivision 2(f), the commissioner shall establish by rule procedures for determining interim operating cost payment rates and interim property-related cost payment rates. The interim payment rate shall not be in effect for more than 17 months. The commissioner shall establish, by temporary and permanent rules, procedures for determining the interim rate and for making a retroactive cost settle-up after the first year of operation; the cost settled operating cost per diem shall not exceed 110 percent of the 60th percentile established for the appropriate group. The commissioner shall establish by rule procedures for determining payment rates for nursing homes which provide care under a lesser care level than the level for which the nursing home is certified.

Subd. 5. [ADJUSTMENTS.] When resolution of appeals or on-site field audits of the records of nursing homes within a group result in adjustments to the 60th percentile of the payment rates within the group in any reporting year, the 60th percentile established for the following rate year for that group shall be increased or decreased by the adjustment amount.

Sec. 13. Minnesota Statutes 1982, section 256B.47, is amended to read:

256B.47 [RATE LIMITS NONALLOWABLE COSTS; NOTICE OF INCREASES TO PRIVATE PAYING RESIDENTS.]

Subdivision 1. [NONALLOWABLE COSTS.] The state agency shall by rule establish separate overall limitations on the costs for items which directly relate to the provision of patient care to residents of nursing homes and those

which do not directly relate to the provision of care. The state agency may also by rule, establish limitations for specific cost categories which do not directly relate to the provision of patient care. The state agency shall reimburse nursing homes for the costs of nursing care in excess of any state agency limits on hours of nursing care if the commissioner of health issues a correction order pursuant to section 144A-10, subdivision 4, directing the nursing home to provide the additional nursing care. All costs determined otherwise allowable shall be subject to these limitations.

Subd. 2: The following costs shall not be recognized as allowable to the extent that these costs cannot be demonstrated by the nursing home to the state agency to be directly related to the provision of patient care: (1) political contributions; (2) salaries or expenses of a lobbyist, as defined in section 10A.01, subdivision 11, for lobbying activities; (3) advertising designed to encourage potential residents to select a particular nursing home; (4) assessments levied by the health department commissioner of health for uncorrected violations; (5) legal and related fees expenses for unsuccessful challenges to decisions by state governmental agencies; (6) memberships in sports, health or similar social clubs or organizations; and (7) costs incurred for activities directly related to influencing employees with respect to unionization and (6) dues paid to a nursing home or hospital association. The state agency shall promulgate rules establishing standards which shall distinguish between any patient-care related components and nonpatient-care related components of these costs, where applicable. For purposes of these rules, the state agency shall exercise emergency powers and establish emergency rules pursuant to section 15.0412, subdivision 5, before September 1, 1977. The state agency commissioner shall by rule exclude the costs of any other items which it determines are not directly related to the provision of patient resident care.

Subd. 3: On or before January 1, 1977 the state agency shall by rule establish a procedure affording notice of the approved rate for medical assistance recipients to nursing homes within 120 days after the close of the fiscal year of the nursing home.

Subd. 4: 2. [NOTICE TO RESIDENTS.] No increase in nursing home rates for private paying residents shall be effective unless the nursing home notifies the resident or person responsible for payment of the increase in writing 30 days before the increase takes effect.

A nursing home may adjust its rates without giving the notice required by this subdivision when the purpose of the rate adjustment is to: (a) reflect a necessary change in the level of care provided to a resident; or (b) retroactively or prospectively equalize private pay rates with rates charged to medical assistance recipients as required by section 256B-48, subdivision 1, clause (a) and applicable federal law.

Subd. 5: The commissioner shall promulgate rules no later than August 1, 1980, to amend the current rules governing nursing home reimbursement, in accordance with sections 14.01 to 14.70, to allow providers to allocate their resources in order to provide as many nursing hours as necessary within the total cost limitations of the per diem already granted. If the state fails to set rates as required by section 12, the time required for giving notice is decreased by the number of days by which the state was late in setting the rates.

Sec. 14. Minnesota Statutes 1982, section 256B.48, is amended to read:

256B.48 [CONDITIONS FOR PARTICIPATION.]

Subdivision 1. [PROHIBITED PRACTICES.] No A nursing home shall be ~~is not~~ eligible to receive medical assistance payments unless it ~~agrees in writing that it will refrain~~ refrains from:

(a) ~~Charging nonmedical assistance residents rates for similar services which exceed by more than ten percent those rates which are approved by the state agency for medical assistance recipients. For nursing homes charging non-medical assistance residents rates less than ten percent more than those rates which are approved by the state agency for medical assistance recipients, the maximum differential in rates between nonmedical assistance residents and medical assistance recipients shall not exceed that differential which was in effect on April 13, 1976. If a nursing home has exceeded this differential since April 13, 1976, it shall return the amount collected in excess of the allowable differential stated by this subdivision to the nonmedical assistance resident, or that person's representative, by July 1, 1977. Effective July 1, 1978, no nursing home shall be eligible for medical assistance if it charges nonmedical assistance recipients~~ Charging private paying residents rates for similar services which exceed those which are approved by the state agency for medical assistance recipients; ~~provided, however, that as determined by the prospective desk audit rate, except under the following circumstances: the nursing home may (1) charge nonmedical assistance private paying residents a higher rate for a private room, and (2) charge for special services which are not included in the daily rate if medical assistance patients residents are charged separately at the same rate for the same services in addition to the daily rate paid by the state agency commissioner. A nursing home that charges a private paying resident a rate in violation of this clause is subject to an action by the state of Minnesota or any of its subdivisions or agencies for civil damages. A private paying resident or the resident's legal representative has a cause of action for civil damages against a nursing home that charges the resident rates in violation of this clause. The damages awarded shall include three times the payments that result from the violation, together with costs and disbursements, including reasonable attorneys' fees or their equivalent. A private paying resident or the resident's legal representative, the state, subdivision or agency, or a nursing home may request a hearing to determine the allowed rate or rates at issue in the cause of action. Within 15 calendar days after receiving a request for such a hearing, the commissioner shall request assignment of a hearing examiner under sections 14.48 to 14.56 to conduct the hearing as soon as possible or according to agreement by the parties. The hearing examiner shall issue a report within 15 calendar days following the close of the hearing. The prohibition set forth in this clause shall not apply to facilities licensed as boarding care facilities which are not certified as skilled or intermediate care facilities level I or II for reimbursement through medical assistance;~~

(b) Requiring an applicant for admission to the home, or the guardian or conservator of the applicant, as a condition of admission, to pay ~~an admission fee any fee or deposit~~ in excess of \$100, loan any money to the nursing home, or promise to leave all or part of the applicant's estate to the home; ~~and~~

(c) Requiring any resident of the nursing home to utilize a vendor of health

care services who is a licensed physician or pharmacist chosen by the nursing home;

(d) Requiring any applicant to the nursing home, or the applicant's guardian or conservator, as a condition of admission, to assure that the applicant is neither eligible for nor will seek public assistance for payment of nursing home care costs;

(e) Requiring any vendor of medical care as defined by section 256B.02, subdivision 7, who is reimbursed by medical assistance under a separate fee schedule, to pay any portion of his fee to the nursing home except as payment for renting or leasing space or equipment of the nursing home or purchasing support services, if those agreements are disclosed to the commissioner; and

(f) Refusing, for more than 24 hours, to accept a resident returning to his same bed or a bed certified for the same level of care, in accordance with a physician's order authorizing transfer, after receiving inpatient hospital services.

The prohibitions set forth in clause (b) shall not apply to a retirement home with more than 325 beds including at least 150 licensed nursing home beds and which:

(1) is owned and operated by an organization tax-exempt under section 290.05, subdivision 1, clause (i); and

(2) ~~at the time of admission places accounts for~~ all of the applicant's assets which are required to be assigned to the home ~~in a trust account from which so that~~ only expenses for the cost of care of the applicant may be deducted ~~charged against the account;~~ and

(3) agrees in writing at the time of admission to the home to permit the applicant, or his guardian, or conservator, to examine the records relating to the ~~individual's trust~~ applicant's account upon request, and to receive an audited statement of the expenditures ~~from charged against~~ his individual account upon request; and

(4) agrees in writing at the time of admission to the home to permit the applicant to withdraw from the home at any time and to receive, upon withdrawal, ~~all of the unexpended funds remaining in the balance of his individual trust account;~~ and

~~(5) was in compliance with provisions (1) to (4) as of June 30, 1976.~~

Subd. 2. [REPORTING REQUIREMENTS.] Effective July 1, 1976, no nursing home shall be eligible to receive medical assistance payments unless it agrees in writing to:

(a) provide the state agency with its most recent (1) balance sheet and statement of revenues and expenses as audited by a certified public accountant licensed by this state or by a public accountant as defined in section 412.222; (2) statement of ownership for the nursing home; and (3) a separate audited balance sheet and statement of revenues and expenses for each nursing home if more than one nursing home or other business operation is owned by the same owner; a governmentally owned nursing home may comply with the auditing requirements of this clause by submitting an audit report prepared by the state auditor's office;

(b) Provide the state agency with copies of leases, purchase agreements and other related documents related to the lease or purchase of the nursing home; and

(c) Provide to the state agency upon request copies of leases, purchase agreements, or similar documents for the purchase or acquisition of equipment, goods and services which are claimed as allowable costs.

No later than December 31 of each year, a skilled nursing facility or intermediate care facility, including boarding care facilities, which receives medical assistance payments or other reimbursements from the state agency shall:

(a) Provide the state agency with a copy of its audited financial statements. The audited financial statements must include a balance sheet, income statement, statement of the rate or rates charged to private paying residents, statement of retained earnings, statements of changes in financial position (cash and working capital methods), notes to the financial statements, applicable supplemental information, and the certified public accountant's or licensed public accountant's opinion. The examination by the certified public accountant or licensed public accountant shall be conducted in accordance with generally accepted auditing standards as promulgated and adopted by the American Institute of Certified Public Accountants;

(b) Provide the state agency with a statement of ownership for the facility;

(c) Provide the state agency with separate, audited financial statements as specified in clause (a) for every other facility owned in whole or part by an individual or entity which has an ownership interest in the facility;

(d) Upon request, provide the state agency with separate, audited financial statements as specified in clause (a) for every organization with which the facility conducts business and which is owned in whole or in part by an individual or entity which has an ownership interest in the facility;

(e) Provide the state agency with copies of leases, purchase agreements, and other documents related to the lease or purchase of the nursing facility;

(f) Upon request, provide the state agency with copies of leases, purchase agreements, and other documents related to the acquisition of equipment, goods, and services which are claimed as allowable costs; and

(g) Permit access by the state agency to the certified public accountant's and licensed public accountant's audit workpapers which support the audited financial statements required in clauses (a), (c), and (d).

Documents or information provided to the state agency pursuant to this subdivision shall be public. If the requirements of clauses (a) to (g) are not met, the reimbursement rate may be reduced to 80 percent of the rate in effect on the first day of the fourth calendar month after the close of the reporting year, and the reduction shall continue until the requirements are met.

Subd. 3. [INCOMPLETE OR INACCURATE REPORTS.] The state agency commissioner may reject any annual cost report filed by a nursing home pursuant to this chapter if ~~the~~ the commissioner determines that the report or the information required in subdivision 2, clause (a) has been filed in a form that is incomplete or inaccurate. In the event that a report is re-

jected pursuant to this subdivision, the state agency may make payments commissioner shall reduce the reimbursement rate to a nursing home at the to 80 percent of its most recently established rate determined for its prior fiscal year, or at an interim rate established by the state agency, until the information is completely and accurately filed.

Subd. 4. [EXTENSIONS.] The commissioner may grant a 15-day extension of the reporting deadline to a nursing home for good cause. To receive such an extension, a nursing home shall submit a written request by December 1. The commissioner will notify the nursing home of the decision by December 15.

Subd. 5. [FALSE REPORTS.] If a nursing home knowingly supplies inaccurate or false information in a required report that results in an overpayment, the commissioner shall: (a) immediately adjust the nursing home's payment rate to recover the entire overpayment within the rate year; or (b) terminate the commissioner's agreement with the nursing home; or (c) prosecute under applicable state or federal law; or (d) use any combination of the foregoing actions.

Sec. 15. [256B.50] [APPEALS.]

A nursing home may appeal a decision arising from the application of standards or methods pursuant to sections 10 and 256B.47 if the appeal, if successful, would result in a change to the nursing home's payment rate. To appeal, the nursing home shall notify the commissioner of its intent to appeal within 30 days and submit a written appeal request within 60 days of receiving notice of the payment rate determination or decision. The appeal request shall specify each disputed item, the reason for the dispute, an estimate of the dollar amount involved for each disputed item, the computation that the nursing home believes is correct, the authority in statute or rule upon which the nursing home relies for each disputed item, the name and address of the person or firm with whom contacts may be made regarding the appeal, and other information required by the commissioner. The appeal shall be heard by a hearing examiner according to sections 14.48 to 14.56, or upon agreement by both parties according to a modified appeals procedure established by the commissioner and the hearing examiner. In any proceeding under this section, the appealing party must demonstrate by a preponderance of the evidence that the commissioner's determination is incorrect. Regardless of any rate appeal, the rate established shall be the rate paid and shall remain in effect until final resolution of the appeal or subsequent desk or field audit adjustment, notwithstanding any provision of law or rule to the contrary. To challenge the validity of rules established by the commissioner pursuant to sections 256B.41, 256B.47, 256B.48, and sections 11, 12, 15, and 16, a nursing home shall comply with section 14.44.

Sec. 16. [256B.502] [TEMPORARY RULES.]

The commissioners of health and public welfare shall promulgate temporary and permanent rules necessary to implement sections 1 to 15 except as otherwise indicated in accordance with sections 14.01 to 14.38. Temporary rules promulgated by August 15, 1983 to implement the rate determination provisions of section 12 are retroactive to and effective as of July 1, 1983. Notwithstanding the provisions of section 14.35, temporary rules promulgated to implement sections 1 to 15 shall be effective for up to 360 days after

July 1, 1983, and may be continued in effect for two additional periods of 180 days each if the commissioner gives notice of continuation of each additional period by publishing notice in the state register and mailing the same notice to all persons registered with the commissioner to receive notice of rule-making proceedings in connection with sections 1 to 15. The temporary rules promulgated in accordance with this section shall not be effective 720 days after their effective date without following the procedures in sections 14.13 to 14.20. The commissioner shall report to the legislature by January 1, 1985, on likely groups and shall establish groups of nursing homes based on the mix of resident care needs, and on geographic area, by July 1, 1985.

Sec. 17. [LEGISLATIVE COMMISSION ON LONG TERM HEALTH CARE.]

Subdivision 1. A legislative study commission is created (a) to monitor the inspection and regulation activities, including rule developments, of the departments of health and public welfare with the goal of improving quality of care; (b) to study and report on alternative long-term care services, including respite care services, day care services, and hospice services; and (c) to study and report on alternatives to medical assistance funding for providing long term health care services to the citizens of Minnesota. The study commission shall consider the use of such alternatives as private insurance, private annuities, health maintenance organizations, preferred provider organizations, medicare, and such other alternatives as the commission may deem worthy of study.

Subd. 2. The commission shall consist of six members of the house of representatives appointed by the speaker and six members of the senate appointed by the subcommittee on committees.

Subd. 3. The commission shall report its findings and recommendations to the governor and the legislature not later than January 1, 1985.

Subd. 4. The commission shall hold meetings and hearings at the times and places it designates to accomplish the purposes set forth in this section. It shall select a chairperson and other officers from its membership as it deems necessary.

Subd. 5. The commission shall make use of existing legislative facilities and staff of the house and senate research department and senate counsel, but it may also request the legislative coordinating commission to supply it with additional necessary staff, office space, and administrative services. All additional personnel shall be hired and supervised by the directors of the house and senate research departments and senate counsel. The commission shall have full authority to contract for expert services and opinions relevant to the purposes of this section. The commission, by a two-thirds vote of its members, may request the issuance of subpoenas, including subpoenas duces tecum, requiring the appearance of persons, production of relevant records, and giving of relevant testimony.

Sec. 18. [ANCILLARY SERVICES.]

The commissioner shall promulgate rules pursuant to the administrative procedures act to set the amount and method of payment for ancillary materials and services provided to recipients residing in long-term care facilities. Payment for materials and services may be made to either the nursing home

in the operating cost per diem, to the vendor of ancillary services pursuant to 12 MCAR 2.047 or to a nursing home pursuant to 12 MCAR 2.047. Payment for the same or similar service to a recipient shall not be made to both the nursing home and the vendor. The commissioner shall ensure that charges for ancillary materials and services are as would be incurred by a prudent buyer.

Sec. 19. [REPEALER.]

Minnesota Statutes 1982, sections 256B.42; 256B.43; 256B.44; 256B.45; and 256B.46 are repealed effective July 1, 1983. 12 MCAR, Section 2.049 is superseded effective on the effective date of the first temporary rule promulgated to implement section 12, retroactive to July 1, 1983.

Sec. 20. [APPROPRIATION.]

The approved complement of the department of health increased by one-half position for the interagency board. \$1,043,520 for fiscal year 1984 and \$603,680 for fiscal year 1985 are appropriated from the general fund to the commissioner of public welfare for the state's costs of implementing sections 1 to 19 for the biennium ending June 30, 1985. \$4,376,560 for fiscal year 1984 and \$6,176,462 for fiscal year 1985 is appropriated from the general fund for the state's costs for preadmission screening and alternative care grants. Remaining amounts necessary to fund these areas shall be obtained from federal and county sources and shall be appropriated for implementing sections 1 to 18. The approved complement of the department of public welfare is increased by five and one-half full-time positions; the one-half full-time position is for the interagency board.

Sec. 21. [EFFECTIVE DATE.]

Sections 1 to 20 are effective the day following enactment, for the moratorium and for establishing procedures for determining payment rates to become effective for the biennium beginning July 1, 1983, and thereafter. The amendments to section 256B.48, subdivision 1, apply to causes of action arising from charges made on or after the effective date of section 14."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Linda Berglin, Marilyn M. Lantry, Duane D. Benson

House Conferees: (Signed) John T. Clawson, James C. Swanson, Tony Onnen

Ms. Berglin moved that the foregoing recommendations and Conference Committee Report on S.F. No. 695 be now adopted, and that the bill be repassed as amended by the Conference Committee.

CALL OF THE SENATE

Mr. Steloff imposed a call of the Senate for the balance of the proceedings on S.F. No. 695. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Frank moved that the recommendations and Conference Committee Report on S.F. No. 695 be rejected, the Conference Committee discharged,

and that a new Conference Committee be appointed by the Subcommittee on Committees to act with a like Conference Committee appointed on the part of the House.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 30 and nays 34, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Johnson, D.E.	Laidig	Ramstad
Anderson	Brataas	Jude	Lessard	Renneke
Belanger	Chmielewski	Kamrath	McQuaid	Sieloff
Benson	Frank	Knaak	Mehrkens	Storm
Berg	Frederickson	Kroening	Olson	Taylor
Bernhagen	Isackson	Kronebusch	Peterson, D.L.	Ulland

Those who voted in the negative were:

Berglin	Frederick	Merriam	Peterson, D.C.	Solon
Dahl	Freeman	Moe, D. M.	Peterson, R.W.	Spear
Davis	Hughes	Moe, R. D.	Petty	Stumpf
DeCramer	Knutson	Nelson	Pogemiller	Vega
Dicklich	Langseth	Novak	Reichgott	Wegscheid
Diessner	Lantry	Pehler	Samuelson	Willet
Dieterich	Luther	Peterson, C.C.	Schmitz	

The motion did not prevail.

The question recurred on the motion of Ms. Berglin. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 695 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 51 and nays 13, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Langseth	Peterson, C.C.	Storm
Belanger	Frank	Lantry	Peterson, D.C.	Stumpf
Benson	Freeman	Luther	Peterson, R.W.	Taylor
Berg	Hughes	McQuaid	Petty	Vega
Berglin	Isackson	Merriam	Pogemiller	Waldorf
Bertram	Johnson, D.J.	Moe, D. M.	Purfeerst	Wegscheid
Chmielewski	Jude	Moe, R. D.	Ramstad	Willet
Dahl	Kamrath	Nelson	Reichgott	
Davis	Knutson	Novak	Schmitz	
DeCramer	Kroening	Olson	Solon	
Dicklich	Kronebusch	Pehler	Spear	

Those who voted in the negative were:

Anderson	Frederick	Knaak	Peterson, D.L.	Ulland
Bernhagen	Frederickson	Laidig	Renneke	
Brataas	Johnson, D.E.	Mehrkens	Sieloff	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 338 and the Conference Committee Report thereon were re-

ported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 338

A bill for an act relating to motor vehicles; maintaining the maximum interest rate on certain loans under the Motor Vehicle Retail Installment Sales Act at the current rate; amending Minnesota Statutes 1982, section 168.72, subdivision 2.

May 20, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 338, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment.

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Gregory L. Dahl, Eric D. Petty, Doran L. Isackson

House Conferees: (Signed) Tom Osthoff, James Metzen, Terry Dempsey

Mr. Dahl moved that the foregoing recommendations and Conference Committee Report on S.F. No. 338 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 338 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 52 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Kronebusch	Olson	Spear
Anderson	Frederick	Laidig	Pehler	Storm
Belanger	Frederickson	Langseth	Peterson,C.C.	Stumpf
Benson	Freeman	Lessard	Peterson,R.W.	Ulland
Berg	Hughes	Luther	Petty	Vega
Bernhagen	Isackson	McQuaid	Purfeerst	Waldorf
Bertram	Johnson, D.E.	Mehrkens	Ramstad	Wegscheid
Brataas	Jude	Merriam	Reichgott	Willet
Chmielewski	Kamrath	Moe, R. D.	Renneke	
Dahl	Knaak	Nelson	Schmitz	
Diessner	Knutson	Novak	Sieloff	

Those who voted in the negative were:

Berglin	Dieterich	Kroening	Peterson,D.C.	Pogemiller
Dicklich	Johnson, D.J.			

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 297 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 297

A bill for an act relating to criminal justice; requiring peace officers to make arrests based on probable cause in cases of domestic assault; requiring peace officers to notify victims of domestic assault of the legal remedies available; amending Minnesota Statutes 1982, section 629.341; and Laws 1983, chapter 52, by adding a section.

May 20, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 297, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 297 be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 629.341, is amended to read:

Subdivision 1. [ARREST.] Notwithstanding the provisions of section 629.34 or any other law or rule to the contrary, a peace officer may arrest without a warrant a person anywhere, including at his place of residence if the peace officer has probable cause to believe the person within the preceding four hours has assaulted, *threatened with a dangerous weapon, or placed in fear of immediate bodily harm* his spouse ~~or, former spouse~~, other person with whom he resides *or has formerly resided*, although the assault did not take place in the presence of the peace officer. ~~A peace officer may not arrest a person pursuant to this section without first observing recent physical injury to, or impairment of physical condition of the alleged victim.~~

Subd. 2. [IMMUNITY.] Any peace officer acting in good faith and exercising due care in the making of an arrest pursuant to subdivision 1 shall have immunity from civil liability that otherwise might result by reason of his action.

Subd. 3. [NOTICE OF RIGHTS.] *The peace officer shall advise the victim of the availability of a shelter or other services in the community and give the victim immediate notice of the legal rights and remedies available. The notice shall include furnishing the victim a copy of the following statement:*

“IF YOU ARE THE VICTIM OF DOMESTIC VIOLENCE, you can ask the city or county attorney to file a criminal complaint. You also have the right to go to court and file a petition requesting an order for protection from domestic abuse which could include the following: (a) an order restraining the abuser from further acts of abuse; (b) an order directing the abuser to leave your household; (c) an order preventing the abuser from entering your resi-

dence, school, business, or place of employment; (d) an order awarding you or the other parent custody of or visitation with your minor child or children; (e) an order directing the abuser to pay support to you and the minor children if the abuser has a legal obligation to do so.”

The notice shall include the resource listing, including telephone number, for the area battered women's shelter, to be designated by the department of corrections.

Subd. 4. [REPORT REQUIRED.] Whenever a peace officer investigates an allegation that an incident described in subdivision 1 has occurred, whether or not an arrest is made, the officer shall make a written police report of the alleged incident. The officer must submit the report to his supervisor or other person to whom the employer's rules or policies require reports of similar allegations of criminal activity to be made.

Subd. 5. [TRAINING.] The board of peace officer standards and training shall provide a copy of this section to every law enforcement agency in this state on or before June 30, 1983.

Upon request of the board of peace officer standards and training to the bureau of criminal apprehension, the subject matter of at least one training course must include instruction in the subject matter of domestic abuse. Every basic skills course required in order to obtain initial licensure as a peace officer must, after January 1, 1985, include at least three hours of training in handling domestic violence cases.

Sec. 2. Minnesota Statutes 1982, section 629.72, is amended by adding a subdivision to read:

Subd. 4. [SERVICE OF ORDER FOR PROTECTION.] If an order for protection is issued pursuant to section 518B.01 while the arrested person is still in detention, the order shall be served upon the arrested person during detention if possible.

Sec. 3. Laws 1983, chapter 52, is amended by adding a section to read:

Sec. 4. [EFFECTIVE DATE.]

This act is effective June 1, 1983.”

Amend the title as follows:

Page 1, line 2, delete “requiring” and insert “authorizing”

Page 1, line 6, after the semicolon, insert “requiring written reports of alleged domestic violence incidents; requiring peace officer training; requiring service of certain orders for protection upon arrested persons;”

Page 1, line 6, delete “section” and insert “sections”

Page 1, line 7, after the semicolon, insert “629.72, by adding a subdivision,”

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Eric D. Petty, Ember D. Reichgott, Fritz Knaak

House Conferees: (Signed) Sharon Coleman, Tom Osthoff, Connie Levi

Mr. Petty moved that the foregoing recommendations and Conference Committee Report on S.F. No. 297 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 297 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kroening	Pehler	Spear
Anderson	Diessner	Kronebusch	Peterson, C.C.	Storm
Belanger	Dieterich	Laidig	Peterson, D.C.	Stumpf
Benson	Frank	Langseth	Peterson, R.W.	Ulland
Berg	Frederick	Lantry	Petty	Vega
Berglin	Frederickson	Lessard	Pogemiller	Waldorf
Bernhagen	Hughes	Luther	Purfeerst	Wegscheid
Bertram	Johnson, D.J.	McQuaid	Ramstad	Willet
Brataas	Jude	Mehrkens	Reichgott	
Chmielewski	Kamrath	Merriam	Renneke	
Dahl	Knaak	Novak	Samuelson	
Davis	Knutson	Olson	Schmitz	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 708 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 708

A bill for an act relating to the court system; removing obsolete references to justice of the peace and magistrate; amending Minnesota Statutes 1982, sections 72A.12, subdivision 5; 72A.30; 88.645; 97.50, subdivisions 1 and 7; 115.32, subdivision 3; 127.09; 127.17, subdivision 4; 144.12, subdivision 1; 168.46; 169.42, subdivision 5; 169.91; 169.95; 169.965, subdivision 3; 169.966, subdivision 3; 169.971, subdivision 4; 171.08; 171.16, subdivision 1; 181.09; 181.17; 219.32; 219.97, subdivision 13; 290.58; 297A.42, subdivision 2; 299F.40, subdivision 5; 340.85, subdivision 2; 340.91; 345.02; 345.03; 345.04; 345.05; 345.06; 345.14; 346.03; 346.04; 346.09, subdivision 1; 347.04; 347.05; 347.06; 357.12; 357.16; 357.22; 357.27; 357.29; 358.15; 359.061; 359.11; 361.27, subdivision 2; 365.52; 366.20; 367.11; 367.25, subdivision 1; 368.01, subdivision 20; 373.09; 375.24; 390.15; 390.20; 390.31, subdivision 2; 390.33, subdivisions 2 and 6; 395.23; 412.02, subdivision 1; 412.021, subdivision 2; 412.023, subdivision 5; 412.111; 412.861, subdivision 3; 473.608, subdivision 17; 485.07; 488A.021, subdivision 4; 488A.09, subdivision 7; 488A.19, subdivision 5; 490.18; 509.04; 514.29; 514.34; 542.05; 549.03; 550.17; 571.50; 571.58; 571.65; 574.20; 574.35; 588.01, subdivision 3; 588.02; 593.21; 609.27, subdivision 1; 609.415, subdivision 1; 609.66, subdivi-

sion 1; 611.07, subdivision 1; 611.17; 617.27; 624.62; 625.01; 625.02; 625.03; 625.04; 625.05; 625.06; 625.07; 625.08; 625.09; 625.10; 625.11; 625.12; 625.13; 625.14; 625.15; 625.17; 625.18; 626.04; 626.05, subdivision 1; 626.06; 626.09; 626.11; 626.14; 626.15; 626.17; 626.66; 629.03; 629.13; 629.14; 629.15; 629.16; 629.17; 629.18; 629.23, subdivision 3; 629.31; 629.36; 629.363; 629.364; 629.39; 629.401; 629.403; 629.41; 629.44; 629.45; 629.53; 629.54; 629.55; 629.60; 629.62; 630.17; 630.37; 631.04; 636.08; 641.07; 641.25; and 648.39, subdivision 3; repealing Minnesota Statutes 1982, sections 357.14; 357.15; 367.03, subdivision 4; 367.21; 388.02; 412.02, subdivision 5; 412.171; 487.01, subdivision 8; 488A.283; 488A.284; 492.02, subdivision 2; 542.15; 549.16; 599.21; 599.22; 599.23; 609.46; 629.56; 629.66; and 629.71.

May 18, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 708, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and S.F. No. 708 be amended as follows:

Page 17, line 6, strike "fund of the county" and insert "district where the violation occurs"

Page 73, after line 20, insert:

"Sec. 150. [COURT STUDY COMMISSION.]

Subdivision 1. [CREATION.] There is created a court study commission whose purpose shall be to study the structure of the state court system to determine the desirability of unifying the current county, municipal, and district courts into a single trial court.

Subd. 2. [MEMBERSHIP; CHAIRMAN.] The commission shall consist of 16 members as follows: four members of the senate appointed by the subcommittee on committees of the committee on rules and administration; four members of the house of representatives appointed by the speaker of the house; two district court judges and two county or municipal court judges appointed by the chief justice; the chief justice of the supreme court or his designee; and three members appointed by the governor. The commission shall elect a chairman from its membership.

Subd. 3. [REPORT TO THE LEGISLATURE.] On or before January 1, 1984, the commission shall submit to the chairmen of the judiciary committees in the house of representatives and the senate its recommendations whether to unify the current county, municipal, and district courts into a single trial court.

Subd. 4. [STAFF.] The judicial planning committee shall provide staff for the commission. Members shall receive travel and other expenses in the same manner as state employees."

Page 73, line 21, delete "150" and insert "151"

Page 73, after line 26, insert:

“Sec. 152. [EFFECTIVE DATE.]

Section 150 is effective the day following final enactment.”

Amend the title as follows:

Page 1, line 3, after the semicolon, insert “establishing a court study commission;”

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Randolph W. Peterson, Gene Merriam, Donald A. Storm

House Conferees: (Signed) John T. Clawson, Ben E. Gustafson, Bert J. McKasy

Mr. Peterson, R.W. moved that the foregoing recommendations and Conference Committee Report on S.F. No. 708 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 708 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 45 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Knaak	Mehrrens	Ramstad
Anderson	Frank	Knutson	Merriam	Sieloff
Benson	Frederick	Kroening	Moe, R. D.	Spear
Berglin	Frederickson	Kronebusch	Novak	Storm
Bernhagen	Isackson	Langseth	Olson	Ulland
Bertram	Johnson, D.E.	Lantry	Peterson, C.C.	Vega
Davis	Johnson, D.J.	Lessard	Peterson, D.C.	Waldorf
DeCramer	Jude	Luther	Peterson, R.W.	Wegscheid
Diessner	Kamrath	McQuaid	Pogemiller	Willet

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 132: A bill for an act relating to state government; providing for chiropractic positions in state government civil service; providing for the

provision of chiropractic services; proposing new law coded in Minnesota Statutes, chapters 43A and 148.

There has been appointed as such committee on the part of the House:

Rodriguez, F.; Clark, J. and Metzen.

Senate File No. 132 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1983

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1097: A bill for an act relating to agriculture; making certain changes in the grain buyers act; changing the place of filing of farm product liens; imposing a penalty; amending Minnesota Statutes 1982, sections 223.16, subdivisions 1, 7, 8, 11, and by adding subdivisions; 223.17; 223.18; 223.19; and 336.9-401; Laws 1982, chapter 635, section 9; proposing new law coded in Minnesota Statutes, chapter 223.

There has been appointed as such committee on the part of the House:

Shea, Kalis and Dimler.

Senate File No. 1097 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 159, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 159: A bill for an act relating to occupations and professions; regulating chiropractic practice; providing rulemaking authority for the board of chiropractic examiners; creating a legislative study commission; amending Minnesota Statutes 1982, sections 148.01; 148.06; and 148.08, and by adding a subdivision.

Senate File No. 159 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 218, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 218: A bill for an act relating to commitment of persons who are mentally ill, mentally retarded, or mentally ill and dangerous; requiring mental commitment proceedings for persons acquitted of a criminal charge pursuant to a verdict of not guilty by reason of mental illness or not guilty by reason of mental deficiency to be held in the court in which acquittal took place; modifying the burden of going forward with the evidence on the issues of mental illness, mental retardation, and mental illness and dangerousness in certain cases; amending Minnesota Statutes 1982, sections 253B.02, subdivision 4, and by adding subdivisions; 253B.07, subdivisions 1, 2, 3, and 7, and by adding a subdivision; 253B.08, subdivision 7; 253B.12, subdivision 4; 253B.18, subdivision 1; 253B.19, subdivision 1; 253B.21, subdivision 5; and 253B.23, subdivision 7.

Senate File No. 218 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 463, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 463: A bill for an act relating to port authorities; authorizing revenue bond financing of certain facilities; eliminating the interest rate limit on revenue bonds and authorizing private sale; clarifying contractual and operational authority of port authorities; amending Minnesota Statutes 1982, sections 458.192, subdivisions 1, 4, and by adding a subdivision; 458.194, subdivisions 2, 3, and by adding a subdivision; and 458.195, by adding a subdivision.

Senate File No. 463 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1189, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1189: A bill for an act relating to employment; exempting search firms from employment agency licensing; subjecting certain search firms to fee and bond requirements; requiring certain statements, fees, and bonds to be submitted at the time a search firm is established; amending Minnesota Statutes 1982, sections 184.22, subdivision 2, and by adding subdivisions; 184.29; 184.30, subdivision 1; and 184.41.

Senate File No. 1189 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 251, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 251 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 251

A bill for an act relating to retirement; police and salaried firefighters relief associations; modifying the governance of the trust funds after the local relief association ceases to exist; updating obsolete language; clarifying ambiguous language; amending Minnesota Statutes 1982, section 423A.01, subdivisions 2 and 4.

May 20, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 251, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 251 be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [356.71] [REAL ESTATE INVESTMENTS.]

Notwithstanding any law to the contrary, any public pension plan whose assets are not invested by the state board of investment may invest its funds in Minnesota situs non-farm real estate ownership interests or loans secured by mortgages or deeds of trust.

Sec. 2. Minnesota Statutes 1982, section 69.77, subdivision 2, is amended to read:

Subd. 2. The penalty provided for in subdivision 1 shall not apply to a relief association enumerated in subdivision 1a if the following requirements are met:

(1) Each member of the relief association pays into the special fund of the association during a year of covered service, a contribution for retirement coverage including survivorship benefits of not less than eight percent of the maximum rate of salary upon which retirement coverage is credited and service pension and retirement benefit amounts are determined. The member contributions shall be made by payroll deduction from the salary of the member by the municipality, and shall be transmitted by the municipality to the relief association as soon as practical. The relief association shall deposit the member contribution to the credit of the special fund of the relief

association, provided that to avoid undue increase in the amount of employee contributions in any one year, any increase in the amount of contributions required by this section may be spread over several years with the approval of the municipality, but the increase in rate of contribution in each year shall not be less than one percent until the appropriate levels of required employee contributions have been reached. The member contribution requirement specified in this clause shall not apply to any members who are volunteer firefighters unless the governing body of the municipality did not approve this member contribution exemption following the consideration by the municipal governing body of the first actuarial survey filed with the municipality following January 1, 1970.

(2) The officers of the relief association determine the financial requirements of the relief association and minimum obligation of the municipality for the following calendar year in accordance with the requirements of this clause. The financial requirements of the relief association and the minimum obligation of the municipality shall be determined on or before the submission date established by the municipality pursuant to clause (3).

The financial requirements of the relief association for the following calendar year shall be based on the most recent actuarial valuation or survey prepared in accordance with sections 356.215, subdivision 4 and 356.216, whether or not the actuarial valuation or survey was prepared at a greater frequency than minimally required pursuant to clause (8). In the event that an updated actuarial valuation or an actuarial estimate is prepared by the actuary of the relief association as part of obtaining a modification of the benefit plan of the relief association and the modification is implemented, the updated actuarial valuation or actuarial estimate shall be used in calculating the financial requirements of the relief association.

If the relief association has an unfunded accrued liability as reported in the most recent actuarial valuation or survey, the total of the amounts calculated pursuant to clauses (a) and (b) shall constitute the financial requirements of the relief association for the following year. If the relief association does not have an unfunded accrued liability as reported in the most recent actuarial valuation or survey the amount calculated pursuant to subclause (a) shall constitute the financial requirements of the relief association for the following year.

(a) The normal level cost requirement for the following year, expressed as a dollar amount, which shall be determined by applying the normal level cost of the relief association as reported in the actuarial valuation or survey and expressed as a percentage of covered payroll to the estimated covered payroll of the active membership of the relief association, including any projected increase in the active membership, for the following year.

(b) To the dollar amount of normal cost thus determined shall be added an amount equal to the level annual dollar amount which is sufficient to amortize the unfunded accrued liability by December 31, 2010, as determined from the actuarial valuation or survey of the fund, using an interest assumption set at the rate specified in section 356.215, subdivision 4, clause (4). The amortization date specified in this subclause shall apply to all local police or salaried firefighters relief associations and shall supersede any amortization date specified in any applicable special law.

The minimum obligation of the municipality shall be an amount equal to the financial requirements of the relief association reduced by the estimated amount of member contributions from covered salary anticipated for the following calendar year and the estimated amounts from the applicable state aid program established pursuant to sections 69.011 to 69.051 anticipated as receivable by the relief association after any allocation pursuant to section 69.031, subdivision 5, clause (2), subclause (c) or 423A.01, subdivision 2, clause (6), and from the local police and salaried firefighters' relief association amortization aid program established pursuant to section 423A.02 anticipated for the following calendar year.

(3) The officers of the relief association shall submit determination of the financial requirements of the relief association and of the minimum obligation of the municipality to the governing body on or before the date established by the municipality which shall not be earlier than August 1 and shall not be later than September 1 of each year. The governing body of the municipality shall ascertain whether or not the determinations were prepared in accordance with law.

(4) The municipality shall provide for and shall pay each year at least the amount of the minimum obligation of the municipality to the relief association. If there is any deficiency in the municipal payment to meet the minimum obligation of the municipality as of the end of any calendar year, the amount of the deficiency shall be added to the minimum obligation of the municipality for the following year calculated pursuant to clause (2) and shall include interest at the rate of six percent per annum compounded from the date that the municipality was required to make payment pursuant to this clause until the date that the municipality actually makes the required payment.

(5) The municipality shall provide in the annual municipal budget for at least the minimum obligation of the municipality calculated pursuant to clause (2). The municipality may levy taxes for the payment of the minimum obligation of the municipality without any limitation as to rate or amount and irrespective of limitations imposed by other provisions of law upon the rate or amount of taxation when the balance of the special fund or any fund of the relief association has attained a specified minimum asset level. In addition, any taxes levied pursuant to this section shall not cause the amount or rate of other taxes levied in that year or to be levied in a subsequent year by the municipality which are subject to a limitation as to rate or amount to be reduced. If the municipality does not include the full amount of the minimum obligation of the municipality in the levy that the municipality certified to the county auditor in any year, the officers of the relief association shall certify the amount of any deficiency to the county auditor. Upon verifying the existence of any deficiency in the levy certified by the municipality, the county auditor shall spread a levy over the taxable property of the municipality in the amount of the deficiency certified to by the officers of the relief association.

(6) Any sums of money paid by the municipality to the relief association in excess of the minimum obligation of the municipality in any year shall be used to amortize any unfunded liabilities of the relief association.

(7) The funds of the association shall be invested in securities which are

proper investments pursuant to section 11A.24, except that up to \$10,000 may be invested in the stock of any one corporation in any account of such small size that the three percent stock limitation specified in section 11A.24, subdivision 5 would necessitate a lesser investment. *The association may also invest funds in Minnesota situs non-farm real estate ownership interests or loans secured by mortgages or deeds of trust, provided that the amount of all investments in real property shall not exceed ten percent of the market value of the association's fund.* Securities held by the association before July 1, 1971, which do not meet the requirements of this paragraph may be retained after that date if they were proper investments for the association on April 28, 1969. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board under the provisions of section 11A.17, provided that there be no limit to the amount which may be invested in the income share account, in the bond account, or in the fixed-return account, and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental investment fund may be invested in the growth share account.

(8) The association shall procure an actuarial valuation showing the condition of the special fund of the relief association pursuant to sections 356.215 and 356.216 as of December 31 as of every even numbered year. The association shall also procure a quadrennial experience study pursuant to sections 356.215 and 356.216, as of December 31, 1978, and shall procure a quadrennial experience study every four years thereafter. A copy of the actuarial survey and the quadrennial experience study shall be filed with the director of the legislative reference library, the governing body of the municipality in which the association is organized, the executive secretary of the legislative commission on pensions and retirement, and the commissioner of insurance, not later than June 1 of the following year.

Sec. 3. Minnesota Statutes 1982, section 354A.08, is amended to read:

354A.08 [AUTHORIZED INVESTMENTS.]

Any teachers retirement fund association may receive, hold, and dispose of real estate or personal property acquired by it, whether the acquisition was by gift, purchase or any other lawful means, as provided in this chapter or in the association's articles of incorporation. *In addition to other authorized real estate investments, an association may also invest funds in Minnesota situs non-farm real estate ownership interests or loans secured by mortgages or deeds of trust.*

Sec. 4. Minnesota Statutes 1982, section 422A.05, subdivision 2c, is amended to read:

Subd. 2c. The board may invest funds in investments authorized by section 11A.24. *In addition to other authorized real estate investments, the board may also invest funds in Minnesota situs non-farm real estate ownership interests or loans secured by mortgages or deeds of trust.*

Sec. 5. [TEMPORARY PROVISION.]

Within 30 days after the effective date of sections 1 to 4, trustees of private and public pension funds which desire to form a committee to investigate investments authorized by this act shall notify the state auditor that they

desire to participate on the committee. Within 40 days after the effective date, the state auditor shall call an organizational meeting of the responding funds. The committee shall determine its method of operation and shall seek to expand the number of funds participating.

Sec. 6. Minnesota Statutes 1982, section 423A.01, subdivision 2, is amended to read:

Subd. 2. [OPERATION OF LOCAL RELIEF ASSOCIATION UPON MODIFICATION OF RETIREMENT COVERAGE FOR NEWLY HIRED POLICE OFFICERS AND FIREFIGHTERS.] The following provisions shall govern the operation of a local relief association upon the modification of retirement coverage for newly hired police officers or firefighters:

(1) The minimum obligation of a municipality in which the retirement coverage for newly hired police officers or salaried firefighters has been modified pursuant to subdivision 1 with respect to the local relief association shall be determined and governed in accordance with the provisions of sections 69.77, 356.215 and 356.216, except that the normal cost calculation for the relief association shall be computed as a percentage of the compensation paid to the active members of the relief association. The compensation paid to persons with retirement coverage modified pursuant to subdivision 1 shall not be included in any of the computations made in determining the obligation of the municipality with respect to the local relief association.

(2) The contribution rate of members of the local relief association shall be governed by section 69.77, unless a special law establishing a greater member contribution rate is applicable whereupon it shall continue to govern. The member contribution rate of persons with retirement coverage modified pursuant to subdivision 1 shall be governed by section 353.65.

(3) *Unless otherwise provided for by law*, when every active member of the local relief association retires or terminates from active duty, the local relief association shall cease to exist as a legal entity and the assets of the special fund of the relief association shall be transferred to a trust fund to be established by the appropriate municipality for the purpose of paying service pensions and retirement benefits to recipient beneficiaries. *Recipient beneficiaries who are competent to act on their own behalf shall be entitled to select the prescribed number of trustees of the trust fund as provided in this clause, subject to the approval of the governing body of the municipality.* If there are at least five recipient beneficiaries, the trust fund shall be managed by a board of trustees composed of five ~~members~~ *persons* selected by the recipient beneficiaries of the fund; ~~subject to the approval of the governing body of the municipality.~~ *If* ~~When~~ there are fewer than five recipient beneficiaries, the ~~trust fund shall be managed by~~ *number of trustees selected by the recipient beneficiaries shall be equal to the number of the remaining recipient beneficiaries.* The governing body of the municipality shall select the additional trustees. The term of the elected members of the board of trustees shall be indefinite and shall continue until a vacancy occurs in one of the board of trustee member positions. Board of trustee members shall not be compensated for their services, but shall be reimbursed for any expenses actually and necessarily incurred as a result of the performance of their duties in their capacity as board of trustee members. The municipality shall

perform whatever services are necessary to administer the trust fund. When all obligations of the trust fund are paid, the balance of the assets remaining in the trust fund shall revert to the municipality for expenditure for law enforcement or firefighting purposes, whichever is applicable.

(4) The financial requirements of the trust fund and the minimum obligation of the municipality with respect to the trust fund shall be determined in accordance with sections 69.77, 356.215 and 356.216 until the unfunded accrued liability of the trust fund is fully amortized in accordance with section 69.77, subdivision 2, clause (2). The municipality shall provide in its annual budget for at least the aggregate amount of service pensions, disability benefits, survivorship benefits and refunds which are projected as payable for the following calendar year, as determined by the board of trustees of the trust fund, less the amount of assets in the trust fund as of the end of the most current calendar year for which figures are available, valued pursuant to section 356.20, subdivision 4, clause (1) (a), if the difference between those two figures is a positive number.

(5) In calculating the amount of service pensions and other retirement benefits payable from the local relief association and in calculating the amount of any automatic post retirement increases in those service pensions and retirement benefits based on the salary paid or payable to active members or escalated in any fashion, the salary for use as the base for the service pension or retirement benefit calculation and the post retirement increase calculation for the local relief association shall be the salary for the applicable position as specified in the articles of incorporation or bylaws of the relief association as of the date immediately prior to the effective date of the modification of retirement coverage for newly hired personnel pursuant to subdivision 1, as the applicable salary is reset by the municipality periodically, irrespective of whether retirement coverage for persons holding the applicable position used in calculations is provided by the relief association or by the public employees police and fire fund.

(6) If the modification of retirement coverage implemented pursuant to subdivision 1 is applicable to a local police relief association, the police state aid received by the municipality shall be disbursed pursuant to section 69.031, subdivision 5, clause (2) (c). If the modification of retirement coverage implemented pursuant to subdivision 1 is applicable to a local firefighters' relief association, the fire state aid received by the applicable municipality shall be disbursed as the municipality at its option may elect. The municipality may elect: (a) to transmit the total fire state aid to the treasurer of the local relief association for immediate deposit in the special fund of the relief association; or (b) to apply the total fire state aid toward the employer contribution of the municipality to the public employees police and fire fund pursuant to section 353.65, subdivision 3; or (c) to allocate the total fire state aid proportionately between the special fund of the local relief association and employer contribution of the municipality to the public employees police and fire fund on the basis of the respective number of active full time salaried firefighters receiving retirement coverage from each.

Sec. 7. Minnesota Statutes 1982, section 423A.01, subdivision 4, is amended to read:

Subd. 4. [AUTOMATIC POST RETIREMENT ADJUSTMENTS FOR

CERTAIN NEWLY EMPLOYED, ACTIVE AND RETIRED MEMBERS.] (1) Notwithstanding any provision of law, municipal charter, municipal ordinance or resolution, or relief association articles of incorporation or bylaws to the contrary, any person who meets one of the following requirements for entitlement shall be entitled to an annual automatic post retirement adjustment in the amount of the service pension calculated pursuant to clause (2). A person meets the requirements for entitlement if:

(a) the person is a member of a covered local police or salaried firefighters' relief association enumerated in clause (3) ~~unless the municipality has adopted a municipal resolution retaining the local relief association pursuant to subdivision 1, if applicable,~~ commences receiving a service pension at an age no earlier than attaining the age of 55 years, and has met all applicable requirements for entitlement to a service pension specified in the applicable laws and relief association articles of incorporation or bylaws governing the local relief association;

(b) the person is a retired member of a covered local police or salaried firefighters' relief association enumerated in clause (3) ~~unless the municipality has adopted a municipal resolution retaining the local relief association pursuant to subdivision 1, if applicable,~~ retired on a service pension after June 15, 1980 and after attaining the age of at least 50 years but prior to attaining the age of 55 years, and attains the age of 55 years subsequent to retirement; or

(c) the person was a retired member on June 15, 1980 of a covered local police or salaried firefighters' relief association or retirement trust fund enumerated in clause (3), ~~unless the municipality has adopted a municipal resolution retaining the local relief association pursuant to subdivision 1, if applicable, on June 15, 1980,~~ is receiving a service pension, and has attained the age of at least 55 years.

(2) Any person who meets the requirements specified in clause (1)(a) or (1)(b) shall be entitled to receive the annual automatic post retirement adjustment on the January 1 next following the date upon which the requirements for entitlement are met but in no event prior to the date upon which the person attains the age of 55 years. Any person who meets the requirements specified in clause (1)(c) shall be entitled to receive the annual automatic post retirement adjustment on the January 1 next following the effective date of the approval of the benefit modification by the municipality as provided for in ~~clause (3) or~~ the date upon which the person attains the age of 55 years; ~~whichever occurs later.~~ The amount of the annual automatic post retirement adjustment shall be determined by the board of trustees of the local relief association on or before December 1 annually and the annual automatic post retirement adjustment shall accrue each year as of January 1 next following the determination date. The annual automatic post retirement adjustment shall be first payable with the service pension payment made for January. Each annual automatic post retirement adjustment in the amount of the service pension shall be equal to the dollar amount determined by applying based on the percentage by which the salary payable by the municipality to a top grade patrol officer or a top grade firefighter, whichever is applicable, has increased ~~increase in the salary upon which retirement coverage is credited~~ during the prior year subject to the limitation provided for in this clause.

The percentage increase in the salary shall be applied to the amount of service pension payable to the person for the month immediately prior to the month in which the determination is made. The maximum percentage in-

crease shall not exceed 3-1/2 percent in any year and any increase in the salary level of the applicable position used to govern the determination of ~~annual automatic post retirement~~ adjustments in excess of 3-1/2 percent in any year shall not carry over to or be used to calculate the rate of salary increase for any succeeding year in which the increase in the salary of the applicable position does not exceed 3-1/2 percent.

(3) The provisions of this subdivision shall apply to the active members and retired members of a local police or salaried firefighters' relief association or to the retired members of a retirement trust fund contained in the following enumeration of covered relief associations if ~~the governing body of the applicable municipality approves the modification in the benefit plan of the relief association specified in this subdivision following consideration of an actuarial valuation which is, or actuarial estimate based on the most recent actuarial valuation which was, prepared in accordance with sections 356.215 and 356.216, based on the benefit plan of the applicable local relief association or retirement trust fund including the modification provided for in this subdivision, does not adopt a municipal resolution retaining the local relief association pursuant to subdivision 1, and files a resolution indicating approval of the modification in the benefit plan with the secretary of state, the commissioner of insurance and the executive secretary of the legislative commission on pensions and retirement on or before the first day of the tenth month following June 15, 1980:~~

- (a) Buhl police relief association;
- (b) Crookston firefighters relief association;
- (c) Crookston police relief association;
- (d) (b) Eveleth joint retired police and firefighters retirement trust fund;
- (e) (c) Moorhead firefighters relief association;
- (f) (d) Moorhead police relief association;
- (g) (e) Thief River Falls police retirement trust fund;
- (h) (f) Virginia firefighters relief association;
- (i) (g) West St. Paul police relief association.

Sec. 8. [RED WING POLICE RELIEF ASSOCIATION; AUTHORIZATION OF AMENDMENT OF BYLAWS.]

Authorization is hereby granted in accordance with Minnesota Statutes, section 69.77, subdivision 2a, for the Red Wing police relief association to amend its bylaws providing for the payment of dependent child benefits.

Article XVIII of the bylaws may be amended to provide that dependent child benefits, not to exceed the sum equivalent to one-half of the prevailing monthly pay of the deceased member before death, may be paid for any dependent child, including the dependent child of a divorced member whether or not the former spouse remarries or dies.

Sec. 9. Laws 1971, chapter 51, section 10, subdivision 3, is amended to read:

Subd. 3. Each member of the association who is a regular full time fireman

firefighter shall pay into the retirement fund of the association during ~~his the firefighter's~~ term of covered employment for retirement, disability and survivor benefits a contribution of ~~six~~ eight percent of ~~his the firefighter's~~ salary during the calendar year ~~1971~~ 1983 and thereafter. The contributions shall be deducted from ~~his the firefighter's~~ salary by the city of Crookston, transmitted to the association, and deposited to the credit of the proper fund thereof. The contributions of a member who is a volunteer ~~fireman~~ firefighter shall be in an amount prescribed by the bylaws and shall be paid to the treasurer of the association who shall place the same in a special fund to the credit of the individual ~~fireman~~ firefighter.

Sec. 10. Laws 1971, chapter 51, section 12, is amended to read:

Sec. 12. The moneys received by the association are to be kept in an "association special fund" or in an "association general fund." The moneys received from the state and city, including deductions from ~~firemen's~~ firefighters' salaries together with earnings on the special fund shall be deposited in the "association special fund" and may be ~~extended~~ expended only for the purposes named in section 13. All other moneys may be deposited in the "association general fund" and may be expended for any purposes the association deems proper.

Sec. 11. Laws 1971, chapter 51, section 14, subdivision 1, is amended to read:

Subdivision 1. A full time ~~fireman~~ firefighter who is a member of the Crookston fire department relief association and has contributed to the retirement fund after 20 years of service shall be entitled to separate ~~himself~~ from ~~said the~~ department, and upon attaining the age of 60 years shall be entitled to a basic pension of an amount equal to 50 percent of ~~his the member's~~ salary at the time of retirement.

Sec. 12. Laws 1971, chapter 51, section 14, is amended by adding a subdivision to read:

Subd. 1a. A full time firefighter who has attained the age of 60 years and accumulated 20 years of service on that date shall be entitled to increased retirement benefits in a sum equal to 1.5 percent of the retiree's salary upon retirement for each year or major portion thereof worked beyond the date the firefighter attained the age of 60 years.

Sec. 13. Laws 1971, chapter 51, section 14, subdivision 7, is amended to read:

Subd. 7. When a full time ~~fireman~~ firefighter who is a service pensioner, disability pensioner, or deferred pensioner or an active member of the Crookston fire department relief association, dies leaving:

(a) A ~~widow~~ surviving spouse who became ~~his that~~ firefighter's legally married ~~wife while~~ spouse during or prior to the time ~~he the~~ firefighter was on the payroll of the fire department and remained such continuously after such marriage until ~~his the~~ firefighter's death without having applied for any divorce or legal separation and who, in case the deceased member was a service or deferred pensioner, was legally married to ~~such the~~ member at least three years before ~~his the~~ firefighter's retirement from said fire department and who, in any case, was residing with ~~him the~~ firefighter at the time

of his death. No temporary absence for purposes of business, health or pleasure shall constitute a change of residence for the purpose of this action.

(b) A child or children who were living while the deceased was on the payroll of the fire department or who were born within nine months after ~~said~~ the decedent was withdrawn from the payroll of ~~said~~ the fire department, ~~such widow the surviving spouse~~ and ~~said~~ child or children shall be entitled to a ~~pension pensions~~ as follows:

(1) ~~To such widow a pension of the sum of \$75 per month or 50 percent of the earned retirement at the date of death, whichever is greater, for her natural life and a pension of \$15 per month for each child of such deceased member under 18 years of age. The amount of such pension for such child or children shall be determined by the association, but the total amount of such pension or pensions shall not exceed the sum of \$105 per month and provided if such widow shall remarry then her pension shall cease and terminate as of the date of her said remarriage~~ *Surviving spouses receiving benefits on the effective date of this act, surviving spouses of service, disability, or deferred pensioners who had retired from active service on the effective date of this section, or spouses of current and future full time firefighters who thereafter become surviving spouses shall receive a pension of \$300 per month, or an amount which is equal to one-half of the pension to which the firefighter would have been entitled had the firefighter survived, whichever amount is the greater. Pension benefits shall be paid during the life of a surviving spouse, together with a pension of \$15 per month for each child of the deceased member under the age of 18 years, provided that the amount of pension for a child or children may be increased by the association. The total amount of pension or pensions for children shall not exceed \$105 per month. If a surviving spouse shall remarry, then the surviving spouse's pension shall cease on the date of remarriage.*

(2) ~~To such~~ *Each child or children* of the deceased member *under the age of 18 years shall receive* after the death of the ~~widow surviving spouse~~ of ~~such~~ the member a monthly pension ~~or pensions in such amount or amounts in excess of \$15 per month for each child or more~~ as the board of trustees of ~~such~~ the association shall deem necessary to properly support ~~such~~ the child ~~or children until they reach the age of 18 years~~, but not to exceed the sum of \$90 per month to the children of any one family.

(3) If a full time ~~fireman~~ *firefighter* shall die under circumstances which entitle ~~his~~ *the firefighter's* widow or widower and dependent children to receive benefits under the ~~workmen's~~ *workers'* compensation law, the amount so received by them shall be deducted from the benefits payable under this section.

Sec. 14. Laws 1971, chapter 51, section 14, subdivision 8, is amended to read:

Subd. 8. Upon the death of a full time ~~fireman~~ *firefighter* or volunteer ~~fireman~~ *firefighter* who is an active member of the relief association whose death was the direct result of accident or exposure or sickness contracted in the performance of ~~his~~ *the* duties as a ~~fireman~~ *firefighter*, the treasurer shall on order of the board of trustees pay ~~his~~ *the firefighter's* legal heirs or representatives the sum of ~~\$500~~ *\$1,000*.

Sec. 15. Laws 1971, chapter 51, section 14, subdivision 9, is amended to

read:

Subd. 9. When a full time ~~fireman~~ firefighter who is a member of the relief association dies from any cause not connected with ~~his~~ the duties required as a ~~fireman~~ firefighter, the treasurer shall on order of the board of trustees pay ~~his the firefighter's~~ legal heirs or representatives the sum of ~~\$100~~ \$500.

Sec. 16. Laws 1971, chapter 51, section 14, subdivision 11, is amended to read:

Subd. 11. A volunteer ~~fireman~~ firefighter currently employed or a firefighter employed in the future who is a member of the Crookston fire department relief association, after 20 years of service shall be entitled to separate ~~himself~~ from said department and upon attaining the age of ~~55~~ 60 years shall be entitled to a basic pension of ~~\$20~~ \$50 per month plus an additional ~~\$2~~ \$5 per month for each year of service in excess of 20 years. The total of such additional pension shall not exceed ~~\$20~~ \$150 per month. Said pensions are to be paid quarterly and no other relief or benefits shall be allowed any person drawing said pension. A volunteer ~~fireman~~ firefighter after 20 years of service may retire on a deferred pension and will be entitled to a pension when ~~he has attained~~ the firefighter attains the ~~proper~~ age of 55 years or older. ~~He~~ The firefighter shall, upon application, be placed on the deferred pension roll of the relief association. *Retired volunteer firefighters who have qualified for retirement benefits on the effective date of this act shall also receive the benefits provided in this subdivision. The increase in benefits shall be effective in the month following the effective date of this act.*

Sec. 17. Laws 1971, chapter 51, section 14, is amended by adding a subdivision to read:

Subd. 11a. Any member of the association who has attained the age of 60 years, whether full time or volunteer, shall be required to take an annual physical medical examination upon the request of the governing body of the association; the purpose of this examination is to determine the fitness of the firefighter to continue as an active member of the association. The expense of the examination shall be paid by the association. The association shall, however, have no responsibility for care and treatment of the volunteer firefighter following the annual physical medical examination.

Sec. 18. [EFFECTIVE DATE.]

Sections 1 to 7 are effective the day following final enactment. Section 8 is effective upon approval by the Red Wing city council and compliance with Minnesota Statutes, section 645.021. Sections 11 to 17 are effective upon approval by the Crookston city council and compliance with Minnesota Statutes, section 645.021."

Delete the title and insert:

"A bill for an act relating to retirement; authorizing public and private sector pension funds to invest in Minnesota non-farm real estate; permitting certain public pension funds to participate in real estate investments; modifying the governance of police and salaried firefighter relief association trust funds after the local association ceases to exist; authorizing amendment of the Red Wing police relief association bylaws; increasing certain benefits payable by the Crookston firefighters relief association; amending Minne-

sota Statutes 1982, sections 69.77, subdivision 2; 354A.08; 422A.05, subdivision 2c; and 423A.01, subdivisions 2 and 4; and Laws 1971, chapter 51, sections 10, subdivision 3; 12; and 14, subdivisions 1, 7, 8, 9, 11, and by adding subdivisions; proposing new law coded in Minnesota Statutes, chapter 356."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Frank J. Rodriguez, John T. Clawson, Richard E. (Dick) Wigley

Senate Conferees: (Signed) Dennis R. Frederickson, Collin C. Peterson

Mr. Frederickson moved that the foregoing recommendations and Conference Committee Report on H.F. No. 251 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 251 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 47 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Moe, R. D.	Spear
Anderson	DeCramer	Kroening	Olson	Storm
Belanger	Diessner	Kronebusch	Peterson,C.C.	Stumpf
Benson	Dieterich	Laidig	Peterson,D.C.	Ulland
Berg	Frank	Lantry	Peterson,R.W.	Waldorf
Berglin	Frederickson	Lessard	Petty	Wegscheid
Bernhagen	Hughes	Luther	Pogemiller	Willet
Bertram	Isackson	McQuaid	Purfeerst	
Brataas	Jude	Mehrkens	Ramstad	
Dahl	Kamrath	Merriam	Sieloff	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 553, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 553 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 553

A bill for an act relating to elections; changing certain election proce-

dures, requirements, and time limits; amending Minnesota Statutes 1982, sections 201.071, subdivision 1; 203B.02, subdivision 1; 203B.04, subdivision 1; 203B.21, subdivision 2; 204B.12, subdivision 1; 204B.19, subdivision 1; 204B.21, subdivision 1; 204B.27, subdivision 1; 204B.34, subdivision 1; 204B.35, subdivision 4; 204C.03, by adding a subdivision; 204C.05, subdivision 1; 204C.32, subdivision 2; 204C.33, subdivision 2; 204D.06; 204D.11, subdivisions 1 and 5; 204D.14; 204D.15, subdivision 2; 205.03, subdivisions 1 and 3; and 209.02, subdivision 4; repealing Minnesota Statutes 1982, sections 201.091, subdivisions 6 and 7; 204B.12, subdivision 2; and 204B.36, subdivision 5.

May 20, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 553, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 553 be further amended as follows:

Page 3, after line 17, insert:

“Sec. 4. [203B.085] [COUNTY AUDITOR’S OFFICE TO REMAIN OPEN DURING CERTAIN HOURS PRECEDING ELECTION.]

The county auditor's office in each county must be open for acceptance of absentee ballot applications and casting of absentee ballots between the hours of 1:00 to 3:00 p.m. on Saturday and 5:00 to 7:00 p.m. on Monday immediately preceding a primary or general election.”

Page 8, lines 2 to 7, reinstate the stricken language and delete the new language

Page 8, line 8, delete “*other*”

Page 9, line 26, after “7;” insert “*and*” and delete “*and 204B.36, subdivision 5,*”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 14, after “4;” insert “proposing new law coded in Minnesota Statutes, chapter 203B;”

Page 1, line 15, after “7;” insert “*and*”

Page 1, line 16, delete “; and 204B.36, subdivision 5”

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Tom Osthoff, Lona Minne, Mark Piepho

Senate Conferees: (Signed) Jerome M. Hughes, Donald A. Storm, Donna C. Peterson

Ms. Peterson, D.C., for Mr. Hughes, moved that the foregoing recom-

mendations and Conference Committee Report on H.F. No. 553 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 553: A bill for an act relating to elections; changing certain election procedures, requirements, and time limits; amending Minnesota Statutes 1982, sections 201.071, subdivision 1; 203B.02, subdivision 1; 203B.04, subdivision 1; 203B.21, subdivision 2; 204B.12, subdivision 1; 204B.19, subdivision 1; 204B.21, subdivision 1; 204B.27, subdivision 1; 204B.34, subdivision 1; 204B.35, subdivision 4; 204C.03, by adding a subdivision; 204C.05, subdivision 1; 204C.32, subdivision 2; 204C.33, subdivision 2; 204D.06; 204D.11, subdivisions 1 and 5; 204D.14; 204D.15, subdivision 2; 205.03, subdivisions 1 and 3; and 209.02, subdivision 4; proposing new law coded in Minnesota Statutes, chapter 203B; repealing Minnesota Statutes 1982, sections 201.091, subdivisions 6 and 7; and 204B.12, subdivision 2.

Was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kroening	Peterson, C.C.	Storm
Anderson	Dieterich	Kronebusch	Peterson, D.C.	Stumpf
Belanger	Frank	Laidig	Peterson, R.W.	Taylor
Benson	Frederickson	Lantry	Petty	Ulland
Berglin	Freeman	Lessard	Pogemiller	Vega
Bernhagen	Hughes	Luther	Purfeerst	Waldorf
Bertram	Isackson	McQuaid	Ramstad	Wegscheid
Brataas	Jude	Mehrkens	Renneke	Willet
Chmielewski	Kamrath	Merriam	Samuelson	
Dahl	Knaak	Moe, R. D.	Sieloff	
Davis	Knutson	Novak	Spear	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 672, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 672 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 672

A bill for an act relating to taxation; sales and use; clarifying the taxability

or exempt status of certain items or transactions; allowing for a sales tax refund in certain instances; providing penalties for certain operators or misuse of exemption certificates; clarifying filing dates and penalties for not timely filing or paying the tax; requiring a notice on the sales tax return form; authorizing the filing of security and the use of sampling; providing restrictions on refunds; clarifying payments required before appeal; eliminating the fee for permits; amending Minnesota Statutes 1982, sections 297A.01, subdivisions 3 and 4; 297A.211, by adding a subdivision; 297A.25, subdivision 1; 297A.26, by adding a subdivision; 297A.27, subdivision 1; 297A.275; 297A.28; 297A.31, subdivision 1; 297A.35, subdivision 1, and by adding a subdivision; 297A.391; and 297B.03; proposing new law coded in Minnesota Statutes, chapter 297A; repealing Minnesota Statutes 1982, sections 297A.05 and 297A.251.

May 20, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 672, report that we have agreed upon the items in dispute and recommend as follows:

That the House accede to the Senate amendments and that H.F. No. 672, the unofficial engrossment, be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 297A.01, subdivision 3, is amended to read:

Subd. 3. A “sale” and a “purchase” includes, but is not limited to, each of the following transactions:

(a) Any transfer of title or possession, or both, of tangible personal property, whether absolutely or conditionally, and the leasing of or the granting of a license to use or consume tangible personal property other than manufactured homes used for residential purposes for a continuous period of 30 days or more, for a consideration in money or by exchange or barter. “Sales” also include the transfer of computer software, meaning information and directions which dictate the function to be performed by data processing equipment and which are sold without adaptation to the specific requirements of the purchaser. This type of computer software, whether contained on tape, discs, cards, or other devices, shall be considered tangible personal property;

(b) The production, fabrication, printing or processing of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the production, fabrication, printing or processing;

(c) The furnishing, preparing or serving for a consideration of food, meals or drinks, not including hospitals, sanatoriums, nursing homes or senior citizens homes, meals or drinks purchased for and served exclusively to individuals who are 60 years of age or over and their spouses or to the handicapped and their spouses by governmental agencies, nonprofit organ-

izations, agencies, or churches or pursuant to any program funded in whole or part through 42 USCA sections 3001 through 3045, wherever delivered, prepared or served, meals and lunches served at public and private schools, universities or colleges, or the occasional meal thereof by a charitable or church organization. Notwithstanding section 297A.25, subdivision 1, clause (a), taxable food or meals include, but is not limited to, the following:

- (i) heated food or drinks;
- (ii) sandwiches prepared by the retailer;
- (iii) single sales of prepackaged ice cream or ice milk novelties prepared by the retailer;
- (iv) hand-prepared or dispensed ice cream or ice milk products including cones, sundaes, and snow cones;
- (v) soft drinks and other beverages prepared or served by the retailer;
- (vi) gum;
- (vii) ice;
- (viii) all food sold in vending machines;
- (ix) party trays prepared by the retailers; and
- (x) all meals and single servings of packaged snack food, single cans or bottles of pop, sold in restaurants and bars;

(d) The granting of the privilege of admission to places of amusement or athletic events and the privilege of use of amusement devices or athletic facilities;

(e) The furnishing for a consideration of lodging and related services by a hotel, rooming house, tourist court, motel or trailer camp and of the granting of any similar license to use real property other than the renting or leasing thereof for a continuous period of 30 days or more;

(f) The furnishing for a consideration of electricity, gas, water, or steam for use or consumption within this state, or local exchange telephone service and intrastate toll service; the tax imposed on amounts paid for telephone services is the liability of and shall be paid by the person paying for the services. Sales by municipal corporations in a proprietary capacity are included in the provisions of this clause. The furnishing of water and sewer services for residential use shall not be considered a sale;

(g) The furnishing for a consideration of cable television services, including charges for basic monthly service, charges for monthly premium service, and charges for any other similar cable television services;

(h) Notwithstanding sections 297A.01, subdivision 4, and 297A.25, subdivision 1, clause (h), the sales of horses including claiming sales and fees paid for breeding a stallion to a mare. This clause applies to sales and fees with respect to a horse to be used for racing whose birth has been recorded by the Jockey Club or the United States Trotting Association or the American Quarter Horse Association but shall not apply with respect to the sale of a horse bred and born in the state of Minnesota.

Sec. 2. Minnesota Statutes 1982, section 297A.01, subdivision 4, is amended to read:

Subd. 4. A "retail sale" or "sale at retail" means a sale for any purpose other than resale in the regular course of business. Property utilized by the owner only by leasing such property to others or by holding it in an effort to so lease it, and which is put to no use by the owner other than resale after such lease or effort to lease, shall be considered property purchased for resale. Sales of building materials, supplies and equipment to owners, contractors, subcontractors or builders for the erection of buildings or the alteration, repair or improvement of real property are "retail sales" or "sales at retail" in whatever quantity sold and whether or not for purpose of resale in the form of real property or otherwise. *A sale of carpeting, linoleum, or other similar floor covering which includes installation of the carpeting, linoleum, or other similar floor covering is a contract for the improvement of real property.* Aircraft and parts for the repair thereof purchased by a non-profit, incorporated flying club or association utilized solely by the corporation by leasing such aircraft to shareholders of the corporation shall not be considered property purchased for resale. The leasing of the aircraft to the shareholders by the flying club or association shall not be considered a sale notwithstanding subdivision 3 if the tax imposed by this chapter was paid on the initial purchase as provided by this subdivision.

Leasing of aircraft utilized by the owner only a lessee for the purpose of being leased leasing to others, whether or not the lessee also utilizes the aircraft for flight instruction where no separate charge is made for aircraft rental or for charter service, or by holding the aircraft in an effort to lease it, and which is put to no use by the owner other than resale after the lease, shall be considered aircraft purchased a purchase for resale; provided, however, that a proportionate share of the lease payment reflecting use for flight instruction or charter service is subject to tax pursuant to section 297A.14.

Sec. 3. [297A.041] [OPERATOR OF FLEA MARKETS; SELLER'S PERMITS REQUIRED; PENALTY.]

The operator of a flea market, craft show, antique show, coin show, stamp show, comic book show, or similar selling event, as a prerequisite to renting or leasing space on the premises owned or controlled by the operator to a person desiring to engage in or conduct business as a seller, shall obtain evidence that the seller is the holder of a valid seller's permit issued pursuant to section 297A.04, or a written statement from the seller that he is not offering for sale any item that is taxable under this chapter.

Flea market, craft show, antique show, coin show, stamp show, comic book show, or similar selling event, as used in this section, means an activity involving a series of sales sufficient in number, scope, and character to constitute a regular course of business, and which would not qualify as an isolated or occasional sale pursuant to section 297A.25, subdivision 1, clause (k).

Any operator who fails or refuses to comply with the provisions of this section shall be subject to a penalty payable to the commissioner of revenue of \$100 for each day of each selling event that the operator fails to obtain evidence that the seller is the holder of a valid seller's permit issued pursuant to section 297A.04.

This section shall not apply to an operator of a flea market, craft show, antique show, coin show, stamp show, comic book show, or similar selling event which is held in conjunction with a community sponsored festival which has a duration of four or fewer consecutive days no more than once a year.

Sec. 4. [297A.121] [USE OF EXEMPTION CERTIFICATES TO EVADE TAX; PENALTY.]

Any person who gives an exemption certificate for property which will be used for purposes other than the exemption claimed with the intent to evade payment to the seller of the amount of the tax applicable to the transaction shall be subject to a penalty payable to the commissioner of revenue of \$100 for each transaction where an improper use of an exemption certificate has occurred.

Sec. 5. Minnesota Statutes 1982, section 297A.211, is amended by adding a subdivision to read:

Subd. 3. Any person who pays the tax to the seller as provided in section 297A.03 or pays the tax to the motor vehicle registrar as required by section 297B.02 and who meets the requirements of section 297A.211 at the time of the sale, except that the person has not registered as a retailer pursuant to section 297A.211 at the time of the sale, may register as a retailer, make a return, and file for a refund of the difference between the tax calculated under section 297A.02, 297A.14, or 297B.02 and the tax calculated under subdivision 2. The person must file for a refund within the time limitations provided in section 297A.35. Notwithstanding the provisions of section 297A.35, subdivision 1, interest shall be allowed for any refund allowed under this subdivision only from the date on which the person has both registered as a retailer and filed a claim for refund.

Sec. 6. Minnesota Statutes 1982, section 297A.25, subdivision 1, is amended to read:

Subdivision 1. The following are specifically exempted from the taxes imposed by sections 297A.01 to 297A.44:

(a) The gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products, and food products which are not taxable pursuant to section 297A.01, subdivision 3, clause (c) and which are sold by a retailer, organized as a nonprofit corporation or association, within a place located on property owned by the state or an agency or instrumentality of the state, the entrance to which is subject to an admission charge. This exemption does not include the following:

(i) candy and candy products;

(ii) carbonated beverages, beverages commonly referred to as soft drinks containing less than 15 percent fruit juice, or bottled water other than non-carbonated and noneffervescent bottled water sold in individual containers of one gallon or more in size;

(b) The gross receipts from the sale of prescribed drugs and medicine

intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings and products consumed by humans for the preservation of health, including prescription glasses, therapeutic and prosthetic devices, but not including cosmetics or toilet articles notwithstanding the presence of medicinal ingredients therein;

(c) The gross receipts from the sale of and the storage, use or other consumption in Minnesota of tangible personal property, tickets, or admissions, electricity, gas, or local exchange telephone service, which under the Constitution or laws of the United States or under the Constitution of Minnesota, the state of Minnesota is prohibited from taxing;

(d) The gross receipts from the sale of tangible personal property (i) which, without intermediate use, is shipped or transported outside Minnesota by the purchaser and thereafter used in a trade or business or is stored, processed, fabricated or manufactured into, attached to or incorporated into other tangible personal property transported or shipped outside Minnesota and thereafter used in a trade or business outside Minnesota, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce (storage shall not constitute intermediate use); provided that the property is not subject to tax in that state or country to which it is transported for storage or use, or, if subject to tax in that other state, that state allows a similar exemption for property purchased therein and transported to Minnesota for use in this state; except that sales of tangible personal property that is shipped or transported for use outside Minnesota shall be taxed at the rate of the use tax imposed by the state to which the property is shipped or transported, unless that state has no use tax, in which case the sale shall be taxed at the rate generally imposed by this state; and provided further that sales of tangible personal property to be used in other states or countries as part of a maintenance contract shall be specifically exempt; or (ii) which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(e) The gross receipts from the sale of packing materials used to pack and ship household goods, the ultimate destination of which is outside the state of Minnesota and which are not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(f) The gross receipts from the sale of and storage, use or consumption of petroleum products upon which a tax has been imposed under the provisions of chapter 296, whether or not any part of said tax may be subsequently refunded;

(g) The gross receipts from the sale of clothing and wearing apparel except the following:

(i) all articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semi-precious stones, and imitations thereof; articles made of, or ornamented, mounted or fitted with precious metals or imitations thereof; watches; clocks; cases and movements for watches and clocks; gold, gold-plated, silver, or sterling flatware or hollow

ware and silver-plated hollow ware; opera glasses; lorgnettes; marine glasses; field glasses and binoculars.

(ii) articles made of fur on the hide or pelt, and articles of which such fur is the component material or chief value, but only if such value is more than three times the value of the next most valuable component material.

(iii) perfume, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, aromatic cachous and toilet powders. The tax imposed by this act shall not apply to lotion, oil, powder, or other article intended to be used or applied only in the case of babies.

(iv) trunks, valises, traveling bags, suitcases, satchels, overnight bags, hat boxes for use by travelers, beach bags, bathing suit bags, brief cases made of leather or imitation leather, salesmen's sample and display cases, purses, handbags, pocketbooks, wallets, billfolds, card, pass, and key cases and toilet cases.

(h) The gross receipts from the sale of and the storage, use, or consumption of all materials, including chemicals, fuels, petroleum products, lubricants, packaging materials, including returnable containers used in packaging food and beverage products, feeds, seeds, fertilizers, electricity, gas and steam, used or consumed in agricultural or industrial production of personal property intended to be sold ultimately at retail, whether or not the item so used becomes an ingredient or constituent part of the property produced. Such production shall include, but is not limited to, research, development, design or production of any tangible personal property, manufacturing, processing (other than by restaurants and consumers) of agricultural products whether vegetable or animal, commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering, generating electricity and the production of road building materials. Such production shall not include painting, cleaning, repairing or similar processing of property except as part of the original manufacturing process. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures, used in such production and fuel, electricity, gas or steam used for space heating or lighting, are not included within this exemption; however, accessory tools, equipment and other short lived items, which are separate detachable units used in producing a direct effect upon the product, where such items have an ordinary useful life of less than 12 months, are included within the exemption provided herein;

(i) The gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property (except as provided in section 297A.14) which is used or consumed in producing any publication regularly issued at average intervals not exceeding three months, and any such publication. For purposes of this subsection, "publication" as used herein shall include, without limiting the foregoing, a legal newspaper as defined by Minnesota Statutes 1965, Section 331.02, and any supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall be deemed to be engaging in a service with respect to

gross receipts realized from such newsgathering or publishing activities by them, including the sale of advertising. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt;

(j) The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities or a state and its agencies, instrumentalities and political subdivisions. *Sales exempted by this clause include sales pursuant to section 297A.01, subdivision 3, clauses (d) and (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;*

(k) The gross receipts from the isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale. *For purposes of this clause, sales by a nonprofit organization shall be deemed to be "isolated or occasional" if they occur at sale events that have a duration of three or fewer consecutive days. The granting of the privilege of admission to places of amusement and the privilege of use of amusement devices by a nonprofit organization at an isolated or occasional event conducted on property owned or leased for a continuous period of more than 30 days by the nonprofit organization are also exempt. The exemption provided for isolated sales of tangible personal property and of the granting of admissions or the privilege of use of amusement devices by nonprofit organizations pursuant to this clause shall be available only if the sum of the days on which the organization and any subsidiary nonprofit organization sponsored by it that does not have a separate sales tax exemption permit conduct sales of tangible personal property, plus the days with respect to which the organization charges for the use of amusement devices or admission to places of amusement, does not exceed eight days in a calendar year. For purposes of this clause, a "nonprofit organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, no part of the net earnings of which inures to the benefit of a private individual;*

(l) The gross receipts from sales of rolling stock and the storage, use or other consumption of such property by railroads, freight line companies, sleeping car companies and express companies taxed on the gross earnings basis in lieu of ad valorem taxes. For purposes of this clause "rolling stock" is defined as the portable or moving apparatus and machinery of any such company which moves on the road, and includes, but is not limited to, engines, cars, tenders, coaches, sleeping cars and parts necessary for the

repair and maintenance of such rolling stock.

(m) The gross receipts from sales of airflight equipment and the storage, use or other consumption of such property by airline companies taxed under the provisions of sections 270.071 to 270.079. For purposes of this clause, "airflight equipment" includes airplanes and parts necessary for the repair and maintenance of such airflight equipment, and flight simulators.

(n) The gross receipts from the sale of telephone central office telephone equipment used in furnishing intrastate and interstate telephone service to the public.

(o) The gross receipts from the sale of and the storage, use or other consumption by persons taxed under the in lieu provisions of chapter 298, of mill liners, grinding rods and grinding balls which are substantially consumed in the production of taconite, the material of which primarily is added to and becomes a part of the material being processed.

(p) The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders. *Sales exempted by this clause include sales pursuant to section 297A.01, subdivision 3, clauses (d) and (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;*

(q) The gross receipts from the sale of caskets and burial vaults;

(r) The gross receipts from the sale of an automobile or other conveyance if the purchaser is assisted by a grant from the United States in accordance with 38 United States Code, Section 1901, as amended.

(s) The gross receipts from the sale to the licensed aircraft dealer of an aircraft for which a commercial use permit has been issued pursuant to section 360.654, if the aircraft is resold while the permit is in effect.

(t) The gross receipts from the sale of building materials to be used in the construction or remodeling of a residence when the construction or remodeling is financed in whole or in part by the United States in accordance with 38 United States Code, Sections 801 to 805, as amended. This exemption shall not be effective at time of sale of the materials to contractors, subcontractors, builders or owners, but shall be applicable only upon a claim for refund to the commissioner of revenue filed by recipients of the benefits provided in Title 38 United States Code, Chapter 21, as amended. The commissioner shall provide by regulation for the refund of taxes paid on

sales exempt in accordance with this paragraph.

(u) The gross receipts from the sale of textbooks which are prescribed for use in conjunction with a course of study in a public or private school, college, university and business or trade school to students who are regularly enrolled at such institutions. For purposes of this clause a "public school" is defined as one that furnishes course of study, enrollment and staff that meets standards of the state board of education and a private school is one which under the standards of the state board of education, provides an education substantially equivalent to that furnished at a public school. Business and trade schools shall mean such schools licensed pursuant to section 141.25.

(v) The gross receipts from the sale of and the storage of material designed to advertise and promote the sale of merchandise or services, which material is purchased and stored for the purpose of subsequently shipping or otherwise transferring outside the state by the purchaser for use thereafter solely outside the state of Minnesota.

(w) The gross receipt from the sale of residential heating fuels in the following manner:

(i) all fuel oil, coal, wood, steam, propane gas, and L.P. gas sold to residential customers for residential use;

(ii) natural gas sold for residential use to customers who are metered and billed as residential users and who use natural gas for their primary source of residential heat, for the billing months of November, December, January, February, March and April;

(iii) electricity sold for residential use to customers who are metered and billed as residential users and who use electricity for their primary source of residential heat, for the billing months of November, December, January, February, March and April.

(x) The gross receipts from the sale or use of tickets or admissions to the premises of or events sponsored by an association, corporation or other group of persons which provides an opportunity for citizens of the state to participate in the creation, performance or appreciation of the arts and which qualifies as a tax-exempt organization within the meaning of *Minnesota Statutes 1980*, section 290.05, subdivision 1, clause (i).

(y) The gross receipts from either the sales to or the storage, use or consumption of tangible personal property by an organization of military service veterans or an auxiliary unit of an organization of military service veterans, provided that:

(i) the organization or auxiliary unit is organized within the state of Minnesota and is exempt from federal taxation pursuant to section 501(c), clause (19), of the Internal Revenue Code as amended through December 31, 1978 1982; and

(ii) the tangible personal property which is sold to or stored, used or consumed by the organization or auxiliary unit is for charitable, civic, educational, or nonprofit uses and not for social, recreational, pleasure or profit uses.

(z) The gross receipts from the sale of sanitary napkins, tampons, or sim-

ilar items used for feminine hygiene.

Sec. 7. Minnesota Statutes 1982, section 297A.26, is amended by adding a subdivision to read:

Subd. 3. The sales tax return form must include printed notice in eight point type or larger that the return and payment must be received by the commissioner no later than the due date.

Sec. 8. Minnesota Statutes 1982, section 297A.27, subdivision 1, is amended to read:

Subdivision 1. *Except as provided in section 297A.275, on or before the 25th day of each month in which taxes imposed by sections 297A.01 to 297A.44 are payable, a return for the preceding reporting period shall be filed with the commissioner in such form as the commissioner may prescribe, verified by a written declaration that it is made under the criminal penalties for wilfully making a false return, and in addition shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid. Any person making sales at retail at two or more places of business may file a consolidated return subject to such regulations as the commissioner may prescribe.*

Sec. 9. Minnesota Statutes 1982, section 297A.275, is amended to read:

297A.275 [ACCELERATED PAYMENT OF JUNE LIABILITY.]

Every vendor having a liability of \$1,500 or more in May 1982 or in May of each subsequent year, shall remit the June liability in the manner required by this section.

On or before June 25, 1982, or June 25 of each subsequent year, the vendor shall remit the actual May liability and one-half of the estimated June liability to the commissioner and file the return on a form prescribed by the commissioner.

On or before August 25, 1982, or August 25 of each subsequent year, the vendor shall submit a return showing the actual June liability and paying any additional amount of tax not remitted in June. A penalty is hereby imposed equal to ten percent of the ~~actual June liability~~ *amount of June liability required to be paid in June* less the amount remitted in June. However, the penalty shall not be imposed if the amount remitted in June equals the lesser of (a) 45 percent of the actual June liability, or (b) 50 percent of the preceding May's liability.

Sec. 10. Minnesota Statutes 1982, section 297A.28, is amended to read:

297A.28 [SECURITY.]

Whenever he deems it necessary to insure compliance with sections 297A.01 to 297A.44 the commissioner may require a retailer subject thereto to deposit with him security in such form and in such amount as he may determine but not more than twice the estimated average liability for the period for which the returns are required to be filed, or \$10,000, whichever amount is the lesser. The amount of security may be increased or decreased by the commissioner, subject to the limitations herein provided. The commissioner may sell property deposited as security at public auction if necessary in order to recover any tax or any amount required to be collected,

including interest and penalties, if any. Notice of the sale must be served upon the person who deposited the security personally, or by mail in the manner hereinafter prescribed for the service of a notice of a deficiency. After any sale any surplus above the amount due not required as security under this section shall be returned to the person who deposited the security. *In lieu of security, the commissioner may require a retailer to file a bond, issued by a surety company authorized to transact business in this state and approved by the insurance commissioner as to solvency and responsibility.*

Sec. 11. Minnesota Statutes 1982, section 297A.31, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall, as soon as practicable after a return is filed, examine the same and make any investigation or examination of the records and accounts of the person making the return that he deems necessary for determining its correctness. *The commissioner may use statistical or other sampling techniques consistent with generally acceptable accounting principles in examining the returns or records.* The tax computed on the basis of such examination shall be the tax to be paid. If the tax found to be due exceeds the amount of the tax reported as due on the taxpayers return, such excess shall be paid to the commissioner within 60 days after notice of the amount and demand for its payment shall have been mailed to the person making the return. If the amount of the tax found due by the commissioner shall be less than that reported as due on the return, the excess shall be refunded to the person making the return in the manner provided by section 297A.35 (except that no demand therefor shall be necessary), if he has already paid the whole of such tax, or credited against any unpaid tax. Except as otherwise provided in this chapter, no refundment shall be made except as provided in section 297A.35 after the expiration of three years after the filing of the return.

Sec. 12. Minnesota Statutes 1982, section 297A.35, subdivision 1, is amended to read:

Subdivision 1. A person who has, pursuant to the provisions of this chapter, paid to the commissioner an amount of tax for any period in excess of the amount legally due for that period, may file with the commissioner a claim for a refund of such excess *subject to the conditions specified in subdivision 5.* Except as provided in subdivision 4 no such claim shall be entertained unless filed within two years after such tax was paid, or within three years from the filing of the return, whichever period is the longer. The commissioner shall examine the claim and make and file written findings thereon denying or allowing the claim in whole or in part and shall mail a notice thereof to such person at the address stated upon the claim. Any allowance shall include interest on the excess determined at a rate of six percent per annum from the date such excess was paid or collected until the date it is refunded or credited. If such claim is allowed in whole or in part, the commissioner shall credit the amount of the allowance against any taxes under sections 297A.01 to 297A.44 due from the claimant and for the balance of said allowance, if any, the commissioner shall issue his certificate for the refundment of the excess paid, and the commissioner of finance shall cause such refund to be paid out of the proceeds of the taxes imposed by sections 297A.01 to 297A.44, as other state moneys are expended. So much of the proceeds of such taxes as may be necessary are hereby appropriated

for that purpose.

Sec. 13. Minnesota Statutes 1982, section 297A.35, is amended by adding a subdivision to read:

Subd. 5. If a vendor has collected from a purchaser and remitted to the state a tax on a transaction which is not subject to the tax imposed by this chapter, the tax shall be refundable to the vendor only if and to the extent that it will be credited to amounts due to the vendor by the purchaser or returned to the purchaser by the vendor.

Sec. 14. Minnesota Statutes 1982, section 297A.391, is amended to read:

297A.391 [PAYMENT OF TAX PENDING APPEAL.]

When a taxpayer appeals ~~his tax~~ any liability assessed under this chapter to the tax court, and the amount in dispute is more than ~~\$4,000~~ \$6,000, the entire amount of the tax, *penalty, and interest assessed by the commissioner* shall be paid at the time it is due unless permission to continue prosecution of the petition without payment is obtained as provided herein. The petitioner, upon ten days notice to the commissioner, may apply to the court for permission to continue prosecution of the petition without payment; and, if it is made to appear

(1) That the proposed review is to be taken in good faith;

(2) That there is probable cause to believe that the taxpayer may be held exempt from payment of the ~~tax~~ liability or that the ~~tax~~ liability may be determined to be less than 50 percent of the amount due; and

(3) That it would work a substantial hardship upon petitioner to pay the ~~tax~~ liability,

the court may permit the petitioner to continue prosecution of the petition without payment, or may fix a lesser amount to be paid as a condition of continuing the prosecution of the petition.

Failure to make payment of the amount required when due shall operate automatically to dismiss the petition and all proceedings thereunder unless the payment is waived by an order of the court permitting the petitioner to continue prosecution of the petition without payment.

Sec. 15. Minnesota Statutes 1982, section 297B.03, is amended to read:

297B.03 [EXEMPTIONS.]

There is specifically exempted from the provisions of this chapter and from computation of the amount of tax imposed by it the following:

(1) Purchase or use, including use under a lease purchase agreement or installment sales contract made pursuant to section 465.71, of any motor vehicle by any person described in and subject to the conditions provided in section 297A.25, subdivision 1, clauses (j), (p) and ~~(r)~~ (r).

(2) Purchase or use of any motor vehicle by any person who was a resident of another state at the time of the purchase and who subsequently becomes a resident of Minnesota, provided the purchase occurred more than 60 days prior to the date such person moved his residence to the state of Minnesota.

(3) Purchase or use of any motor vehicle by any person making a valid

election to be taxed under the provisions of section 297A.211.

(4) Purchase or use of any motor vehicle previously registered in the state of Minnesota by any corporation or partnership when such transfer constitutes a transfer within the meaning of sections 351 or 721 of the Internal Revenue Code of 1954, as amended through December 31, 1974.

Sec. 16. [REPEALER.]

Minnesota Statutes 1982, sections 297A.05 and 297A.251 are repealed.

Sec. 17. [EFFECTIVE DATE.]

The amendments to clauses (a) and (g) of section 1 and sections 3 and 10, are effective July 1, 1983. The new clause (h) added to section 1 is effective April 1, 1984. Sections 2, 4, 5, 8, 9, and 11 to 16 are effective the day following final enactment. The amendments to clauses (j) and (p) of section 6, relating to construction contracts, are effective for contracts entered into after December 31, 1983. The remainder of section 6 is effective the day following final enactment. Section 7 is effective January 1, 1984."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Lona Minne, Glen H. Anderson, Jim Evans

Senate Conferees: (Signed) Gene Merriam, Ron Sieloff, Conrad M. Vega

Mr. Merriam moved that the foregoing recommendations and Conference Committee Report on H.F. No. 672 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 672 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 39 and nays 19, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kronebusch	Moe, R. D.	Reichgott
Anderson	Dieterich	Laidig	Nelson	Sieloff
Benson	Freeman	Langseth	Olson	Spear
Berglin	Hughes	Lantry	Pehler	Storm
Bernhagen	Johnson, D.E.	Luther	Peterson, R.W.	Ulland
Brataas	Jude	McQuaid	Petty	Vega
Chmielewski	Knutson	Merriam	Pogemiller	Waldorf
Dahl	Kroening	Moe, D. M.	Ramstad	

Those who voted in the negative were:

Belanger	Frederick	Knaak	Purfeerst	Stumpf
Bertram	Frederickson	Lessard	Renneke	Wegscheid
Davis	Isackson	Mehrkens	Samuelson	Willet
Frank	Kamrath	Peterson, D.L.	Schmitz	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Reports of Committees and Second Reading of House Bills.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 654 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
654	912				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 654 be amended as follows:

Page 1, delete section 1

Page 1, line 21, delete "*the department of*"

Page 1, line 24, delete "6" and insert "5"

Page 2, delete lines 12 to 16

Page 2, line 20, delete "*or her*" and insert "*A landowner who grants an easement for a grant-in-aid ski trail is not required to have a license when skiing on his own property.*"

Page 2, line 23, after "*licenses*" insert "*and daily permits*" and delete "*his*"

Page 2, line 24, delete "*or her*" and before the period insert "*and permits*"

Page 2, line 29, insert "*and permit*"

Page 2, line 32, delete "*license*"

Page 2, line 33, delete "*license*"

Page 3, line 5, after "*licenses*" insert "*and daily permits*"

Page 3, line 6, after "*license*" insert "*and permit*"

Page 3, line 7, delete "*license*" and everything after the period

Page 3, line 8, delete everything before "*In*" and delete "*such*"

Page 3, line 9, delete "*he*" and insert "*the resident*"

Page 3, line 12, delete "*such*"

Page 3, line 14, after "*licenses*" insert "*and permits*"

Page 3, line 15, delete "*such*" and insert "*any*" and delete "*as may be*"

Page 3, line 16, delete "*the*" and insert "*each annual*"

Page 3, line 17, delete "*license*" and after "*each*" insert "*annual*"

Page 3, line 19, delete "*his*" and insert "*a*"

Page 3, line 20, after "all" insert "annual"

Page 3, delete lines 22 and 23

Page 3, line 24, delete "subagent." and delete "license" and delete "agent" and insert "subagent"

Page 3, line 26, delete "therefor"

Page 3, line 27, delete "license"

Page 3, line 29, delete "agent" and insert "subagent"

Page 3, line 30, delete "therefor" and delete everything after the period

Page 3, delete lines 31 to 35

Page 3, line 36, delete "4" and insert "3"

Page 4, line 4, delete "appropriate participating" and after "agency" insert "with jurisdiction over the cross country ski trail"

Page 4, line 9, delete "Any"

Page 4, delete lines 10 to 12

Page 4, line 13, delete "5" and insert "4"

Page 4, line 17, delete the semicolon and insert ", and"

Page 4, line 19, delete "Additionally,"

Page 4, line 20, after "license" insert "and permit"

Page 4, line 22, delete "6" and insert "5"

Page 4, line 23, after "license" insert "and a daily permit shall"

Page 4, line 24, delete "agent's" and insert "issuing"

Page 4, line 26, delete everything after the period

Page 4, delete lines 27 to 29

Page 4, line 30, delete everything before "A" and insert "The issuing fee may be retained by the county auditor or his agent or subagent who sells the license or permit."

Page 4, line 30, after "license" insert "or permit"

Page 4, line 32, after the period insert "This subdivision does not apply to any license or permit sold by the state, or at a park."

Page 4, line 34, delete "shall be" and insert "is" and after "\$5" insert a period

Page 4, delete line 35

Page 4, line 36, delete everything before "This"

Page 5, line 3, delete "shall" and insert "and" and delete "be"

Page 5, line 4, delete "shall be" and insert "is"

Page 5, line 5, delete everything before the period

Page 5, line 10, delete "with" and insert "in" and delete "treasurer"

and insert "treasury"

Page 5, line 10, delete "shall" and insert "may"

Page 5, line 11, delete "authorized" and insert "appropriated" and after "for" insert a colon

Page 5, line 11, before "grants-in-aid" insert:

"(a)"

Page 5, line 11, before "cross" insert "for"

Page 5, line 13, delete everything after "districts"

Page 5, delete line 14

Page 5, line 15, before "maintenance," insert "as provided in section 5; and

(b)"

Page 5, line 15, delete "for"

Page 5, line 16, delete "all"

Page 5, line 17, delete "department" and insert "commissioner"

Page 5, line 20, delete "department" and insert "commissioner" and delete "offer" and insert "establish"

Page 5, line 20, delete "trail" and delete "to" and insert "for"

Page 5, line 21, delete the comma and delete "to fund" and insert "for"

Page 5, line 22, after "the" insert "acquisition," and after "development" insert a comma

Page 5, line 26 delete "in"

Page 5, line 27, delete everything before the period and insert "by the department"

Page 5, after line 29, insert:

"Sec. 6. [85.45] [PENALTY.]

No person may ski on a public cross country ski trail, including a grant-in-aid cross country ski trail, without a valid annual cross country ski license or daily permit. Effective July 1, 1984, any person who violates the provision of this section is guilty of a petty misdemeanor. Any person who violates the provisions of this section before July 1, 1984, shall be issued a warning statement."

Page 5, delete lines 31 to 36 and insert:

"There is appropriated to the department of natural resources from the general fund \$180,000 for the period ending June 30, 1985, to carry out the purposes of sections 1 to 6. Of this amount, \$10,000 may be spent to publicize and promote the use of cross country skier licensing."

Page 6, delete section 8 and insert:

"Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 2, delete "a user fee"

Page 1, line 3, delete "for" and insert "licensing of"

And when so amended H.F. No. 654 will be identical to S.F. No. 912, and further recommends that H.F. No. 654 be given its second reading and substituted for S.F. No. 912, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 857 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
857	584				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 857 be amended as follows:

Page 1, line 10, delete "6" and insert "5"

Page 1, after line 16, insert:

"Subdivision 1. [PURPOSE.] A healthy economy demands a steady supply of skilled workers. Large numbers of jobs are being affected by new technologies. Some jobs will disappear as a result of modernization. New jobs which will be created by information technologies will demand greater technical sophistication than ever before. Programs to retrain displaced workers for jobs which are matched to employers' needs are scarce. Current mismatches between the needs of employers and the skills of available workers will increase unless programs are designed to ensure that public and private investments in human capital reinforce each other."

Page 1, line 17, before "The" insert "Subd. 2. [PARTNERSHIP CREATED.]"

Page 1, line 19, delete "or other nonprofit"

Page 1, line 22, delete "or other"

Page 1, line 23, delete "nonprofit"

Page 1, line 25, delete "or other"

Page 2, line 1, delete "nonprofit"

Page 2, line 2, delete everything after the period

Page 2, delete lines 3 and 4 and insert "In addition to the guidelines pro-

vided in section 4, preference will be given to programs which receive a match in funding, equipment, or faculty by a participating business, state agency, or political subdivision of the state, which equals or exceeds the grant-in-aid permitted under section 4.

Subd. 3. [REPORT TO LEGISLATURE.] Each year the board of the partnership shall report to the legislature about the effectiveness of the jobs partnership program."

Page 2, line 9, delete "four" and insert "five"

Page 2, line 9, after "members" insert "of the house"

Page 2, delete lines 10 and 11

Page 2, line 12, delete everything before "eight" and insert "five members of the senate appointed by the subcommittee on committees of the senate;"

Page 2, line 13, insert ", representing each of the congressional districts,"

Page 2, line 17, delete "of" and insert a colon

Page 2, line 18, after "labor," insert "agriculture,"

Page 2, line 23, delete "majority leader" and insert "the subcommittee on committees"

Page 2, line 27, after the period insert "Compensation for members shall be governed by section 15.0575, subdivision 3."

Page 3, lines 1 and 3, delete "or other nonprofit"

Page 3, line 8, delete "or other"

Page 3, line 9, delete "nonprofit"

Page 3, line 9, after "institutions" insert "with programs"

Page 3, line 10, delete "or" and insert "and"

Page 3, line 31, delete "after approval" and insert "upon recommendation"

Page 3, delete lines 33 and 34

And when so amended H.F. No. 857 will be identical to S.F. No. 584, and further recommends that H.F. No. 857 be given its second reading and substituted for S.F. No. 584, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. Nos. 654 and 857 were read the second time.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

MOTIONS AND RESOLUTIONS

Mr. Mehrkens moved that S.F. No. 554 be taken from the table. The motion prevailed.

S.F. No. 554: A bill for an act relating to housing and redevelopment; providing for the appointment of commissioners of multi-county authorities; amending Minnesota Statutes 1982, section 462.428, subdivision 2.

CONCURRENCE AND REPASSAGE

Mr. Mehrkens moved that the Senate concur in the amendments by the House to S.F. No. 554 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 554: A bill for an act relating to local government; providing for the appointment of commissioners of multi-county authorities; permitting all council members of the city of Marshall to serve on the housing and redevelopment authority; establishing a public housing commission for the city of Marshall; transferring functions from the housing and redevelopment authority; amending Minnesota Statutes 1982, section 462.428, subdivision 2.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Frederick	Laidig	Pheler	Sieloff
Anderson	Frederickson	Langseth	Peterson, C.C.	Spear
Belanger	Freeman	Lantry	Peterson, D.C.	Storm
Benson	Hughes	Lessard	Peterson, D.L.	Stumpf
Bernhagen	Isackson	Luther	Peterson, R.W.	Ulland
Bertram	Johnson, D.E.	McQuaid	Petty	Vega
Brataas	Jude	Mehrkens	Pogemiller	Waldorf
Chmielewski	Kamrath	Merriam	Purfeerst	Wegscheid
Dahl	Knaak	Moe, D. M.	Ramstad	Willet
Davis	Knutson	Moe, R. D.	Reichgott	
Dieterich	Kroening	Nelson	Renneke	
Frank	Kronebusch	Olson	Schmitz	

So the bill, as amended, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Stumpf moved that S.F. No. 346 be taken from the table. The motion prevailed.

S.F. No. 346: A bill for an act relating to agriculture; granting the commissioner powers relating to agricultural promotion; changing certain procedures related to fees; redefining certain terms; changing the coverage of the consolidated food licensing law; exempting certain vending machines from inspection fees; permitting the sale of certain eggs for human consumption; updating certain provisions; specifying certain plumbing and sewage disposal requirements; changing the coverage of certain animal

processing laws; prohibiting sale or possession of certain meat; changing certain fees; changing the dates of reports from and payments to certain agricultural societies; eliminating certain duties of the commissioner of agriculture and county agricultural agents; eliminating the prohibition on manufacture or use of certain preservative compounds; eliminating provisions relating to the dairy industry; adjusting fees for inspection of warehouses; directing the commissioner of agriculture to adopt a mandatory collective ratemaking procedure for warehousemen; amending Minnesota Statutes 1982, sections 17.101; 17B.15, subdivision 1; 28A.03; 28A.09, subdivision 1; 29.235; 31.01, subdivision 20; 31.10; 31.101, subdivisions 3, 4, 5, 6, 7, and 8; 31.51, subdivision 2; 31.56, subdivision 1; 31A.02, subdivision 5; 31A.10; 31A.15; 32.394, subdivision 8; 34.05, subdivision 1; 38.02, subdivisions 1 and 3; 231.11; 231.12; 231.16; 232.22, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 31; repealing Minnesota Statutes 1982, sections 17.031; 17.032; 17B.15, subdivision 2; 31.401 to 31.406; 32.472; and 32.473.

CONCURRENCE AND REPASSAGE

Mr. Stumpf moved that the Senate concur in the amendments by the House to S.F. No. 346 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 346: A bill for an act relating to agriculture; granting the commissioner powers relating to agricultural promotion; changing certain procedures related to fees; redefining certain terms; changing the coverage of the consolidated food licensing law; exempting certain vending machines from inspection fees; permitting the sale of certain eggs for human consumption; updating certain provisions; specifying certain plumbing and sewage disposal requirements; changing the coverage of certain animal processing laws; prohibiting sale or possession of certain meat; changing certain fees; changing the dates of reports from and payments to certain agricultural societies; eliminating certain duties of the commissioner of agriculture and county agricultural agents; eliminating the prohibition on manufacture or use of certain preservative compounds; eliminating provisions relating to the dairy industry; adjusting fees for inspection of warehouses; directing the commissioner of agriculture to adopt a mandatory collective ratemaking procedure for warehousemen; amending Minnesota Statutes 1982, sections 17B.15, subdivision 1; 28A.03; 28A.09, subdivision 1; 29.235; 31.01, subdivision 20; 31.10; 31.101, subdivisions 3, 4, 5, 6, 7, and 8; 31.51, subdivision 2; 31.56, subdivision 1; 31A.02, subdivision 5; 31A.10; 31A.15; 32.394, subdivision 8; 34.05, subdivision 1; 38.02, subdivisions 1 and 3; 231.11; 231.12; 231.16; 232.22, subdivision 3; proposing new law coded in Minnesota Statutes, chapters 17 and 31; repealing Minnesota Statutes 1982, sections 17.031; 17.032; 17B.15, subdivision 2; 31.401 to 31.406; 32.472; and 32.473.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Knutson	Moe, R. D.	Schmitz
Anderson	Frank	Kroening	Nelson	Sieloff
Belanger	Frederick	Kronebusch	Olson	Spear
Benson	Frederickson	Laidig	Pehler	Storm
Bernhagen	Freeman	Langseth	Peterson, D. C.	Stumpf
Bertram	Hughes	Lantry	Peterson, D. L.	Ulland
Brataas	Isackson	Lessard	Peterson, R. W.	Vega
Chmielewski	Johnson, D. E.	Luther	Petty	Waldorf
Dahl	Jude	Mehrkens	Purfeerst	Wegscheid
Davis	Kamrath	Merriam	Ramstad	Willet
Dicklich	Knaak	Moe, D. M.	Renneke	

So the bill, as amended, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Spear moved that S.F. No. 201 be taken from the table. The motion prevailed.

S.F. No. 201: A bill for an act relating to intoxicating liquor; authorizing off-sale licensees to dispense samples of wine, liqueurs and cordials; amending Minnesota Statutes 1982, section 340.11, subdivision 15.

CONCURRENCE AND REPASSAGE

Mr. Spear moved that the Senate concur in the amendments by the House to S.F. No. 201 and that the bill be placed on its repassage as amended.

Mr. Sieloff moved that the Senate do not concur in the amendments by the House to S.F. No. 201, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House.

The question was taken on the adoption of the motion of Mr. Sieloff.

The roll was called, and there were yeas 33 and nays 33, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	McQuaid	Sieloff
Belanger	Frank	Kamrath	Mehrkens	Taylor
Benson	Frederick	Knaak	Olson	Ulland
Berg	Frederickson	Knutson	Peterson, D. L.	Waldorf
Bernhagen	Freeman	Kroening	Peterson, R. W.	Wegscheid
Brataas	Isackson	Kronebusch	Ramstad	
Chmielewski	Johnson, D. E.	Laidig	Renneke	

Those who voted in the negative were:

Anderson	Dieterich	Merriam	Peterson, D. C.	Spear
Berglin	Hughes	Moe, D. M.	Petty	Storm
Bertram	Johnson, D. J.	Moe, R. D.	Purfeerst	Stumpf
Davis	Langseth	Nelson	Reichgott	Vega
DeCramer	Lantry	Novak	Samuelson	Willet
Dicklich	Lessard	Pehler	Schmitz	
Diessner	Luther	Peterson, C. C.	Solon	

The motion did not prevail.

The question recurred on the motion of Mr. Spear. The motion prevailed.

S.F. No. 201: A bill for an act relating to liquor; authorizing election day

sales; reducing the period of existence required for a club license; authorizing off-sale licenses to dispense certain samples and advertise in bordering state newspapers in certain instances; regulating volume discounts; authorizing the issuance of a club license in the city of Long Prairie; authorizing the city of Minnetonka to issue three additional on-sale licenses; authorizing the city of St. Paul to permit, by ordinance, the use of an "on-sale" liquor license issued by the city at the Highland Park and Phalen Park club houses; amending Minnesota Statutes 1982, sections 340.034, subdivision 1; 340.11, subdivisions 11 and 15; 340.14, subdivision 1; 340.15, by adding a subdivision; 340.408; and 340.983.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 27 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Hughes	Moe, D. M.	Peterson, R. W.	Storm
Bertram	Langseth	Moe, R. D.	Petty	Stumpf
DeCramer	Lantry	Nelson	Pogemiller	Vega
Dicklich	Lessard	Novak	Purfeerst	
Diessner	Luther	Pehler	Schmitz	
Dieterich	Merriam	Peterson, D. C.	Solon	

Those who voted in the negative were:

Adkins	Dahl	Johnson, D. E.	Laidig	Reichgott
Benson	Davis	Jude	McQuaid	Renneke
Berg	Frank	Kamrath	Mehrkens	Sieloff
Berglin	Frederick	Knaak	Olson	Spear
Bernhagen	Frederickson	Knutson	Peterson, C. C.	Taylor
Brataas	Freeman	Kroening	Peterson, D. L.	Ulland
Chmielewski	Isackson	Kronebusch	Ramstad	

So the bill, as amended, failed to pass.

RECONSIDERATION

Mr. Spear moved that the vote whereby S.F. No. 201 failed to pass the Senate on May 21, 1983, be now reconsidered. The motion prevailed.

Mr. Spear moved that the Senate do not concur in the amendments by the House to S.F. No. 201, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 92, and repassed said bill in accordance with the report of the Committee, so

adopted.

House File No. 92 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 92

A bill for an act relating to education; providing for aids to education, aids to libraries, aids for teacher retirement contributions, tax levies, and the distribution of tax revenues; granting certain duties and powers to school boards, school districts, the state board of education, and the state board for vocational education; providing for revenue equity; modifying the computation of the transportation aid, summer school, and community education aids and levies; establishing an average-cost funding formula for AVTIs; authorizing intermediate school districts to offer nonpost-secondary academic courses; establishing programs for improvement of schools; providing incentives for school districts to utilize technology in instruction; appropriating money; amending Minnesota Statutes 1982, sections 6.54; 6.62, subdivision 1; 16A.15, subdivision 1; 120.075, subdivision 4, and by adding a subdivision; 120.10, subdivision 2; 120.17, subdivision 3; 120.64, subdivisions 2 and 4; 121.908; 121.911, by adding a subdivision; 121.912, subdivision 3; 122.23, subdivisions 2 and 3; 122.41; 122.43; 122.44; 122.531, subdivision 2, and by adding subdivisions; 123.33, subdivisions 10 and 14; 123.34, subdivision 9; 123.351, subdivision 4; 123.36, subdivisions 9, 13, and by adding a subdivision; 123.37, subdivision 1b; 123.39, subdivision 4; 123.705; 124.11, subdivisions 2a and 2b; 124.14, subdivision 1; 124.15, subdivision 5; 124.17, subdivisions 1 and 2d; 124.19, subdivisions 1 and 3; 124.201, subdivisions 2, 3, and by adding subdivisions; 124.2122, subdivisions 1 and 2; 124.2126, subdivision 3; 124.2128, subdivision 1; 124.2132, subdivision 4; 124.225; 124.245, by adding a subdivision; 124.246, subdivision 2; 124.247, subdivision 3; 124.26, subdivision 1; 124.271, subdivisions 2a, 6, and by adding a subdivision; 124.273, subdivisions 1b, 2b, and 4; 124.32, subdivisions 1b, 1d, 2, 3a, 5, and 5a; 124.572, subdivision 2; 124.573, subdivision 2; 124.574, subdivisions 2b and 3; 124.646, subdivision 1; 125.60, subdivision 7; 125.611, subdivision 8; 129B.02; 129B.04; 129B.05; 129B.09, subdivision 12; 134.07; 134.08; 134.09; 134.10; 134.11; 134.12; 134.13; 134.14; 134.15; 134.30; 134.32, subdivisions 1 and 7; 134.351, subdivisions 3 and 7; 134.353; 134.36; 275.125, subdivisions 2d, 2e, 2i, 5, 5b, 6d, 8, 11a, 11b, and by adding subdivisions; 354.66, subdivision 9; 354A.094, subdivision 9; 375.335; 466.01, subdivision 1; 475.61, subdivision 3; and 648.39, subdivision 1; amending Laws 1967, chapter 822, section 4; Laws 1969, chapter 775, section 3, subdivision 2, as amended; Laws 1969, chapter 1060, section 4; Laws 1981, chapter 358, article 7, section 29, as amended; and Laws 1982, chapter 548, article 3, sections 27 and 28; proposing new law coded in Minnesota Statutes, chapters 3, 120, 121, 122, 123, 124, 126, 129B, and 134; repealing Minnesota Statutes 1982, sections 121.501 to 121.507; 122.542; 124.11, subdivision 1; 124.24; 124.251; 124.26, subdivision 4; 124.271, subdivision 5; 124.273, subdivisions 1 and 2; 124.32, subdivisions 1 and 9; 124.561; 124.562; 124.5621; 124.5622;

124.5623; 124.5624; 124.5625; 124.5626; 124.5627; 124.572, subdivision 8; 124.573, subdivision 5; 124.574, subdivision 2; 124.611; 125.611, subdivision 9; 129B.06 to 129B.09; 134.03; 134.06; 134.16; 134.19; 134.352; and 375.33.

May 21, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 92, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 92 be further amended as follows:

Delete everything after the enacting clause and insert:

ARTICLE 1 FOUNDATION AID

Section 1. Minnesota Statutes 1982, section 124.2122, subdivision 1, is amended to read:

Subdivision 1. [FORMULA ALLOWANCE.] "Foundation aid formula allowance" or "formula allowance" means the amount of revenue per pupil unit used in the computation of foundation aid for a particular school year and in the computation of permissible levies for use in that school year. ~~The formula allowance shall be \$1,333 for foundation aid for the 1981-1982 school year.~~ The formula allowance shall be \$1,346 for 1981 payable 1982 levies and for foundation aid for the 1982-1983 school year. The formula allowance shall be \$1,475 for the 1982 payable 1983 levies and for foundation aid for the 1983-1984 school year. *The formula allowance shall be \$1,475 for the 1983 payable 1984 levies and for foundation aid for the 1984-1985 school year.*

Sec. 2. Minnesota Statutes 1982, section 124.2122, subdivision 2, is amended to read:

Subd. 2. [BASIC MAINTENANCE MILL RATE.] "Basic maintenance mill rate" means the mill rate applicable to the adjusted assessed valuation of a district, used in the computation of basic foundation aid for a particular school year and of the basic maintenance levy for use in that school year. ~~The basic maintenance mill rate shall be .021 for the 1980 payable 1981 levy and for foundation aid for the 1981-1982 school year.~~ The basic maintenance mill rate shall be .024 for 1981 payable 1982 levies and for foundation aid for the 1982-1983 school year. The basic maintenance mill rate shall be .024 for the 1982 payable 1983 levies and for foundation aid for the 1983-1984 school year. ~~A district may levy less than 24 mills. If a district levies at least 95 percent of an amount equal to 23 mills times the adjusted assessed valuation of the district, basic foundation aid shall be computed as though the district had levied 24 mills times the adjusted assessed valuation of the district.~~ *The basic maintenance mill rate shall be .024 for the 1983 payable 1984 levies and for foundation aid for the 1984-1985 school year.*

Sec. 3. Minnesota Statutes 1982, section 124.2124, subdivision 1, is

amended to read:

Subdivision 1. [REPLACEMENT COMPONENTS.] (a) A district's "fluctuating enrollment replacement component" shall equal the amount of additional foundation aid or basic maintenance levy revenue the district would have received for the 1980-1981 school year if declining or growing enrollment pupil units had been used in the computation of basic foundation aid for 1980-1981 pursuant to Minnesota Statutes 1980, Section 124.212, Subdivision 7c, Clause (1) or of the 1979 basic maintenance levy limitation pursuant to Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 2b or 2c.

(b) Beginning with the aid and levy revenue for the 1983-1984 school year, in any district where the actual number of pupil units increased from the 1979-1980 school year to the 1980-1981 school year, the district's "recomputed fluctuating enrollment replacement component" shall equal the amount of additional foundation aid or basic maintenance levy revenue the district would have received for the 1980-1981 school year if the district had qualified for the greater of either the 1980-1981 declining enrollment pupil units or the 1980-1981 growing enrollment pupil units to be used in the computation of basic foundation aid for 1980-1981 pursuant to Minnesota Statutes 1980, Section 124.212, Subdivision 7c, Clause (1) or of the 1979 basic maintenance levy limitation pursuant to Minnesota Statutes 1979 Supplement, Section 275.125, Subdivision 2b or 2c.

(c) A district's "sparsity replacement component" shall equal the amount of additional aid the district would have received for the 1980-1981 school year if Minnesota Statutes, 1979 Supplement, Section 124.224 had been effective for 1980-1981. *Beginning with the 1983-1984 school year, for elementary districts, the component shall equal the amount of additional aid the district would have received for the 1980-1981 school year if pupils attending secondary school in another district had attended a secondary school in the district in which they reside.*

(d) A district's "basic replacement entitlement" shall equal the sum of (1) the greater of (i) its fluctuating enrollment replacement component, or (ii) its recomputed fluctuating enrollment replacement component, and (2) its sparsity replacement component; divided by its total pupil units in 1980-1981.

(e) "Replacement inflator" for any school year means the ratio of the foundation aid formula allowance for that school year to \$1,265. However, for the 1981-1982 school year the replacement inflator shall equal 107 percent, and for the 1982-1983 school year the replacement inflator shall equal 112 percent.

(f) A district's "replacement allowance" for each school year shall equal its basic replacement entitlement times the replacement inflator for that school year.

(g) A district's "replacement levy limitation" means its levy limitation computed pursuant to section 275.125, subdivision 6c.

Sec. 4. Minnesota Statutes 1982, section 124.2126, subdivision 3, is amended to read:

Subd. 3. [MINIMUM AID.] A qualifying district's minimum aid for each

school year shall equal its minimum guarantee for that school year, minus the sum of:

(1) The amount of the district's state school agricultural tax credit aid for that school year;

(2) The amount by which property taxes of the district for use in that school year are reduced by the homestead credit provisions in section 273.13, subdivisions 6, 7, and 14a;

(3) The amount by which property taxes of the district for use in that school year are reduced by the taconite homestead credit provisions in section 273.135;

(4) The amount by which property taxes of the district for use in that school year are reduced by the attached machinery provisions in section 273.138, subdivision 6;

(5) The amount by which property taxes of the district for use in that school year are reduced by the state paid wetlands credit provisions in section 273.115;

(6) The amount by which property taxes of the district for use in that school year are reduced by the state paid native prairie credit provisions in section 273.116; and

(7) The amount by which property taxes of the district for use in that school year are reduced by the credit for reduced assessment provisions in section 273.139;

(8) *The amount by which property taxes of the district for use in that school year are reduced by the state reimbursed disaster or emergency reassessment provisions in section 273.123; and*

(9) *The amount by which property taxes of the district for use in that school year are reduced by the metropolitan agricultural preserve provisions in section 473H.10.*

Sec. 5. Minnesota Statutes 1982, section 124.2127, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION; FOUNDATION AID.] Shared time pupils are defined as those pupils who attend public school programs for part of the regular school day and who otherwise fulfill the requirements of section 120.10 by attendance at a nonpublic school.

(a) The average daily membership of a pupil enrolled on a shared time basis shall equal the ratio of the total minutes for which the pupil is enrolled and the minimum minutes required during the year for a regularly enrolled public school pupil.

(b) Foundation aid for shared time pupils shall equal the amount which would accrue if shared time pupil units, counted pursuant to section 124.17, subdivision 1, clauses (1) and (2), were added to the district's total pupil units used in determining its foundation aid formula allowance times the full-time equivalent actual pupil units for shared time pupils. Foundation aid for shared time pupils shall be in addition to any other aid to which the district is otherwise entitled and shared time average daily membership shall not be

used in the computation of pupil units under section 124.17, subdivision 1, for any purpose other than the computation of shared time foundation aid pursuant to this subdivision.

(c) Foundation aid for shared time pupils shall be paid to the district of the pupil's residence. If a pupil attends shared time classes in another district, the resident district shall pay to the district of attendance an amount of tuition equal to the ratio in clause (a) times the amount of tuition which would be charged and paid for a nonresident public school pupil in a similar circumstance. The district of residence shall not be obligated for tuition except by previous agreement.

(d) Notwithstanding the provisions of clause (c), the resident district of a shared time pupil attending shared time classes in another district may grant the district of attendance, upon its request, permission to claim the pupil as a resident for state aid purposes. In this case, state aid shall be paid to the district of attendance and, upon agreement, the district of attendance may bill the resident district for any unreimbursed education costs, but not for unreimbursed transportation costs. The agreement may, however, provide for the resident district to pay the cost of any of the particular transportation categories specified in section 124.225, subdivision 1, and in this case, aid for those categories shall be paid to the district of residence rather than to the district of attendance.

(e) Minutes of enrollment in a public school during which a nonpublic school pupil receives services pursuant to section 123.935 shall not be used in the computation of shared time foundation aid pursuant to this subdivision.

Sec. 6. Minnesota Statutes 1982, section 124.2132, subdivision 4, is amended to read:

Subd. 4. [COUNTY APPORTIONMENT DEDUCTION.] (1) ~~The amount of money apportioned to a school district for each school year pursuant to section 124.10, subdivision 2, which exceeds the amount apportioned to that district pursuant to section 124.10, subdivision 2 for the 1976-1977 school year, shall be deducted from the foundation aid earned by that district for the same year.~~

~~(2) In addition to the deduction in clause (1), five-sixths of the amount apportioned pursuant to section 124.10, subdivision 2, shall be deducted from foundation aid for the 1981-1982 school year, but this deduction shall not exceed five-sixths of the amount apportioned for the 1976-1977 school year.~~

~~(3) In the 1982-1983 school year and Each school year thereafter, the entire amount of money apportioned to a school district for that year pursuant to section 124.10, subdivision 2, shall be deducted from the foundation aid earned by that district for the same year.~~

Sec. 7. [124.2138] [REVENUE EQUITY AID SUBTRACTION.]

Subdivision 1. [BASIC MAINTENANCE LEVY EQUITY.] (1) In any year when the amount of the maximum levy limitation for any district under section 275.125, subdivision 2a, exceeds the district's basic foundation revenue for the corresponding fiscal year, an amount shall be deducted as provided in this subdivision from special state aids of chapter 124 receivable for the

same fiscal year, and from state payments on behalf of the district for the same fiscal year authorized in sections 354.43, subdivision 1; 354A.12, subdivision 2; and 355.46, subdivision 3, clause (b). However, the aid authorized in sections 124.2137 and 124.646 shall not be reduced.

(2) The amount of the deduction shall equal the difference between:

(a) the sum of the amount of the district's maximum levy limitation under section 275.125, subdivision 2a, plus the amount of any reductions to that levy limitation pursuant to section 275.125, subdivisions 2e and 9, and

(b) the district's basic foundation revenue.

However, for fiscal year 1985, the amount of the deduction shall be one-sixth of the difference between clauses (a) and (b); for fiscal year 1986, the amount of the deduction shall be one-third of the difference between clauses (a) and (b); for fiscal year 1987, the amount of the deduction shall be one-half of the difference between clauses (a) and (b); for fiscal year 1988, the amount shall be two-thirds of the difference between clauses (a) and (b); and for fiscal year 1989, the amount of the deduction shall be five-sixths of the difference between clauses (a) and (b).

Subd. 2. [TRANSPORTATION LEVY EQUITY.] (1) In any fiscal year in which the transportation levy in a district attributable to that fiscal year of 1.75 mills times the adjusted assessed valuation of the district exceeds the transportation aid computation under section 124.225, subdivisions 8b, 8i, 8j, and 8k, an amount shall be deducted as provided in this subdivision from special state aids of chapter 124 receivable for the same fiscal year, and from state payments on behalf of the district for the same fiscal year authorized in sections 354.43, subdivision 1; 354A.12, subdivision 2; and 355.46, subdivision 3, clause (b), to the extent that those special state aids and state payments have not been reduced pursuant to subdivision 1 of this section. However, aid authorized in sections 124.2137 and 124.646 shall not be reduced.

(2) The amount of the deduction shall equal the difference between:

(a) 1.75 mills times the adjusted assessed valuation of the district for the levy attributable to that fiscal year, and

(b) the sum of the district's transportation aid computation pursuant to section 124.225, subdivisions 8b, 8i, 8j, and 8k, less the amount of any aid reduction due to an insufficient appropriation as provided in section 124.225, subdivision 8a.

However, for fiscal year 1985, the amount of the deduction shall be one-sixth of the difference between clauses (a) and (b); for fiscal year 1986, the amount of the deduction shall be one-third of the difference between clauses (a) and (b); for fiscal year 1987, the amount of the deduction shall be one-half of the difference between clause (a) and (b); for fiscal year 1988, the amount of the deduction shall be two-thirds of the difference between clauses (a) and (b); and for fiscal year 1989, the amount of the deduction shall be five-sixths of the difference between clauses (a) and (b).

Subd. 3. In any fiscal year in which the state payments on behalf of a district authorized in sections 354.43, subdivision 1; 354A.12, subdivision 2; and 355.46, subdivision 3, clause (b), are reduced under this section, the

commissioner of education shall certify the amounts of the required reductions to the district. The district shall pay employer contributions in the amount of the reduction of these payments to the commissioner, which amount shall be placed in the general fund.

Sec. 8. [124A.01] [FOUNDATION AID COMPONENTS.]

Foundation aid shall equal the sum of the following:

- (a) basic aid;*
- (b) cost differential tier aid;*
- (c) second tier aid;*
- (d) third tier aid;*
- (e) fourth tier aid;*
- (f) fifth tier aid;*
- (g) minimum aid; and*
- (h) shared time pupil aid.*

Sec. 9. [124A.02] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purpose of this chapter, the following terms have the meaning given them.

Subd. 2. [ACTUAL LEVY.] ‘Actual levy’ means the amount a district reports, according to section 275.125, subdivision 18, to the department of education that it has levied for each tier.

Subd. 3. [PERMITTED LEVY.] ‘Permitted levy’ means the amount a district is permitted to levy for each tier, as determined by the department of education according to section 275.125, subdivisions 7d and 7e.

Subd. 4. [TRAINING AND EXPERIENCE INDEX.] ‘Training and experience index’ means a measure of a district’s teacher training and experience relative to the education and experience of teachers in the state. The measure shall be determined pursuant to section 10 and according to a method published in the Minnesota Code of Administrative Rules. The published method shall include the data used and a reasonably detailed description of the steps in the method. The method shall not be subject to the provisions of chapter 14. At least biennially, the department shall recompute the index using complete new data.

Sec. 10. [124A.04] [TRAINING AND EXPERIENCE INDEX.]

The training and experience index shall be constructed in the following manner:

(a) The department shall construct a matrix which classifies teachers by the extent of training received in accredited institutions of higher education, and by the years of experience which the district takes into account in determining each teacher’s salary.

(b) For all teachers in the state, the average salary per full-time-equivalent shall be computed for each cell of the matrix.

(c) For each cell of the matrix, the ratio of the average salary in that cell to

the average salary in the cell for teachers with no prior years of experience and only a bachelor's degree shall be computed. The department shall use statistical methods to ensure continuously increasing ratios as cells are higher in training or experience.

(d) The index for each district shall be equal to the weighted average of the ratios assigned to the full-time-equivalent teachers in each district.

Sec. 11. [124A.06] [COST DIFFERENTIAL TIER AID.]

Subdivision 1. [COST DIFFERENTIAL TIER ALLOWANCE.] "Cost differential tier allowance" means the amount of revenue per actual pupil unit used to compute the cost differential tier aid for a school year and levy for use in the same school year. A district's cost differential tier allowance shall be the result of the following computation:

(a) Divide the amount of aid the district would have received for the 1980-1981 school year if Minnesota Statutes, 1979 Supplement, section 124.224, as amended by section 3 of this article, had been effective for the 1980-1981 school year by the actual pupil units in the district in the 1980-1981 school year.

(b) Divide the formula allowance for the school year by \$1265.

(c) Multiply the result in clause (a) by the result in clause (b).

(d) Subtract 1.25 from the training and experience index, and multiply the difference by \$300.

(e) Select the greater of the result in clause (d) or zero.

(f) Add the results of clauses (c) and (e).

Subd. 2. [COST DIFFERENTIAL TIER REVENUE.] A district's cost differential tier revenue for each school year shall equal the cost differential tier allowance times the actual pupil units for that school year.

Subd. 3. [COST DIFFERENTIAL TIER AID.] A district's cost differential tier aid shall be the result of the following computation:

(1) Subtract the amount of the cost differential tier levy from the amount of the cost differential tier revenue.

(2) Divide the actual cost differential tier levy by the permitted cost differential tier levy.

(3) Multiply the result in clause (1) by the result in clause (2).

Sec. 12. [124A.08] [SECOND TIER AID WITH 100 PERCENT EQUALIZING FACTOR.]

Subdivision 1. [SECOND TIER ALLOWANCE.] "Second tier allowance" means the amount of revenue per actual pupil unit used to compute the second tier aid for a particular school year and the corresponding levy for that school year. The second tier allowance is \$150.

Subd. 2. [SECOND TIER REVENUE.] A district's second tier revenue for each school year shall equal the second tier allowance times its actual pupil units for that school year.

Subd. 3. [SECOND TIER AID.] A district's second tier aid shall be the

result of the following computation:

(1) Subtract the amount of the second tier levy from the amount of the second tier revenue.

(2) Divide the actual second tier levy by the permitted second tier levy.

(3) Multiply the result in clause (1) by the result in clause (2).

Sec. 13. [124A.10] [THIRD TIER AID WITH 75 PERCENT EQUALIZING FACTOR.]

Subdivision 1. [THIRD TIER ALLOWANCE.] "Third tier allowance" means the amount of revenue per actual pupil unit used to compute the third tier aid for a particular school year and the corresponding levy for that school year. The third tier allowance is \$100.

Subd. 2. [THIRD TIER REVENUE.] A district's third tier revenue for each school year shall equal the third tier allowance times its actual pupil units for that school year.

Subd. 3. [THIRD TIER AID.] A district's third tier aid shall be the result of the following computation:

(1) Subtract the amount of the third tier levy from the amount of the third tier revenue.

(2) Divide the actual third tier levy by the permitted third tier levy.

(3) Multiply the result in clause (1) by the result in clause (2).

Sec. 14. [124A.12] [FOURTH TIER AID WITH 50 PERCENT EQUALIZING FACTOR.]

Subdivision 1. [FOURTH TIER ALLOWANCE.] "Fourth tier allowance" means the amount of revenue per actual pupil unit used to compute the fourth tier aid for a particular school year and the corresponding levy for that school year. The fourth tier allowance is \$100.

Subd. 2. [FOURTH TIER REVENUE.] A district's fourth tier revenue for each school year shall equal the fourth tier allowance times its actual pupil units for that school year.

Subd. 3. [FOURTH TIER AID.] A district's fourth tier aid shall be the result of the following computation:

(1) Subtract the amount of the fourth tier levy from the amount of the fourth tier revenue.

(2) Divide the actual fourth tier levy by the permitted fourth tier levy.

(3) Multiply the result in clause (1) by the result in clause (2).

Sec. 15. [124A.14] [FIFTH TIER AID WITH 50 PERCENT EQUALIZING FACTOR.]

Subdivision 1. [FIFTH TIER ALLOWANCE.] "Fifth tier allowance" means the amount of revenue per actual pupil unit used to compute the fifth tier aid for a particular school year and the corresponding levy for that school year. The fifth tier allowance shall equal the result of the following computation:

(a) Determine the revenue the district would have received for the 1984-1985 school year from grandfather revenue, replacement revenue, and low fund balance revenue, if the provisions of Minnesota Statutes 1982, sections 124.2123, 124.2124, and 124.2128 had been effective for the 1984-1985 school year.

(b) Determine the discretionary revenue the district would have received for the 1984-1985 school year if the provisions of Minnesota Statutes 1982, section 124.2125 had been effective for the 1984-1985 school year. Assume the district had been entitled to and had levied the maximum allowable under section 275.125, subdivisions 7a, and no aid or levy reductions were made according to section 275.125, subdivision 7c.

(c) Determine the amount of revenue equal to \$25 times the total pupil units in the 1984-1985 school year.

(d) Add the results in clauses (a), (b), and (c).

(e) Determine the estimated revenue the district would receive for the 1984-1985 school year from the first to fourth tier revenue for the 1984-1985 school year.

(f) Subtract the result of clause (e) from the result of clause (d).

(g) Divide the amount in clause (f) by the 1984-1985 actual pupil units.

Subd. 2. [FIFTH TIER REVENUE.] A district's fifth tier revenue for each school year shall equal the fifth tier allowance times its actual pupil units for that school year.

Subd. 3. [FIFTH TIER AID.] A district's fifth tier aid shall be the result of the following computation:

(1) Subtract the amount of the fifth tier levy from the amount of the fifth tier revenue.

(2) Divide the actual fifth tier levy by the permitted fifth tier levy.

(3) Multiply the result in clause (1) by the result in clause (2).

Sec. 16. [124A.16] [COMMENCEMENT OF TIER REVENUE.]

Subdivision 1. [TOTAL TIER ALLOWANCE.] "Total tier allowance" shall mean the sum of the allowances from the tiers specified in sections 11, 12, 13, 14, and 15.

Subd. 2. [PREVIOUS FORMULA AMOUNT.] "Previous formula amount" shall mean the revenue per actual pupil unit from the previous formula as specified in section 15, subdivision 1, clauses (a) and (b).

Subd. 3. [MINIMUM INCREASE.] "Minimum increase" shall mean the amount equal to \$25 times the total pupil units in the 1984-1985 school year, divided by the actual pupil units in the 1984-1985 school year.

Subd. 4. The total revenue per actual pupil unit permitted from the tiers specified in sections 11, 12, 13, 14, and 15 shall equal the sum of the previous formula amount plus the greater of:

(a) the minimum increase; or

(b) 25 percent of the difference between the total tier allowance and the

previous formula amount in the 1984-1985 school year, 50 percent of the difference in the 1985-1986 school year, 75 percent of the difference in the 1986-1987 school year, or 100 percent of the difference in the 1987-1988 school year and subsequent school years.

Subd. 5. The revenue permitted by this section shall be accorded to the lowest numbered tiers, beginning with the cost differential tier.

Subd. 6. The permitted total revenue per actual pupil unit specified in subdivision 4 shall be determined prior to the reduction according to section 275.125, subdivision 7e.

Sec. 17. Minnesota Statutes 1982, section 124.2132, subdivision 1, is amended to read:

Subdivision 1. [UNDERLEVIES.] A district's basic foundation, ~~grandfather, replacement, discretionary or low fund balance aid, as applicable,~~ for any school year when the actual amount of the corresponding levy for use in that year is less than the permitted amount, shall be reduced by a percentage equal to the difference between the actual amount and the permitted amount, divided by the permitted amount. This provision shall apply to basic foundation aid only for a school year when the actual amount of the basic maintenance levy for use in that year is less than 95 percent of the permitted amount.

Sec. 18. Minnesota Statutes 1982, section 275.125, subdivision 2e, is amended to read:

Subd. 2e. [BASIC MAINTENANCE LEVY; DISTRICTS OFF THE FORMULA.] (1) In any year when the amount of the maximum levy limitation under subdivision 2a for any district, exceeds the product of the district's foundation aid formula allowance for the year in which the levy is recognized as revenue times the estimated number of actual and AFDC pupil units for that district for that school year, the levy limitation for that district under subdivision 2a shall be limited to the greater of the dollar amount of the levy the district certified in 1977 under Minnesota Statutes 1978, Section 275.125, subdivision 2a, clause (1), or the following difference but not to exceed the levy limitation under subdivision 2a:

(a) the *sum of*

(i) *the product of the district's foundation aid formula allowance for the school year in which the levy is recognized as revenue, times the estimated number of actual and AFDC pupil units for that district for that school year, plus*

(ii) *the amount of special state aids of chapter 124 receivable for the same school year, excluding aid authorized in sections 124.2137 and 124.646, plus*

(iii) *the amount of state payments on behalf of the district for the same school year authorized in sections 354.43, subdivision 1; 354A.12, subdivision 2; and 355.46, subdivision 3, clause (b), less*

(b) *the estimated amount of any payments which would reduce the district's foundation aid entitlement as provided in section 124.2132, subdivision 4 in the school year in which the levy is recognized as revenue.*

(1) However, for fiscal year 1985, the amounts in clauses (a)(ii) and (a)(iii) shall be multiplied by one-sixth; for fiscal year 1986, the amounts in clauses (a)(ii) and (a)(iii) shall be multiplied by one-third; for fiscal year 1987, the amounts in clauses (a)(ii) and (a)(iii) shall be multiplied by one-half; for fiscal year 1988, the amounts in clauses (a)(ii) and (a)(iii) shall be multiplied by two-thirds; and for fiscal year 1989, the amounts in clauses (a)(ii) and (a)(iii) shall be multiplied by five-sixths.

(2) A levy made by a district pursuant to this subdivision shall be construed to be the levy made by that district pursuant to subdivision 2a, for purposes of statutory cross-reference.

Sec. 19. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 7d. [TIER LEVIES.] (1) [COST DIFFERENTIAL TIER LEVY.] In 1983 and each year thereafter, a district may levy for its cost differential tier revenue an amount not to exceed the lesser of its cost differential tier revenue or the result of the following computation:

(i) Divide the adjusted assessed valuation for the year preceding the year the levy is certified, by the total pupil units for the year to which the levy is attributable.

(ii) Divide the result in clause (i) by the equalizing factor for the school year to which the levy is attributable.

(iii) Multiply the result in clause (ii) by the district's cost differential tier revenue for the school year to which the levy is attributable.

(2) [SECOND TIER LEVY.] In 1983 and each year thereafter, a district may levy for its second tier revenue an amount not to exceed the lesser of its second tier revenue or the result of the following computation:

(i) Divide the adjusted assessed valuation for the year preceding the year the levy is certified, by the total pupil units for the year to which the levy is attributable.

(ii) Divide the result in clause (i) by the equalizing factor for the school year to which the levy is attributable.

(iii) Multiply the result in clause (ii) by the district's second tier revenue for the school year to which the levy is attributable.

(3) [THIRD TIER LEVY.] In 1983 and each year thereafter, a district may levy for its third tier revenue an amount not to exceed the lesser of its third tier revenue or the result of the following computation:

(i) Divide the adjusted assessed valuation for the year preceding the year the levy is certified, by the total pupil units for the year to which the levy is attributable.

(ii) Divide the result in clause (i) by 75 percent of the equalizing factor for the school year to which the levy is attributable.

(iii) Multiply the result in clause (ii) by the district's third tier revenue for the school year to which the levy is attributable.

(4) [FOURTH TIER LEVY.] In 1983 and each year thereafter, a district

may levy for its fourth tier revenue an amount not to exceed the lesser of its fourth tier revenue or the result of the following computation:

(i) Divide the adjusted assessed valuation for the year preceding the year the levy is certified, by the total pupil units for the year to which the levy is attributable.

(ii) Divide the result in clause (i) by 50 percent of the equalizing factor for the school year to which the levy is attributable.

(iii) Multiply the result in clause (ii) by the fourth tier revenue for the school year to which the levy is attributable.

(5) [FIFTH TIER LEVY.] In 1983 and each year thereafter, a district may levy for its fifth tier revenue an amount not to exceed the lesser of its fifth tier revenue or the result of the following computation:

(i) Divide the adjusted assessed valuation for the year preceding the year the levy is certified, by the total pupil units for the year to which the levy is attributable.

(ii) Divide the result in clause (i) by 50 percent of the equalizing factor for the school year to which the levy is attributable.

(iii) Multiply the result in clause (ii) by the fifth tier revenue for the school year to which the levy is attributable.

Sec. 20. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 7e. [SECOND TIER LEVY FUND BALANCE.] Beginning with the 1983 payable 1984 levy, for a district where the net unappropriated operating fund balance as of the June 30 before the levy is certified exceeds \$500 per total pupil unit in the year when the levy is certified, the second tier levy shall be reduced by the amount of the excess times the lesser of (a) one, or (b) the ratio of the district's EARC valuation for the preceding year per total pupil unit in the school year for which the levy is attributable, to the equalizing factor. Beginning with the 1984-1985 school year, the second tier aid for the year when that levy is used shall be reduced by any amount of the excess which is not subtracted from the levy.

Sec. 21. Minnesota Statutes 1982, section 275.125, subdivision 9, is amended to read:

Subd. 9. [LEVY REDUCTIONS; TACONITE.] (1) Reductions in levies pursuant to subdivision 10 of this section, and section 273.138, shall be made prior to the reductions in clause (2).

(2) Notwithstanding any other law to the contrary, districts which received payments pursuant to sections 294.21 to 294.26; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; 477A.15; and any law imposing a tax upon severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties, or recognized revenue pursuant to section 477A.15; shall not include a portion of these aids in their permissible levies pursuant to those sections, but instead shall reduce the permissible levies authorized by this section by the greater of the following:

(a) an amount equal to 50 percent of the total dollar amount of the pay-

ments received pursuant to those sections or revenue recognized pursuant to section 477A.15 in the previous fiscal year; or

(b) an amount equal to the total dollar amount of the payments received pursuant to those sections or revenue recognized pursuant to section 477A.15 in the previous fiscal year less the product of the same dollar amount of payments or revenue times the ratio of the maximum levy allowed the district under subdivision 2a, to the total levy allowed the district under this section in the year in which the levy is certified.

(3) No reduction pursuant to this subdivision shall reduce the levy made by the district pursuant to subdivision 2a, to an amount less than the amount raised by a levy of ~~ten~~ 12.5 mills times the adjusted assessed valuation of that district for the preceding year as determined by the equalization aid review committee. The amount of any increased levy authorized by referendum pursuant to subdivision 2d shall not be reduced pursuant to this subdivision. The amount of any levy authorized by subdivision 4, to make payments for bonds issued and for interest thereon, shall not be reduced pursuant to this subdivision. ~~The amount of any levy authorized by subdivision 7a shall not be reduced pursuant to this subdivision.~~

(4) Before computing the reduction pursuant to this subdivision of the capital expenditure levy authorized by subdivision 11a, and the community service levy authorized by subdivision 8, the commissioner shall ascertain from each affected school district the amount it proposes to levy for capital expenditures pursuant to subdivision 11a and for community services pursuant to subdivision 8. The reduction of the capital expenditure levy and the community services levy shall be computed on the basis of the amount so ascertained.

(5) Notwithstanding any law to the contrary, any amounts received by districts in any fiscal year pursuant to sections 294.21 to 294.26; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; or any law imposing a tax on severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties; and not deducted from foundation aid pursuant to section 124.2132, subdivision 5, clause (2), and not applied to reduce levies pursuant to this subdivision shall be paid by the district to the commissioner of finance in the following amount on the designated date: ~~on or before~~ by March 15 of each year, ~~100 percent~~ of the amount required to be subtracted from the previous fiscal year's foundation aid pursuant to section ~~124.2128~~ 124.2132, subdivision 5, which is in excess of the foundation aid earned for that fiscal year. The commissioner of finance shall deposit any amounts received pursuant to this clause in the taconite property tax relief fund in the state treasury, established pursuant to section 16A.70 for purposes of paying the taconite homestead credit as provided in section 273.135.

Sec. 22. [INSTRUCTION TO THE REVISOR.]

In the next method of updating Minnesota Statutes, the revisor of statutes, in consultation with the education staff of house research and senate research and counsel, is requested to codify the appropriate provisions of this act, appropriate parts of section 275.125, and the sections of chapter 124 relating to foundation aids in a chapter of Minnesota Statutes.

Sec. 23. [REPEALER.]

Subdivision 1. Minnesota Statutes 1982, sections 124.11, subdivision 1 and 275.125, subdivisions 6b, 6c, 6d, 7a, and 7c are repealed.

Subd. 2. Minnesota Statutes 1982, sections 124.2123; 124.2124; 124.2125; and 124.2128 are repealed.

Subd. 3. [EFFECT.] The repeal of these sections shall not affect the right of a school district to receive nor the obligation of the commissioner of education to pay aids attributable to the 1983-1984 school year and payable in fiscal year 1985 pursuant to the sections repealed.

Sec. 24. [APPROPRIATION.]

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [FOUNDATION AID.] For foundation aid there is appropriated:

\$585,027,000.....1984,

\$555,591,000.....1985.

The appropriation for 1984 includes \$84,895,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$500,132,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$89,315,000 for aid for fiscal year 1984 payable in fiscal year 1985, and \$466,276,000 for aid for fiscal year 1985 payable in fiscal year 1985.

Subd. 3. [CANCELLATION.] Any unexpended balance remaining from the appropriations in this section for 1984 shall cancel and shall not be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated.

Sec. 25. [EFFECTIVE DATE.]

Sections 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 21, and 23, subdivision 2, are effective July 1, 1984.

ARTICLE 2

TRANSPORTATION AID

Section 1. Minnesota Statutes 1982, section 123.37, subdivision 1b, is amended to read:

*Subd. 1b. [TRANSPORTATION; FUEL.] Notwithstanding the provisions of subdivision 1 or section 471.345, a contract for the transportation of school children, or a contract for the purchase, ~~by June 30, 1983,~~ of petroleum heating fuel or fuel for ~~district owned~~ vehicles may be made by direct negotiation, by obtaining two or more written quotations for the service when possible, or upon sealed bids. At least 30 days before awarding a directly negotiated contract, the school district shall, by published notice, request quotations for the service to be provided. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof. If a contract is made by direct negotiation, ~~negotiations~~ *all quotations* shall be ~~open to the public information.~~ If a contract is made upon sealed bids, the procedure for advertising and awarding bids shall conform to the provisions*

of subdivision 1 except as otherwise provided in this subdivision.

Notwithstanding the provisions of subdivision 1 or section 574.26, a performance bond shall be required of a contractor on a contract for the transportation of school children only when and in the amount deemed necessary by and at the discretion of the school board.

Sec. 2. Minnesota Statutes 1982, section 124.225, is amended to read:

124.225 [TRANSPORTATION AID ENTITLEMENT.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the terms defined in this subdivision have the meanings given to them.

(a) "FTE" means a transported full time equivalent pupil whose transportation is authorized for aid purposes by section 124.223.

(b) "Authorized cost for regular transportation" means the sum of:

(1) all expenditures for transportation in the regular category, as defined in clause (e)(1), for which aid is authorized in section 124.223, plus

(2) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 12-1/2 percent per year of the cost of the fleet, plus

(3) an amount equal to one year's depreciation on district school buses reconditioned by the department of corrections computed on a straight line basis at the rate of 33-1/3 percent per year of the cost to the district of the reconditioning, plus

(4) beginning in fiscal year 1984, an amount equal to one year's depreciation on the district's type three school buses, as defined in section 169.44, subdivision 15, which were purchased after July 1, 1982 for authorized transportation of pupils, with the prior approval of the commissioner, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses.

(c) "Adjusted authorized predicted cost per FTE" means the authorized cost predicted by a multiple regression formula determined by the department of education, and adjusted pursuant to subdivision 7a.

(d) "Aid entitlement per FTE" means the adjusted authorized predicted cost per FTE, inflated pursuant to subdivision 7b.

(e) "Transportation category" means a category of transportation service provided to pupils. Each category includes transportation provided during the regular school year and in conjunction with a state board approved summer school program. For purposes of this section, transportation categories are as follows:

(1) Regular transportation is transportation services provided under section 124.223, clauses (1) and (2), excluding transportation between schools under section 124.223, clause (1);

(2) During-day transportation is transportation services between schools provided under section 124.223, clause (1), and transportation services provided under section 124.223, clauses (3) and (9), and transportation services provided under section 124.223, clause (6), excluding transporta-

tion provided for pupils attending shared time special education classes;

(3) Handicapped transportation is transportation services for pupils attending shared time special education classes provided under section 124.223, clause (6), and transportation services provided under section 124.223, clause (4), excluding board and lodging and excluding transportation to and from board and lodging facilities;

(4) Board and lodging is services provided, in lieu of transportation, under section 124.223, clauses (4) and (5);

(5) To and from board and lodging facility transportation is transportation services to and from board and lodging facilities provided under section 124.223, clauses (4) and (7);

(6) Nonpublic health, guidance and counseling transportation is transportation services provided under section 124.223, clause (10);

(7) *Nonregular transportation is transportation services provided between schools under section 124.223, clause (1); and transportation services provided under section 124.223, clauses (3), (4), (5), (6), (7), (9), and (10).*

(f) "Pupil weighting factor" means the ratio of the actual district average cost per FTE in a particular transportation category in the base year to the actual district average cost per FTE in the regular transportation category in the base year.

(g) "Weighted FTE's" means the number of FTE's in each transportation category multiplied by the pupil weighting factor for that category.

(h) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services and health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123.932, subdivision 9.

(i) "Percent excess handicapped FTE's transported" means the result of the following computation for the current year:

one, minus the product of

(1) the ratio of the number of FTE pupils transported in the handicapped category in the state to the number of FTE pupils transported in the handicapped category in the district; times

(2) the ratio of the number of FTE pupils transported in the regular category in the district to the number of FTE pupils transported in the regular category in the state.

(j) "Current year" means the school year for which aid will be paid.

(k) "Base year" means the second school year preceding the school year for which aid will be paid.

(l) "Base cost" means the authorized regular transportation cost per FTE in the base year in the regular transportation category, excluding summer school transportation.

(m) "Predicted base cost" means the base cost as predicted by subdivision 3.

Subd. 1a. [WEIGHTING FACTORS.] For each school year, in computing transportation aid, the department of education shall establish as needed the pupil weighting factors for each transportation category for each district using transportation cost data for the second prior school year. The department shall use the statewide pupil weighting factor for any transportation category for which a district had no experience during the second prior school year.

Subd. 3. [FORMULA.] For each school year, the state shall pay to each school district for all pupil transportation and related services for which the district is authorized by law to receive state aid an amount determined according to this section. The department of education shall conduct multiple regression analysis using the terms specified in subdivision 4a, *for the 1982-1983 and 1983-1984 school years, and using the terms specified in subdivision 4b for the 1984-1985 school year and each school year thereafter* to predict the base cost for each district. *Each year* a formula shall be derived based upon the regression analysis, but excluding the ~~factor~~ *factor* described in subdivision 4a, ~~clauses (8), clause (9), and (10), except that in the 1982-1983 formula for the 1983-1984 school year, these clauses shall not be excluded.~~ *Each year the formula shall be used to determine a predicted base cost for each district. The amount determined for each district shall be adjusted according to the provisions of subdivisions 7a and 7b.*

Subd. 4a. [FORMULA TERMS, 1983-1984.] To predict the base cost for each district pursuant to subdivision 3 *for the 1983-1984 school year*, the multiple regression formula shall use the following terms for each district:

- (1) The district's average daily membership;
- (2) The reciprocal of the district's average daily membership;
- (3) The logarithm of the number of authorized FTE's per square mile transported by the district in the regular transportation category;
- ~~(4) The percentage of the district's square mile area which is classified by the commissioner of energy, planning and development as water-covered, marshland, or extractive;~~
- ~~(5)~~ (4) The district's administrative overhead for transportation per authorized FTE transported in the regular transportation category;
- ~~(6)~~ (5) The number of schools to which pupils are transported in the regular transportation category, either within or outside the district, divided by the number of authorized FTE's transported in the regular transportation category;
- ~~(7)~~ (6) Whether the district is non-rural, based upon criteria established by the department of education;
- ~~(8)~~ (7) Whether the district contracts for bus service, or transports pupils only on district-owned buses;
- ~~(9)~~ (8) The percentage of all regular transportation category bus routes using buses that are not owned by the district, if that percentage is not 100 percent;
- ~~(10)~~ (9) Whether the district operates a special bus to transport pupils to home from school who are involved in after-school activities.

Subd. 4b. [FORMULA TERMS, 1984-1985 AND AFTER.] *To predict the logarithm of the base cost for each district pursuant to subdivision 3 for the 1984-1985 school year and each year thereafter, the multiple regression formula shall use the following terms for each district:*

(1) The logarithm of the lesser of (a) the number of authorized FTE's per square mile transported by the district in the regular transportation category, or (b) 200;

(2) Whether the district is non-rural, based upon criteria established by the department of education; and

(3) The logarithm of the percentage of all FTE's transported in the regular category using buses that are not owned by the district.

Subd. 7a. [BASE YEAR SOFTENING FORMULA.] ~~(1) Each district's predicted base cost determined for each school year according to subdivision 3 shall be averaged with the base cost for that district for that year to determine the district's adjusted authorized predicted cost per FTE for that year.~~

~~(2) Notwithstanding clause (1),~~ For fiscal year 1983, ~~the~~ *each district's predicted base cost determined according to subdivision 3 shall be adjusted as provided in this clause to determine adjusted authorized predicted cost per FTE for the base school year.*

(a) If the predicted base cost exceeds the base cost, the predicted base cost shall be decreased by 50 percent of the first \$40 of difference between the base cost and the predicted base cost; 70 percent of the next \$40 of difference; and 90 percent of any difference which exceeds \$80, to determine the adjusted authorized predicted cost per FTE.

(b) If the predicted base cost is less than the base cost, the predicted base cost shall be increased by 50 percent of the first \$40 of difference between the base cost and the predicted base cost; 70 percent of the next \$40 of difference; and 90 percent of any difference which exceeds \$80, to determine the adjusted authorized predicted cost per FTE.

(2) For fiscal year 1984 and each year thereafter, each district's predicted base cost determined for each school year according to subdivision 3 shall be adjusted as provided in this clause to determine the district's adjusted authorized predicted cost per FTE for that year.

(a) If the base cost of the district is within five percent of the predicted base cost, the district's adjusted authorized predicted cost per FTE shall be equal to the base cost.

(b) If the base cost of the district is more than five percent greater than the predicted base cost, the district's adjusted authorized predicted cost per FTE shall be equal to 105 percent of the predicted base cost, plus 40 percent of the difference between (i) the base cost, and (ii) 105 percent of the predicted base cost. However, in no case shall a district's adjusted authorized predicted cost per FTE be less than 80 percent of base cost.

(c) If the base cost of the district is more than five percent less than the predicted base cost, the district's adjusted authorized predicted cost per FTE shall be equal to 95 percent of the predicted base cost, minus 40 percent of the difference between (i) 95 percent of predicted base cost, and (ii) the

base cost. However, in no case shall a district's adjusted authorized predicted cost per FTE be more than 120 percent of base cost.

Subd. 7b. [INFLATION FACTORS.] *The adjusted authorized predicted cost per FTE determined for a district under subdivision 7a for the base year shall be increased by 22 percent to determine the district's aid entitlement per FTE for the 1982-1983 school year, by 11.7 percent to determine the district's aid entitlement per FTE for the 1983-1984 school year, and by 10.3 percent to determine the district's aid entitlement per FTE for the 1984-1985 school year.*

Subd. 8a. [AID.] *For the 1982-1983 and 1983-1984 school years, a district's transportation aid shall be equal to the sum of its basic transportation aid pursuant to subdivision 8b, its excess handicapped transportation aid pursuant to subdivision 8c, its handicapped board and lodging aid pursuant to subdivision 8d, its to and from board and lodging aid pursuant to subdivision 8e, its nonpublic support services transportation aid pursuant to subdivision 8f, its during-day transportation aid pursuant to subdivision 8g, and its closed-school transportation aid pursuant to subdivision 8h, minus the amount raised by two mills times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to that school year. For the 1983-1984 school year transportation aid for a district which contracted for pupil transportation services in the 1981-1982 school year shall be reduced by an amount equal to \$18 times the number of FTE pupils transported on contracted school buses in the base year in the regular transportation category. A district may levy less than the amount raised by two mills. Transportation aid shall be computed as if the district had levied the amount raised by two mills. If the total appropriation for transportation aid in any fiscal year after 1982 is insufficient to pay all districts the full amount of aid earned, the department of education shall reduce each district's aid in proportion to the number of resident pupils in average daily membership in the district to the state total average daily membership, and shall reduce the aid entitlement of off-formula districts in the same proportion. Aid for the 1982-1983 and 1983-1984 school years shall also be reduced by the following amount: the product of*

(a) the number of nonhandicapped secondary pupils transported in the base year who live between one and two miles from the public school which they could attend or the nonpublic school actually attended, times

(b) 1.5, divided by the average distance to school for all FTE's transported in the district in the regular transportation category in the base year, times

(c) the district's aid entitlement per FTE determined according to subdivision 7b, times the ratio of average daily membership used in subdivision 8b.

For the 1984-1985 school year and thereafter, a district's transportation aid shall be equal to the sum of its basic transportation aid pursuant to subdivision 8b, its nonregular transportation aid pursuant to subdivision 8i, and its nonregular transportation levy equalization aid pursuant to subdivision 8j, minus its contracted services and reduction pursuant to subdivision 8k, minus the amount raised by 1.75 mills times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to that school year. A district may levy less than the amount raised by 1.75 mills. Transportation aid shall be computed as if the district had

levied the amount raised by 1.75 mills.

If the total appropriation for transportation aid for any fiscal year is insufficient to pay all districts the full amount of aid earned, the department of education shall reduce each district's aid in proportion to the number of resident pupils in average daily membership in the district to the state total average daily membership, and shall reduce the aid entitlement of off-formula districts in the same proportion.

Subd. 8b. [BASIC AID COMPUTATION.] For the 1982-1983 and 1983-1984 school years, a district's basic transportation aid pursuant to this section for the school year shall equal the district's aid entitlement per FTE determined according to subdivision 7b times the total number of authorized weighted FTE's transported in the regular and handicapped transportation categories in the district in the base year times the ratio of average daily membership in the district in the current year to the average daily membership in the district in the base year.

For the 1984-1985 school year and thereafter, a district's basic transportation aid pursuant to this section for each school year shall equal the district's aid entitlement per FTE determined according to subdivision 7b times the total number of authorized FTE's transported in the regular and handicapped categories category in the district in the current school year.

Subd. 8c. [EXCESS HANDICAPPED AID.] (a) For each the 1982-1983 and 1983-1984 school year years, the state shall pay aid for the excess costs of providing transportation for handicapped students as provided in this subdivision to a district where, in the current school year, the ratio of FTE's transported in the handicapped category to the total number of FTE's transported in the regular transportation category exceeds the same ratio for the state as a whole.

(b) This aid shall equal:

the product of the percent excess handicapped FTE's transported, times the difference between

(1) the district's actual cost for transportation of all pupils in the handicapped category in the current year, and

(2) the product of

(i) the district's aid entitlement per FTE determined according to subdivision 7b, times

(ii) the number of FTE's transported in the handicapped category in the district in the current year.

~~Provided that for the 1982-1983 and 1983-1984 school years, the number in (2)(ii) above shall be replaced by the following computation: the product of the number of FTE's transported in the handicapped category in the district in the base year, times its pupil weighting factor for the handicapped category, times the ratio of average daily membership in the district in the current year to average daily membership in the district in the base year.~~

Excess handicapped transportation aid authorized in this subdivision shall not be paid after the 1983-1984 school year.

Subd. 8d. [HANDICAPPED BOARD AND LODGING AID.] For board

and lodging of handicapped pupils, each district shall receive aid equal to the product of the number of FTE pupils boarded and lodged in the current year in the district in this transportation category, times the average of

(a) the state average board and lodging cost per FTE pupil boarded and lodged in the base year, times the inflation factor for that year prescribed in subdivision 7b; and

(b) the district's actual cost per FTE pupil boarded and lodged in the current year.

Aid for board and lodging of handicapped pupils authorized in this subdivision shall not be paid after the 1983-1984 school year.

Subd. 8e. [TO AND FROM BOARD AND LODGING.] For transportation of handicapped pupils to and from board and lodging facilities, the state shall pay aid to each district for each year equal to the lesser of

(a) the sum of the distance in miles from the home of each pupil transported in this category to the board and lodging facility, times 36, times 24 cents; or

(b) the average of the amount in (a) and the district's actual cost for all transportation in this category in the current year.

Aid for transportation of handicapped pupils to and from board and lodging facilities authorized in this subdivision shall not be paid after the 1983-1984 school year.

Subd. 8f. [NONPUBLIC SUPPORT SERVICES AID.] For the 1982-1983 and 1983-1984 school years, a district's nonpublic support services transportation aid shall equal the district's aid entitlement per FTE determined according to subdivision 7b, times its pupil weighting factor for the nonpublic support services transportation category, times the number of FTE pupils transported in the nonpublic support services category in the district in the base year, times the ratio of average daily membership in the district in the current year to average daily membership in the district in the base year. ~~For the 1984-1985 school year and thereafter, a district's nonpublic support services transportation aid shall equal the district's aid entitlement per FTE determined according to subdivision 7b, times its pupil weighting factor for the nonpublic support services transportation category, times the number of FTE's transported in that category in the current year.~~

Nonpublic support services aid authorized in this subdivision shall not be paid after the 1983-1984 school year.

Subd. 8g. [DURING-DAY TRANSPORTATION AID.] For the 1982-1983 and 1983-1984 school years, a district's during-day transportation aid shall equal the district's aid entitlement per FTE determined according to subdivision 7b, times its pupil weighting factor for the during-day transportation category, times the number of FTE's transported in the during-day transportation category in the base year, times the ratio of average daily membership in the district in the current year to average daily membership in the district in the base year. ~~For the 1984-1985 school year and thereafter, a district's during-day transportation aid shall equal the district's aid entitlement per FTE determined according to subdivision 7b, times its pupil weighting factor for the during-day transportation category, times the number of FTE's~~

~~transported in the during-day transportation category in the current year.~~

During-day transportation aid authorized in this subdivision shall not be paid after the 1983-1984 school year.

Subd. 8h. [CLOSED-SCHOOL TRANSPORTATION AID.] For the 1982-1983 and 1983-1984 school years, a district's closed-school transportation aid shall equal the district's aid entitlement per FTE determined according to subdivision 7b, times the number of authorized FTE's transported in the regular category in the current school year who were not transported in the base year and would not have been transported in the current year but for school closings or altered school attendance boundaries. The total amount of transportation aid computed pursuant to this subdivision in each year shall not exceed \$2,000,000. If this amount is insufficient to pay each qualifying district its full amount of aid pursuant to this subdivision, this amount shall be prorated among all qualifying districts in proportion to each district's number of FTE's for whom aid is claimed under this subdivision.

Closed-school transportation aid authorized in this subdivision shall not be paid after the 1983-1984 school year.

Subd. 8i. [NONREGULAR TRANSPORTATION AID.] For the 1984-1985 school year and each year thereafter, a district's nonregular transportation aid shall be determined pursuant to this subdivision. Nonregular transportation aid shall equal (a) 20 percent of the first \$10 of actual cost in the current year for nonregular transportation services per total pupil unit, plus 40 percent of the next \$10 of actual cost in the current year for nonregular transportation services per total pupil unit, plus 60 percent of the actual cost in the current year for nonregular transportation services per total pupil unit which exceeds \$20, times (b) the number of total pupil units in the district in the current year.

Subd. 8j. [NONREGULAR TRANSPORTATION LEVY EQUALIZATION AID.] For the 1984-1985 school year and each year thereafter, a district's nonregular transportation levy equalization aid shall be determined pursuant to this subdivision.

(a) Unreimbursed nonregular transportation revenue shall equal the actual cost in the current year for nonregular transportation services, minus the district's nonregular transportation aid computed pursuant to subdivision 8i.

(b) The nonregular transportation levy is the levy authorized by section 275.125, subdivision 5c.

(c) Nonregular transportation levy equalization aid for a district shall equal the product of (1) its unreimbursed nonregular transportation revenue, minus the nonregular transportation levy limitation for that year, times (2) the ratio of the district's actual nonregular transportation levy to its nonregular transportation levy limitation.

Subd. 8k. [CONTRACTED SERVICES AID REDUCTION.] For the 1984-1985 school year and each year thereafter, each district's transportation aid shall be reduced according to the provisions of this subdivision, if the district contracted for some or all of the transportation services provided in

the regular category. The department of education shall compute this subtraction by conducting the multiple regression analysis specified in subdivision 3 and computing the district's aid under two circumstances, once including the coefficient of the factor specified in subdivision 4b, clause (3), and once excluding the coefficient of that factor. The aid subtraction shall equal the difference between the district's aid computed under these two circumstances.

Subd. 9. [DISTRICT REPORTS.] Each district shall report data to the department as required by the department to implement the transportation aid formula. If a district's final transportation aid payment is adjusted after the final aid payment has been made to all districts, the adjustment shall be made by increasing or decreasing the district's aid for the next fiscal year.

Subd. 10. [DEPRECIATION.] Any school district which owns school buses or mobile units shall transfer annually from the unappropriated fund balance account in its transportation fund to the appropriated fund balance account for bus purchases in its transportation fund at least an amount equal to 12-1/2 percent of the original cost of each type one or type two bus or mobile unit until the original cost of each type one or type two bus or mobile unit is fully amortized, plus 20 percent of the original cost of each type three bus included in the district's authorized cost under the provisions of subdivision 1, clause (b)(4), until the original cost of each type three bus is fully amortized, plus 33-1/3 percent of the cost to the district as of July 1 of each year for school bus reconditioning done by the department of corrections until the cost of the reconditioning is fully amortized; provided, if the district's transportation aid is reduced pursuant to subdivision 8a because the appropriation for that year is insufficient, this amount shall be reduced in proportion to the reduction pursuant to subdivision 8a as a percentage of the sum of

(1) the district's total transportation aid without the reduction pursuant to subdivision 8a, plus

(2) for fiscal years 1983 and 1984, an amount equal to two mills times the adjusted assessed valuation of the district which is used to compute the levy limitation for the levy attributable to that year, or for fiscal year 1985 and thereafter 1.75 mills times the adjusted assessed valuation of the district for the preceding year. Any school district may transfer any amount from the unappropriated fund balance account in its transportation fund to any other operating fund or to the appropriated fund balance account for bus purchases in its transportation fund.

Subd. 11. [PAYMENT SCHEDULE THROUGH 1982.] Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, for fiscal years through 1982, the state shall pay to each school district 30 percent of its estimated school transportation aid for the fiscal year on or before each of the following dates: August 31, December 31, and March 31. The final aid distribution to each district shall be made on or before October 31 of the following fiscal year.

Subd. 12. [PAYMENT SCHEDULE.] Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, starting in fiscal year 1983, the state shall pay each school district its estimated school transportation aid for the fiscal year according to the follow-

ing schedule: 30 percent by August 31; 30 percent by December 31; and 25 percent by March 31. The final aid distribution to each district shall be made by October 31 of the following fiscal year.

Sec. 3. Minnesota Statutes 1982, section 275.125, subdivision 5, is amended to read:

Subd. 5. [*BASIC TRANSPORTATION LEVY.*] For school transportation services, a school district may levy an amount not to exceed the amount raised by a levy of ~~two~~ 1.75 mills times the adjusted assessed valuation of the taxable property of the district for the preceding year. ~~A district may also levy under this subdivision for the amount necessary to eliminate any projected deficit in the appropriated fund balance account for bus purchases in its transportation fund as of June 30 in the school year when the levy is recognized as revenue. A district which contracts for pupil transportation services may also levy an amount equal to \$18 times the number of FTE pupils transported on contracted school buses in the preceding school year in the regular transportation category, which shall be placed in the transportation fund and used for any lawful purpose. A district may levy an amount equal to the estimated cost, in the school year beginning in the year in which the levy is certified, of transporting secondary pupils to and from school who live more than one mile but less than two miles from the public school which they could attend or from a nonpublic school actually attended. A district may also levy for transportation costs or other related services which are necessary because of extraordinary traffic hazards for the next school year. Levies authorized by this subdivision shall be computed according to procedures established by the commissioner.~~

Sec. 4. Minnesota Statutes 1982, section 275.125, subdivision 5b, is amended to read:

Subd. 5b. [*TRANSPORTATION LEVY OFF-FORMULA ADJUSTMENT.*] ~~In any fiscal year in which years 1983 and 1984 if~~ the transportation levy in a district attributable to ~~that~~ each fiscal year of two mills times the adjusted assessed valuation of the district exceeds the transportation aid computation under section 124.225, subdivisions 8b, 8c, 8d, 8e, 8f, 8g, and 8h, the district's transportation levy limitation shall be adjusted as provided in this subdivision. ~~In the year following that each of those fiscal year years,~~ the district's transportation levy shall be reduced by an amount equal to the difference between (1) two mills times the adjusted assessed valuation of the district, and (2) the sum of the district's transportation aid computation pursuant to section 124.225, subdivisions 8b, 8c, 8d, 8e, 8f, 8g, and 8h, less the amount of any aid reduction due to an insufficient appropriation as provided in section 124.225, subdivision 8a.

In fiscal year 1985 and each fiscal year thereafter, if the basic transportation levy in a district attributable to a particular fiscal year of 1.75 mills times the adjusted assessed valuation of the district exceeds the transportation aid computation under section 124.225, subdivisions 8b, 8i, 8j, and 8k, the district's levy limitation shall be adjusted as provided in this subdivision. In the year following each fiscal year, the district's transportation levy shall be reduced by an amount equal to the difference between (1) 1.75 mills times the adjusted assessed valuation of the district, and (2) the sum of the district's transportation aid computation pursuant to section 124.225, subdivisions 8b, 8i, 8j, and 8k, and the amount of any subtraction made from special

state aids pursuant to article 1, section 7, subdivision 2, less the amount of any aid reduction due to an insufficient appropriation as provided in section 124.225, subdivision 8a.

For the levies certified in 1983 and 1984, the following additional amount shall be subtracted:

the product of

(a) the number of nonhandicapped secondary pupils transported in the base year who live between one and two miles from the public school which they could attend or the nonpublic school actually attended, times

(b) 1.5, divided by the average distance to school for all FTE's transported in the district in the regular transportation category in the base year, times

(c) the district's aid entitlement per FTE determined according to section 124.225, subdivision 7b, times the ratio of average daily membership in the district in the current year to average daily membership in the district in the base year.

Sec. 5. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 5c. [NONREGULAR TRANSPORTATION LEVY.] A school district may also make a levy for unreimbursed nonregular transportation costs pursuant to this subdivision. The amount of the levy shall not exceed the product of:

(a) the district's unreimbursed nonregular transportation revenue determined pursuant to section 124.225, subdivision 8j, clause (a), times

(b) the lesser of

(i) one, or

(ii) the ratio of the district's adjusted assessed valuation for the preceding year per total pupil unit in the school year to which the levy is attributable, to the equalizing factor for the school year to which the levy is attributable.

Sec. 6. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 5d. [EXCESS TRANSPORTATION LEVY.] A school district may also make an excess transportation levy pursuant to this clause, which shall be the sum of:

(a) the district's actual cost in the school year after the year in which the excess transportation levy is certified for transportation to and from school of secondary pupils who live more than one mile but less than two miles from the public school which they could attend or from a nonpublic school actually attended, plus

(b) the district's actual cost in the school year after the year in which the excess transportation levy is certified for transportation costs or other related services which are necessary because of extraordinary traffic hazards; plus

(c) the amount necessary to eliminate any projected deficit in the appropriated fund balance account for bus purchases in its transportation fund as

of June 30 in the school year beginning in the calendar year following the calendar year the levy is certified; plus

(d) an amount equal to the aid subtraction computed pursuant to section 124.225, subdivision 8k, for the school year beginning in the year the levy is certified; except that for the 1983 payable 1984 levy, this amount shall be based upon the aid subtraction for the 1984-1985 school year. These amounts shall be placed in the transportation fund and used for any lawful purpose.

Levies authorized by this subdivision shall be computed according to procedures established by the commissioner.

Sec. 7. [ADDITIONAL TRANSPORTATION LEVIES, 1983.]

Subdivision 1. [SECONDARY PUPIL TRANSPORTATION.] In 1983 only, a district may levy an amount equal to the estimated cost, in the school year beginning in the year in which the levy is certified, of transporting secondary pupils to and from school who live more than one mile but less than two miles from the public school which they could attend or from a nonpublic school actually attended.

Subd. 2. [UNDERLEVY MAKEUP.] Any district which in 1982 levied less than the maximum amount the district was permitted to levy pursuant to Minnesota Statutes 1982, section 275.125, subdivision 5, for the estimated cost of transporting secondary pupils to and from school who live more than one mile but less than two miles from the public school which they could attend or from a nonpublic school actually attended, or which in 1982 levied less than \$18 times the number of FTE pupils transported on contracted school buses in the preceding school year in the regular transportation category, may make an additional transportation levy in 1983. The additional levy in 1983 shall not exceed the amount by which the district's actual levy in 1982 under those provisions was less than the maximum amount the district was permitted to levy under those provisions.

Sec. 8. [APPROPRIATIONS.]

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [TRANSPORTATION AID.] For transportation aid there is appropriated:

\$84,820,000.....1984,

\$89,652,000.....1985.

(a) The appropriation for 1984 includes \$13,471,000 for aid for fiscal year 1983 payable in fiscal year 1984 and \$71,349,000 for fiscal year 1984 payable in fiscal year 1984.

(b) The appropriation for 1985 includes \$12,591,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$77,061,000 for fiscal year 1985 payable in fiscal year 1985.

(c) The appropriations are based on aid entitlements of \$83,940,000 for fiscal year 1984 and \$90,660,000 for fiscal year 1985.

Subd. 3. [CANCELLATION.] Any unexpended balance remaining from the appropriation in this section for 1984 shall cancel and shall not be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for any purposes indicated is insufficient, the aid for that year shall be prorated among all qualifying districts in the manner prescribed in Minnesota Statutes, section 124.225, subdivision 8a.

ARTICLE 3

SPECIAL EDUCATION

Section 1. Minnesota Statutes 1982, section 120.17, subdivision 3, is amended to read:

Subd. 3. [RULES OF THE STATE BOARD.] The state board shall promulgate rules relative to qualifications of essential personnel, courses of study or training, methods of instruction and training, pupil eligibility, size of classes, rooms, equipment, supervision, parent consultation and any other rules and standards it deems necessary, for instruction of handicapped children. These rules shall provide standards and procedures appropriate for the implementation of and within the limitations of subdivisions 3a and 3b. These rules shall also provide standards for the discipline, control, management and protection of handicapped children. The state board shall, according to section 14.05, subdivision 4, notify a district applying for a variance from the rules within 45 calendar days of receiving the request whether the request for the variance has been granted or denied. If a request is denied, the board shall specify the program standards used to evaluate the request and the reasons for denying the request.

Sec. 2. Minnesota Statutes 1982, section 124.17, subdivision 2d, is amended to read:

Subd. 2d. [SUMMER SCHOOL MEMBERSHIP.] In summer school or inter-session classes of flexible school year programs, membership for pupils shall mean the number of full-time equivalent pupils in the program. This number shall equal the sum for all pupils of the number of classroom hours in the programs for which each pupil is enrolled divided by 1050. However, the number of hours for an individual pupil may not exceed 120 or average more than six per day unless a district obtains approval from the commissioner of education. Membership in summer school or intersession classes of flexible school year programs shall not include a handicapped pupil whose district of residence has been determined by section 120.17, subdivision 8a, and who is temporarily placed in a state institution or a licensed residential facility for care and treatment.

Sec. 3. Minnesota Statutes 1982, section 124.201, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purposes of computing foundation aid for handicapped pupils enrolled in summer school and inter-session classes of flexible school year programs, the following phrases shall have the meanings given them.

(1) "Summer school pupil units" means full-time equivalent pupil units for summer school classes and inter-session classes of flexible school year programs computed under the provisions of section 124.17. Only pupils

who are handicapped and who are appropriately served at levels 4, 5, or 6 of the continuum of placement model described in ~~5 MCAR 1.0120 B.11.~~ *state board rules* shall be included in the computation of summer school pupil units.

(2) "Summer school revenue allowance" means an amount equal to the product of the number of summer school pupil units in a district, times the foundation aid formula allowance as defined in section 124.2122 for the preceding regular school year.

(3) "Summer school aid" means aid for summer school and inter-session classes of flexible school year programs.

Sec. 4. Minnesota Statutes 1982, section 124.201, subdivision 3, is amended to read:

Subd. 3. [*AID FOR 1982 SUMMER SCHOOL AID.*] ~~Each year~~ *In fiscal year 1983* a district shall receive summer school aid ~~for the 1982 summer school session~~ equal to the difference between:

(1) the product of

(a) the ratio of the district's actual levy to its permitted levy pursuant to section 275.125, subdivision 2i certified in the calendar year when the summer school program is offered; times

(b) the district's summer school revenue allowance; and

(2) the levy certified by the district pursuant to section 275.125, subdivision 2i in the calendar year when the summer school program is offered.

Sec. 5. Minnesota Statutes 1982, section 124.201, is amended by adding a subdivision to read:

Subd. 4. [*AID FOR 1983 SUMMER SCHOOL SESSION.*] *In fiscal year 1984* a district shall receive summer school aid ~~for the 1983 summer school session~~ equal to the difference between:

(1) the product of

(a) the ratio of the district's actual levy to its permitted levy pursuant to section 14, clause (a), of this article certified in calendar year 1983; times

(b) the district's summer school revenue allowance; and

(2) the levy certified by the district pursuant to section 15, clause (a), of this article in calendar year 1983.

Sec. 6. Minnesota Statutes 1982, section 124.201, is amended by adding a subdivision to read:

Subd. 5. [*SUMMER SCHOOL AID.*] *In fiscal year 1985 and each year thereafter*, a district shall receive summer school aid equal to the difference between:

(1) the product of

(a) the ratio of the district's actual levy to its permitted levy, pursuant to section 15 of this article, certified in the calendar year before the summer school program is offered; times

(b) the district's summer school revenue allowance; and

(2) the levy certified by the district pursuant to section 15 of this article in the calendar year before the summer school program is offered.

Sec. 7. Minnesota Statutes 1982, section 124.201, is amended by adding a subdivision to read:

Subd. 6. [AID ADJUSTMENT.] The department of education shall adjust the aid paid each year to reflect adjustments which were made or could have been made to the levy because of a difference between estimated and actual pupil membership. The department shall also adjust levy limitations for districts where actual pupil membership differs from estimated pupil membership.

Sec. 8. Minnesota Statutes 1982, section 124.273, subdivision 4, is amended to read:

Subd. 4. [APPLICATION DATES.] (a) A district wishing to receive aid pursuant to this section shall submit an application by October 15, February 15, and June 15 of each year. Aid paid pursuant to this section shall be based on the number of pupils of limited English proficiency enrolled in the district at the time the district submits its first application or the number of additional such pupils enrolled at the time subsequent applications are submitted. A district shall submit an initial application for aid by October 15 and shall submit an amended application by February 15 or by June 15 if the number of enrolled pupils of limited English proficiency has changed since filing a previous application. Districts which do not submit an initial application by October 15 but enroll pupils of limited English proficiency after that date may submit an initial application by February 15 or by June 15. A final report with actual salary and enrollment information shall be submitted by August 15 for calculation of the final payment.

(b) All applications shall be submitted to the department in the manner prescribed by the commissioner. Each application shall include (1) the number of pupils or additional pupils enrolled who meet the criteria in section 126.262, subdivision 2; (2) the number, dates of hire, full time equivalency, and salaries of essential licensed personnel or additional essential licensed personnel employed in the district's educational program for pupils of limited English proficiency who meet the criteria in section 126.262, subdivision 3; and (3) any other information deemed necessary by the commissioner to implement this section. School districts may submit joint applications for aid pursuant to this section and may share essential instructional personnel employed in educational programs for pupils of limited English proficiency.

Sec. 9. Minnesota Statutes 1982, section 124.32, subdivision 3a, is amended to read:

Subd. 3a. [CURRENT FUNDING.] Unless otherwise specified, the aids provided for educational programs for handicapped children shall be paid on a current funding basis.

Sec. 10. Minnesota Statutes 1982, section 124.32, subdivision 5, is amended to read:

Subd. 5. [RESIDENTIAL AID.] When a handicapped child is placed in a residential facility approved by the commissioner and established primarily

to serve handicapped children and when the child's educational program is approved by the commissioner, the state shall pay aid to the resident district under the provisions of this subdivision. Except for the ~~1982-1983~~ 1981-1982 regular school year, the aid shall be an amount not to exceed 60 percent of the difference between the instructional costs charged to the resident district and the foundation aid formula allowance, for each handicapped child placed in a residential facility. Except for ~~1983~~ 1982 summer school programs, the aid for summer school programs for each handicapped child placed in a residential facility shall be an amount not to exceed 60 percent of the difference between the instructional costs charged to the resident district and the summer school revenue allowance in the resident district attributable to that child. *Aid for these programs shall be paid on a reimbursement basis by October 31 following completion of the program.* No aid shall be paid pursuant to this subdivision for tuition charged a resident district pursuant to section 120.17, subdivision 7a, for a child placed at the Minnesota school for the deaf or the Minnesota braille and sight-saving school.

The following types of facilities may be approved by the commissioner:

(a) A residential facility operated by the state or public school district and designed to serve the low incidence handicapped, the multiple handicapped, or the most severely handicapped children within the state.

(b) A private, nonsectarian residential facility designed to provide educational services for handicapped children within the state.

(c) A state hospital or private nonsectarian residential center designed to provide care and treatment for handicapped children.

Sec. 11. Minnesota Statutes 1982, section 124.32, subdivision 5a, is amended to read:

Subd. 5a. [~~1982-1983~~ 1981-1982 RESIDENTIAL AID.] The aid for the ~~1982-1983~~ 1981-1982 school year shall be paid according to subdivision 5, except that for the regular ~~1982-1983~~ 1981-1982 school year the aid shall be an amount not to exceed 35.7 percent of the difference between the instructional costs charged to the resident district and the foundation aid formula allowance, for each handicapped child placed in a residential facility. For summer school programs in ~~1983~~ 1982, the aid for each handicapped child placed in a residential facility shall be an amount not to exceed 35.7 percent of the difference between the instructional costs charged to the resident district and the summer school revenue allowance in the resident district attributable to that child.

Sec. 12. Minnesota Statutes 1982, section 126.54, subdivision 1, is amended to read:

Subdivision 1. [GRANTS; PROCEDURES.] For fiscal years ~~1982 and 1983, 1984, and 1985~~ the state board of education shall make grants to no fewer than six school year American Indian language and culture education programs. At least three programs shall be in urban areas and at least three shall be on or near reservations. The board of a local district, a participating school or a group of boards may develop a proposal for grants in support of American Indian language and culture education programs. Proposals may provide for contracts for the provision of program components by nonsectarian nonpublic, community, tribal or alternative schools. The state board

shall prescribe the form and manner of application for grants, and no grant shall be made for a proposal not complying with the requirements of sections 126.45 to 126.55. The state board shall submit all proposals to the state advisory task force on American Indian language and culture education programs for its recommendations concerning approval, modification, or disapproval and the amounts of grants to approved programs.

Sec. 13. Minnesota Statutes 1982, section 275.125, subdivision 2i, is amended to read:

Subd. 2i. [1982 HANDICAPPED SUMMER SCHOOL LEVY.] A district may levy for the 1982 summer school programs for handicapped pupils an amount equal to the following product:

(1) The district's summer school revenue allowance as defined in section 124.201, subdivision 2, clause (2) for the calendar year when the levy is certified 1982 session, times

(2) the lesser of:

(a) one, or

(b) the ratio of

(i) the quotient derived by dividing the adjusted assessed valuation of the district in the third preceding year by the total pupil units in the district in the preceding regular school year, to

(ii) the equalizing factor for the preceding regular school year.

Sec. 14. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 2j. [1983 LEVY FOR 1983 AND 1984 HANDICAPPED SUMMER SCHOOL.] (a) In 1983 a district may levy for the 1983 summer school program for handicapped pupils an amount equal to the following product:

(1) the district's summer school revenue allowance as defined in section 124.201, subdivision 2, clause (2) for the 1983 session, times

(2) the lesser of:

(i) one, or

(ii) the ratio of

(A) the quotient derived by dividing the 1980 adjusted assessed valuation of the district by the total pupil units in the district in the 1982-1983 school year, to

(B) the equalizing factor for the 1982-1983 school year.

(b) In addition, in 1983 a district may levy for the 1984 summer school program for handicapped pupils an amount equal to the following product:

(1) the district's estimated summer school revenue allowance as defined in section 124.201, subdivision 2, clause (2), times

(2) the lesser of

(i) one, or

(ii) the ratio of

(A) the quotient derived by dividing the 1981 adjusted assessed valuation of the district by the number of total pupil units in the district in the 1983-1984 school year, to

(B) the equalizing factor for the 1983-1984 school year.

Sec. 15. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 2k. [HANDICAPPED SUMMER SCHOOL LEVY.] In 1984 and each year thereafter, a district may levy for summer school programs for handicapped pupils an amount equal to the following product:

(a) *The district's estimated summer school revenue allowance as defined in section 124.201, subdivision 2, clause (2) for the summer school session to be held in the calendar year after the calendar year when the levy is certified, times*

(b) *the lesser of*

(1) *one, or*

(2) *the ratio of*

(i) *the quotient derived by dividing the adjusted assessed valuation of the district in the second preceding year by the total pupil units in the district in the current school year, to*

(ii) *the equalizing factor for the current regular school year.*

Sec. 16. Laws 1982, chapter 548, article III, section 27, is amended to read:

Sec. 27. [SUPERVISION.]

For the 1982-1983 and 1983-1984 school year years, the rules on supervisory personnel of 5 MCAR 1.0122 D., D.1., D.2., D.3., and D.4. are suspended.

~~By February 1, 1983, the department of education shall report to the education committees of the legislature regarding the need to reinstate the rules or its recommendations for alternative rules for supervisory personnel.~~

Sec. 17. Laws 1982, chapter 548, article III, section 28, is amended to read:

Sec. 28. [STUDENT TO STAFF RATIOS; 1982-1983 AND 1983-1984 SCHOOL YEAR YEARS.]

For the 1982-1983 and 1983-1984 school year years, a school district may increase the student to staff ratios established pursuant to 5 MCAR 1.0122 C. by an amount not to exceed 20 percent. ~~By February 1, 1983, the department shall report to the education committees of the legislature regarding recommendations on promulgating new student to staff rules which provide greater flexibility to school districts and which have cost containment features, including incentives for cooperation among school districts.~~

Sec. 18. [REPEALER.]

Minnesota Statutes 1982, sections 124.273, subdivisions 1 and 2; and 124.32, subdivisions 1 and 9 are repealed.

Sec. 19. [APPROPRIATIONS.]

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [SPECIAL EDUCATION AID.] For special education aid there is appropriated:

\$116,905,000.....1984,

\$123,266,000.....1985.

The appropriation for 1984 includes \$15,148,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$101,757,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$17,957,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$105,309,000 for aid for fiscal year 1985, payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$119,714,000 for fiscal year 1984 and \$123,893,000 for fiscal year 1985.

Subd. 3. [SUMMER SCHOOL FOUNDATION AID.] For aid pursuant to section 124.201, subdivision 3, for special education summer school programs there is appropriated:

\$ 621,000.....1984,

\$ 749,000.....1985.

The appropriation for 1984 is for 1983 summer school programs.

The appropriation for 1985 is for 1984 summer school programs.

Subd. 4. [SUMMER SCHOOL SPECIAL EDUCATION AID.] For special education aid for summer school programs there is appropriated:

\$4,257,000.....1984,

\$4,922,000.....1985.

The appropriation for 1984 is for 1983 summer school programs.

The appropriation for 1985 is for 1984 summer school programs.

Subd. 5. [RESIDENTIAL FACILITIES AID.] For aid pursuant to section 124.32, subdivision 5, there is appropriated:

\$1,139,000.....1984,

\$1,185,000.....1985.

Subd. 6. [LIMITED ENGLISH PROFICIENCY PUPILS PROGRAM AID.] For aid to educational programs for pupils of limited English proficiency pursuant to section 124.273 there is appropriated:

\$2,860,000.....1984,

\$3,079,000.....1985.

The appropriation for 1984 includes \$380,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$2,480,000 for aid for fiscal year 1984

payable in fiscal year 1984.

The appropriation for 1985 includes \$438,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$2,641,000 for aid for fiscal year 1985, payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$2,918,000 for fiscal year 1984 and \$3,107,000 for fiscal year 1985.

Subd. 7. [AMERICAN INDIAN LANGUAGE AND CULTURE PROGRAM AID.] For grants to American Indian language and culture education programs pursuant to section 126.54, subdivision 1, there is appropriated:

\$538,000.....1984,

\$565,000.....1985.

The appropriation for 1984 includes \$73,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$465,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$82,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$483,000 for aid for fiscal year 1985, payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$547,000 for fiscal year 1984 and \$568,000 for fiscal year 1985.

Subd. 8. [HEARING IMPAIRED SUPPORT SERVICES AID.] For payment of support services for hearing impaired persons pursuant to section 121.201 there is appropriated:

\$42,000.....1984,

\$37,000.....1985.

The appropriations are based on aid entitlements of \$42,000 for fiscal year 1984 and \$43,000 for fiscal year 1985.

Subd. 9. [CANCELLATION.] Any unexpended balances remaining from the appropriations in this section for 1984 shall cancel and shall not be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated.

Subd. 10. [PRORATION.] If the appropriation amount in subdivisions 2, 3, 4, 5, or 6 of this section attributable to either year for the purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.

Sec. 20. [EFFECTIVE DATE.]

Sections 1, 2, 9, 10, and 11 of this article are effective the day following final enactment.

ARTICLE 4

COMMUNITY AND ADULT EDUCATION

Section 1. Minnesota Statutes 1982, section 124.26, subdivision 1, is

amended to read:

Subdivision 1. [COMPENSATION.] For evening schools and continuing education programs for adults established for persons over 16 years of age and not in attendance upon regular day schools, the state shall compensate any district maintaining such programs in accordance with requirements established by the state board from funds appropriated for that purpose, or such funds combined with federal funds insofar as federal funds are available. The state shall pay these aids on a current funding basis. Except for the 1982-1983 school year, the portion of the compensation from state appropriation aid shall be 90 percent of the compensation paid each teacher for services in the programs up to \$8,000 per year based on the costs as approved in that the current year application. Aid may also be paid for an alternative method of providing programs if the method is determined by the commissioner of education to be cost-effective. Not more than two and one-half percent of the amount appropriated for evening schools and continuing education programs may be for alternative programs. All classes shall be tuition free when taught by teachers subsidized under this section. and there shall be No charge for registration, materials and supplies may be made except a security deposit for the return of materials, supplies, and equipment. Evening school and continuing education programs are defined as those public day or evening school programs which are established for persons over 16 years of age not in attendance at the full time elementary or secondary schools and which qualify such persons for the high school diploma, the high school equivalent certificate or for academic achievement at the secondary level.

Sec. 2. Minnesota Statutes 1982, section 124.271, subdivision 2a, is amended to read:

Subd. 2a. [AID; 1984.] (1) Beginning in fiscal year 1984, each district which is operating a community education program in compliance with the rules promulgated by the state board and which has levied pursuant to section 275.125, subdivision 8, shall receive in state aid the greater of the following:

(a) \$5 per capita minus the amount raised by .9 mill times the adjusted assessed valuation used to compute the community education levy limitation for the levy attributable to that school year; or

(b) ~~75~~ 25 cents per capita; or

(c) \$7,000.

However the amount of aid shall not exceed the amount certified, for any district which qualifies for aid under clause (c) and which does not certify the maximum permissible levy pursuant to section 275.125, subdivision 8, the aid shall be reduced by multiplying the aid amount by the ratio of the district's actual levy to its maximum permissible levy. For purposes of computing the aid limitation pursuant to this subdivision, the amount certified pursuant to section 275.125, subdivision 8, shall not reflect reductions pursuant to section 275.125, subdivision 9.

(2) In addition to the amount in clause (1), in fiscal year 1984 a district which made a levy for community education programs pursuant to section 275.125, subdivision 8, shall receive additional aid of 25 cents per capita.

Sec. 3. Minnesota Statutes 1982, section 124.271, is amended by adding

a subdivision to read:

Subd. 2b. [AID; 1985 AND AFTER.] (1) In fiscal year 1985 and each fiscal year thereafter, each district which is operating a community education program in compliance with rules promulgated by the state board shall receive community education aid in an amount equal to the difference obtained by subtracting

(a) an amount equal to .8 mill times the adjusted assessed valuation used to compute the community education levy limitation for the levy attributable to that school year, from

(b) the greater of

(i) \$7,000, or

(ii) \$5 times the population of the district.

(2) However, for any district which certifies less than the maximum permissible levy under the provisions of section 275.125, subdivision 8, clause (4), the district's community education aid under clause (1) of this subdivision shall be reduced by multiplying the aid amount computed pursuant to clause (1) of this subdivision by the ratio of the district's actual levy under section 275.125, subdivision 8, clause (4), to its maximum permissible levy under section 275.125, subdivision 8, clause (4). For purposes of computing the aid reduction pursuant to this clause, the amount certified pursuant to section 275.125, subdivision 8, clause (4), shall not reflect reductions made pursuant to section 275.125, subdivision 9.

(3) In addition to the amount in clause (1), in fiscal year 1985 and each fiscal year thereafter a district which makes a levy for community education programs pursuant to section 275.125, subdivision 8, shall receive additional aid of 50 cents per capita.

Sec. 4. Minnesota Statutes 1982, section 124.271, is amended by adding a subdivision to read:

Subd. 2c. [EARLY CHILDHOOD AND FAMILY EDUCATION PROGRAMS.] Districts which did not offer early childhood and family education programs funded by the council on quality education during the 1982-1983 school year may use the aid received pursuant to subdivision 2a, clause (2) or subdivision 2b, clause (3) for community education programs in early childhood and family education, or for any other community education program. Districts which offered early childhood and family education programs funded by the council on quality education during the 1982-1983 school year shall use the aid received pursuant to subdivision 2a, clause (2) or subdivision 2b, clause (3) to continue the existing early childhood and family education programs through the 1983-1984 and 1984-1985 school years. Beginning with the 1985-1986 school year and each year thereafter, any district which receives aid pursuant to subdivision 2b, clause (3) may use the aid for community education programs in early childhood and family education, or for any other community education program.

Sec. 5. Minnesota Statutes 1982, section 124.271, subdivision 6, is amended to read:

Subd. 6. [PAYMENT SCHEDULE.] Starting in fiscal Each fiscal year

1983, the state shall pay to each school district 85 percent of its community education program aid for the current fiscal year by November 1. The final aid distribution to each district shall be made by November 1 of the following fiscal year. *All community education program aid shall be distributed by the state aids section of the department of education.*

Sec. 6. Minnesota Statutes 275.125, subdivision 8, is amended to read:

Subd. 8. [COMMUNITY EDUCATION LEVY.] (1) ~~In 1981 a district which has established a community education advisory council pursuant to section 121.88, may levy an amount of money raised by the greater of (A) \$3.40 per capita, or (B) 110 percent of the amount certified pursuant to this subdivision in 1980. These levies shall be used for community services including nonvocational adult programs, recreation and leisure time activity programs, and programs contemplated by sections 121.85 to 121.88. For purposes of computing the levy limitation pursuant to this subdivision, the amount certified pursuant to this subdivision in 1980 shall not reflect reductions pursuant to subdivision 9.~~

~~(2) Except as provided in clauses (3) (2) and (4), (3), in 1982, and Each year thereafter,~~ a district which has established a community education advisory council pursuant to section 121.88, may levy the amount raised by .9 mill times the most recent adjusted assessed valuation of the district, but no more than \$5 times the population of the district. This amount shall be reduced to ~~\$4.25~~ \$4.75 per capita for districts which will qualify for aid in fiscal year 1984 equal to ~~75~~ 25 cents per capita pursuant to section 124.271, subdivision 2a, clause (1)(b).

~~(3) (2) In 1982~~ districts which received total revenue in fiscal year 1983 from community education aid and levy in excess of \$5 times the population of the district, may levy the amount of the fiscal year 1983 revenue less \$5 times the population of the district in addition to the amount in clause ~~(2)~~ (1).

~~(4) (3) In 1982~~ districts which will qualify for aid pursuant to section 124.271, subdivision 2a, clause (1)(c) may levy *the greater of the following:*

(a) \$5 per capita minus \$7,000; or

(b) the amount of their fiscal year 1983 revenue from community education aid and levy minus \$7,000.

~~(4) In 1983 and each year thereafter,~~ a district which has established a community education advisory council pursuant to section 121.88, may levy the amount raised by .8 mill times the most recent adjusted assessed valuation of the district, but no more than the greater of

(a) \$5 times the population of the district, or

(b) \$7,000.

~~(5) In addition to the levy authorized in clause (4), in 1983 a district may levy an additional amount for community education programs equal to the difference obtained by subtracting~~

(a) the sum in fiscal year 1984 of

(i) the district's estimated maximum permissible revenue from community education aid under section 124.271, subdivision 2a, clause (1), and

(ii) *the community education levy authorized in clause (4) of this subdivision, from*

(b) *the sum in fiscal year 1983 of*

(i) *the district's maximum permissible revenue from community education aid under section 124.271, subdivision 2, excluding any reductions from community education aid made pursuant to Laws 1981, Third Special Session chapter 2, article 2, section 2, clause (mm), and Laws 1982, Third Special Session chapter 1, article 3, section 6, and*

(ii) *the maximum community education levy authorized in this subdivision for the district for the levy made in 1981, payable in 1982, before any reduction in the levy pursuant to subdivision 9.*

(6) *In 1984 and each year thereafter, in addition to the levy authorized in clause (4), a district may levy an amount equal to the amount the district was entitled to levy pursuant to clause (5) in 1983.*

~~(5)~~ (7) *The levies authorized in this subdivision shall be used for community education, including nonvocational adult programs, recreation and leisure time activity programs, and programs authorized by sections 121.85 to 121.88. A school district may levy pursuant to this subdivision only after it has filed a certificate of compliance with the commissioner of education. The certificate of compliance shall certify that the governing boards of the county, municipality and township in which the school district or any part thereof is located have been sent 15 working days written notice of a meeting and that a meeting has been held to discuss methods of increasing mutual cooperation between such bodies and the school board. The failure of a governing board of a county, municipality or township to attend the meeting shall not affect the authority of the school district to levy pursuant to this subdivision.*

~~(6)~~ (8) *The population of the district for purposes of this subdivision is the population determined as provided in section 275.14 or as certified by the department of education from the most recent federal census.*

Sec. 7. [LEVY ADJUSTMENT.]

The commissioner shall adjust the 1982 payable 1983 community education levy limitations for school districts according to the provisions of this section. The adjustment shall be a positive or negative amount equal to the difference between the amount the district levied pursuant to section 275.125, subdivision 8, and the amount the district would have certified if the provisions in this article amending section 275.125, subdivision 8 with respect to the 1982 payable 1983 levy had been in effect at the time the 1982 payable 1983 levy was made. The adjustment shall be added to or subtracted from the district's levy limitation for 1983 taxes payable in 1984.

Sec. 8. [EARLY CHILDHOOD AND FAMILY EDUCATION PROGRAMS.]

In those districts which provided early childhood and family education programs funded by the council on quality education during the 1982-1983 school year, the citizens advisory council for community education, in consultation with the director of the district's early childhood and family education program, shall develop a plan for offering the programs through the

community education program. In those districts which did not provide early childhood and family education programs funded by the council on quality education during the 1982-1983 school year, the citizen's advisory council is encouraged to develop a plan for offering early childhood and family education programs through the community education program.

Sec. 9. [STAFF COMPLEMENT; TRANSFER.] *The commissioner of education may transfer one staff complement, together with administrative costs, from the staff of the council on quality education to the division of instruction for the purpose of providing technical assistance to districts offering early childhood and family education programs through the district's community education program.*

Sec. 10. [REPEALER.]

Minnesota Statutes 1982, sections 124.26, subdivision 4, and 124.271, subdivision 5, are repealed.

Sec. 11. [APPROPRIATIONS.]

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [ADULT EDUCATION AID.] For adult education aid pursuant to section 124.26 there is appropriated:

\$1,359,000.....1984,

\$1,427,000.....1985.

The amount appropriated for fiscal year 1984 includes \$185,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$1,174,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The amount appropriated for fiscal year 1985 includes \$207,000 for aid for fiscal year 1984 payable in fiscal year 1985, and \$1,220,000 for aid for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$1,381,000 for fiscal year 1984 and \$1,436,000 for fiscal year 1985.

Subd. 3. [COMMUNITY EDUCATION AID.] For community education aid pursuant to section 124.271 there is appropriated:

\$3,946,000.....1984,

\$3,201,000.....1985.

The amount appropriated for fiscal year 1984 includes \$494,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$3,452,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The amount appropriated for fiscal year 1985 includes \$610,000 for aid for fiscal year 1984 payable in fiscal year 1985, and \$2,591,000 for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$4,062,000 for fiscal year 1984 and \$3,414,000 for fiscal year 1985.

Subd. 4. [CANCELLATION AND PRORATION.] Any unexpended bal-

ance remaining from the appropriations in this section for 1984 shall cancel and shall not be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for the purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts, and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.

ARTICLE 5

VOCATIONAL EDUCATION

Section 1. Minnesota Statutes 1982, section 121.912, is amended by adding a subdivision to read:

Subd. 1a. [AVTIS] Money shall not be transferred from the post-secondary general fund to any other operating or nonoperating fund.

Sec. 2. [124.5611] [AVTI FUNDING.]

Beginning with aids for the 1983-1984 school year, post-secondary vocational aids for AVTI's shall be paid for the current fiscal year according to sections 3 to 11 of this article, and 124.564.

Sec. 3. [124.5612] [AVTI AID DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] Beginning with aids for the 1983-1984 school year, for the purposes of sections 3 to 11 of this article, 124.564, and 124.565, the following terms have the meanings given them.

Subd. 2. [ADM.] "ADM" means average daily membership computed according to section 9 of this article.

Subd. 3. [AVTI.] "AVTI" means a post-secondary area vocational technical institute.

Subd. 4. [COMPONENT ACTIVITIES.] "Component activities" means regular instruction, special needs instruction, research, instructional administration, media/library, pupil personnel services, health services, director's office, instructional services, fixed costs, work study/financial aid, physical plant, and repair and betterment.

Subd. 5. [INSTRUCTIONAL AID.] "Instructional aid" means state money, exclusive of repair and betterment aid and debt service aid, allocated by the state board for vocational education to districts for post-secondary vocational technical education instructional costs.

Subd. 6. [INSTRUCTIONAL COSTS.] "Instructional costs" means expenditures in the following categories: licensed and nonlicensed staff salaries; licensed and nonlicensed staff fringe benefits, excluding teachers' retirement and teachers' social security; staff travel for instructional, administrative, and professional development purposes; purchased services; other expenditures, detailed according to UFARS; supplies and materials; supplies for resale; rents and leases; acquisition or purchase of equipment and machinery; and betterment of equipment and machinery.

Subd. 7. [PROGRAM.] "Program" means a post-secondary vocational technical occupational program as classified with a six-digit number by the

United States department of education.

Subd. 8. [REPAIR AND BETTERMENT AID.] "Repair and betterment aid" means state money, exclusive of instructional aid and debt service aid, allocated by the state board for vocational education to districts. The aid is to reconstruct, improve, remodel, and repair existing AVTI buildings and grounds, as necessary to conduct post-secondary vocational technical education.

Subd. 9. [UFARS.] "UFARS" means the uniform financial accounting and reporting system.

Sec. 4. [124.5613] [PROGRAMS OF STUDY.]

Subdivision 1. [BOARD DUTIES.] The state board for vocational education shall approve, disapprove, and coordinate post-secondary vocational education programs. After consultation with the affected school boards, the state board may add, eliminate, transfer, or change programs as it determines advisable.

Subd. 2. [PROGRAM ELIMINATION.] In the absence of compelling reasons to do otherwise, the state board shall eliminate a program if:

(a) fewer than 51 percent of the students are employed in positions closely related to their training within one year of completing their educational objectives; or

(b) the ADM to teacher ratio is significantly below 12 to 1 for a health program or 17 to 1 for a non-health program.

Subd. 3. [IN-SERVICE TRAINING.] The state board may provide for in-service training for AVTI instructors.

Sec. 5. [124.5614] [PROCESS FOR AID ALLOCATION.]

Subdivision 1. [BUDGET SUBMISSION.] Before January 1 of each year, each AVTI shall submit an instructional aid budget for the following fiscal year. The instructional aid budget shall detail estimated instructional costs in each expenditure category for each program and component activity of the AVTI's operations. The instructional aid budget shall include estimated revenues from sale of supplies and services, sale of equipment and other capital goods, and other revenues, detailed according to UFARS.

Subd. 2. [RECOMMENDED ALLOCATIONS.] After reviewing each budget, the department of education shall recommend aid allocations for the following fiscal year in each expenditure category for each program and component activity.

The department shall recommend instructional aid allocations sufficient to maintain or improve special needs instruction.

Notwithstanding any laws or rules to the contrary, the recommendations for allocations of instructional aid, to the extent possible, shall be based on average systemwide ADM to teacher ratios of 12 to 1 for health programs and 17 to 1 for non-health programs.

The annual student placement rate of each program shall be taken into consideration by the department in recommending instructional aid allocations.

Each AVTI's tuition revenues in the fiscal year for which aid is allocated shall be taken into consideration by the department in recommending instructional aid allocations.

Each AVTI's unappropriated capital balance of the equipment account in the capital expenditure fund, as of June 30 of the fiscal year during which allocations are made, shall be taken into consideration by the department in recommending instructional aid allocations for the purposes listed in section 6, subdivision 3, clauses (a), (b), (c), and (d) of this article. In recommending instructional aid allocations for all other purposes, the department shall take into consideration each AVTI's net positive unappropriated general fund balance, as of June 30 of the fiscal year during which allocations are made, which exceeds 10 percent of the AVTI's operating expenditures, as defined by UFARS, for the fiscal year during which allocations are made.

Each AVTI's actual expenditures which exceed the amounts originally budgeted for expenditure during the fourth quarter of the fiscal year in which aids are allocated shall be taken into consideration by the department in recommending instructional aid allocations.

Allocations of repair and betterment aid shall be recommended for each project proposed by an AVTI. In recommending repair and betterment aid allocations, the department shall take into consideration each AVTI's net positive unappropriated capital balance of the repair and betterment account of the capital expenditure fund, as of June 30 of the fiscal year during which allocations are made.

Subd. 3. [HEARING.] The aid allocations recommended by the department of education shall be taken to a public hearing held by the state board for vocational education with at least six board members present. The hearing shall continue until all interested persons, representatives, and organizations have had an opportunity to be heard. Notice of the hearing shall be given at least 20 days prior to the date set for the hearing. The notice shall be published in the state register and mailed to each district submitting a budget, and other interested persons and organizations who register their names with the commissioner of education for that purpose. The department of education shall make available at least one free copy of the recommended allocations to the education committees of the legislature and to any person requesting it. An audio magnetic recording device shall be used to keep a record at every hearing. A transcript of the hearing record shall be made available upon the request of any person, if the request is in writing and the requester pays the cost of preparing the transcript.

Subd. 4. [HEARING REPORT.] After allowing written material to be submitted and added to the hearing record for five days after the public hearing ends, the commissioner of education shall proceed as promptly as possible to write a report containing the final proposed allocations of aids. This report shall contain findings and conclusions based on substantial evidence from the hearing record to support the final proposed allocations. The report shall be available to all affected districts upon request for at least 15 days before the state board takes final action allocating aids.

Subd. 5. [MODIFICATIONS TO REPORT.] Any district which is adversely affected by the final proposed allocations of aids may request and shall be given an opportunity to be heard in support of modification of the

proposed final allocation of aids at the meeting at which the state board takes final action allocating aids. The state board may place reasonable restrictions on the length of time allowed for testimony.

Subd. 6. [FINAL ALLOCATION.] By June 1, after hearing modification requests, if any, the state board shall take final action to allocate aids. Allocations of instructional aid shall be detailed in each expenditure category for each program and component activity. The total allocation of instructional aid for each AVTI shall specify the amounts of any fund balances and tuition revenues taken into consideration. Allocations of repair and betterment aid shall be detailed for each project. The total allocation of repair and betterment aid for each AVTI shall specify the amount of any fund balance taken into consideration.

Subd. 7. [SUBSEQUENT ALLOCATION.] The state board may withhold up to one percent of the post-secondary vocational instructional aid appropriation for subsequent allocation. The amount withheld and any additional state and federal money available for post-secondary vocational education shall be allocated, no later than February 15 of the fiscal year for which the aid is allocated, at a public hearing held according to subdivisions 3, 4, and 5.

Sec. 6. [124.5615] [USE OF AID.]

Subdivision 1. [AID AND TUITION.] All AVTI aids and all tuition authorized by section 124.565 shall be used solely for the purposes of post-secondary vocational technical education.

Subd. 2. [ACCOUNTING.] Each district providing post-secondary vocational technical education shall maintain, in accordance with section 121.908, separate revenue, expenditure, asset and liability accounts for post-secondary vocational technical education within funds separate from all other district funds.

Subd. 3. [INSTRUCTIONAL AID.] Instructional aid allocated for the following purposes shall be placed in the equipment account of the capital expenditure fund:

- (a) acquisition or purchase of equipment or machinery;*
- (b) betterment of equipment or machinery;*
- (c) paying leasing fees for computer systems hardware and related proprietary software, photocopy machines and telecommunications equipment; and*
- (d) renting or leasing buildings for school purposes.*

Aid allocated for these purposes shall be used solely for these purposes.

All other instructional aid which is allocated shall be placed in the general fund and shall not be transferred to any other fund. The school board shall authorize and approve actual expenditures of the aid allocated.

Subd. 4. [SPECIAL NEEDS.] Aid allocated for special needs instruction shall be used solely for that purpose.

Subd. 5. [REPAIR AND BETTERMENT AID.] The final allocation of repair and betterment aid by the state board does not constitute approval of a

project for the purposes of section 121.21, subdivision 4a. The aid shall be placed in the repair and betterment account of the capital expenditure fund and used solely for the purposes enumerated in section 3, subdivision 8 of this article. The school board shall authorize and approve actual expenditures of the aid allocated, except that expenditures which exceed \$5,000 shall receive prior approval by the commissioner of education. The process in section 5 of this article shall not constitute approval for this purpose. Use of the aid shall be governed by the provisions of section 121.21, subdivision 4a.

Sec. 7. [124.5616] [DISTRIBUTION OF MONEY.]

All money, whether state, federal, or from other sources, which may be made available to the department of education for carrying out the purposes of post-secondary vocational technical education shall be allocated by the state board for vocational education to districts in accordance with law and shall be distributed by the state aids section of the department of education.

Sec. 8. [124.5617] [CERTAIN EQUIPMENT EXPENDITURES.]

Expenditures for the purposes in section 6, subdivision 3, clauses (a), (b), (c), and (d) of this article which exceed \$6,000 shall receive prior approval by the commissioner of education. The process in section 5 shall not constitute approval for this purpose.

Sec. 9. [124.5618] [AVERAGE DAILY MEMBERSHIP.]

Subdivision 1. [MEMBERSHIP.] Membership for pupils in AVTI's shall mean the number of pupils on the current roll of the school, counted from the date of entry until the date of withdrawal.

Subd. 2. [WITHDRAWAL.] The date of withdrawal shall mean the date a pupil completes the program and permanently leaves the AVTI. A pupil who has been absent for 15 consecutive school days shall be determined to have permanently left the school. A pupil who permanently leaves the school on or before the 15th day of a quarter shall be determined not to have entered during that quarter. For a pupil who permanently leaves after the 15th school day of a quarter without completing the program, the date of withdrawal shall be the earliest of the following:

(a) the date the pupil is scheduled to complete the program;

(b) the date the AVTI fills the vacancy created by leaving; or

(c) the last day of the quarter during which the pupil permanently leaves the AVTI.

Subd. 3. [COMPUTATION.] Average daily membership for pupils enrolled in an AVTI shall equal the quotient obtained by dividing

(a) the product of

(1) the sum for all pupils of the number of days of the school year each pupil is enrolled in an AVTI, counted from the date of entry until the date of withdrawal, times

(2) the quotient obtained by dividing

(i) the number of hours per day each pupil is enrolled, by

(ii) six; by

(b) 175.

The number of hours counted for any pupil in any one program shall not exceed the number of hours approved by the state board for vocational education for completion of the program. However, a district may count additional hours for membership, if necessary for a pupil who is identified by the district as handicapped or disadvantaged, to complete the program. For disadvantaged students, these additional hours shall not exceed ten percent of the approved number of hours for the program. Adult vocational pupils shall not be counted for the purposes of this section. Additional hours counted shall be reported to the commissioner.

Subd. 4. [CHEMICAL ABUSE TREATMENT.] A pupil who is absent from an AVTI to participate in a chemical abuse treatment program and who is on the roll of the AVTI according to the provisions of section 10 of this article may be counted in average daily membership during that time for not more than 30 consecutive school days. If a returning pupil needs additional hours to complete the educational program, the AVTI may count the lesser of the following additional hours for membership:

(a) the number of hours the pupil was counted while participating in the treatment program; or

(b) 30 times the number of hours per day the pupil is enrolled.

Sec. 10. [124.5619] [ABSENCE FOR CHEMICAL ABUSE TREATMENT.]

If a pupil is absent from an AVTI to participate in a chemical abuse treatment program licensed by the state, the pupil may request the AVTI to remain on the roll in the educational program in which the pupil is enrolled. The AVTI shall grant a request it receives from the pupil.

Sec. 11. [124.5620] [LENGTH OF SCHOOL YEAR AND DAY.]

For an AVTI, the normal school year shall be at least 175 session days. In all AVTI's, the length of the school day for each pupil, exclusive of the noon intermission, shall be at least six hours. Exceptions may be made by the district for approved AVTI programs provided on a part time or extended day basis to meet the needs of individual students or classes. These exceptions are authorized only for programs originally provided on a full time basis.

Sec. 12. Minnesota Statutes 1982, section 124.572, subdivision 2, is amended to read:

Subd. 2. [ADULT VOCATIONAL AID.] Except for the 1982-1983 school year, the state shall pay to any district or cooperative vocational center 75 percent of the salaries paid to essential, licensed personnel or personnel exempt from licensure pursuant to section 125.031 in that school year for services rendered in that district's or center's adult vocational education programs. *Notwithstanding any law or any licensure requirements to the contrary, the portion of a community education director's salary attributable to services rendered for the district's or center's adult vocational education program shall qualify for aid according to this subdivision.* In addition, the state shall pay 50 percent of the costs of necessary travel between instruc-

tional sites by adult vocational education teachers. The commissioner may withhold all or any portion of this aid for an adult vocational education program which receives moneys from any other source, and in no event shall a district or center receive a total amount of state aid for salaries and travel pursuant to this section which, when added to moneys from other sources, will provide the program an amount for salaries and travel which exceeds 100 percent of the amount of its expenditures for salaries and travel in the program.

Sec. 13. [125.055] [TEMPORARY LICENSURE RULES.]

The state board for vocational education may adopt temporary licensure rules, according to sections 14.29 to 14.36, when necessary to implement entirely new programs for emerging occupations which will promote economic development in Minnesota. The state board shall notify the education committees of the legislature of each program for which it intends to adopt temporary licensure rules.

Sec. 14. [RATIO AND PLACEMENT REPORT.]

By December 1, 1983, the state board for vocational education shall report to the legislature on programs which fall below the annual student placement rates or the ADM to teacher ratios as provided in section 4 of this article. This report shall contain the number of these programs, the actions taken by the state board pursuant to section 4 of this article, and, in the event that a program is not eliminated, the cost to the state of retaining it. By November 1, 1983, this report shall be given to the higher education coordinating board for review and comment.

Sec. 15. [REPORT ON PROJECTED FIXED ASSETS NEEDS.]

By December 1, 1983, the commissioner of education shall develop a report on a five year projection of the replacement needs of fixed assets property for each of the AVTI's. The report shall be submitted to the education committees of the legislature and to the local directors of the AVTI's.

Sec. 16. [ADULT VOCATIONAL REPORT.]

By December 1, 1983, the state board shall report to the education committees of the legislature on the feasibility of funding adult vocational education programs with full-time instructors in the same manner as post-secondary vocational education programs.

Sec. 17. [REPEALER.]

Subdivision 1. Minnesota Statutes 1982, sections 124.561 and 124.5621 are repealed.

Subd. 2. Minnesota Statutes 1982, sections 124.11, subdivision 2c, 124.562, 124.5622, 124.5623, 124.5624, 124.5625, 124.5626, and 124.5627 are repealed.

Subd. 3. The repeal of the sections in subdivisions 1 and 2 shall not affect the right of a school district to receive nor the obligation of the commissioner of education to pay aids attributable to the 1982-1983 school year payable in fiscal year 1984 pursuant to the sections repealed.

Sec. 18. [APPROPRIATIONS.]

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [POST-SECONDARY VOCATIONAL INSTRUCTIONAL AID.] For post-secondary vocational instructional aid there is appropriated:

\$85,635,000.....1984,

\$92,248,000.....1985.

The appropriation for 1984 includes \$7,890,000 for aid for fiscal year 1983 payable in fiscal year 1984, pursuant to section 124.5621, and \$77,745,000 for aid for fiscal year 1984 payable in fiscal year 1984, pursuant to section 5 of this article.

The appropriation for 1984 is based on the assumption that the state will spend for this purpose an amount at least equal to \$5,700,000 in fiscal year 1984 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

The appropriation for 1985 includes \$13,720,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$78,528,000 for aid for fiscal year 1985 payable in fiscal year 1985, pursuant to section 5 of this article.

The appropriation for 1985 is based on the assumption that the state will spend for this purpose an amount at least equal to \$5,700,000 in fiscal year 1985 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

The appropriations are based on aid entitlements of \$91,465,000 for fiscal year 1984 and \$92,386,000 for fiscal year 1985.

Subd. 3. [POST-SECONDARY VOCATIONAL SUPPLY AID.] For post-secondary vocational supply aid there is appropriated:

\$2,370,000.....1984.

The appropriation is for aid for fiscal year 1983 payable in fiscal year 1984.

Subd. 4. [POST-SECONDARY VOCATIONAL SUPPORT SERVICES AID.] For post-secondary vocational support services aid there is appropriated:

\$2,428,000.....1984.

The appropriation is for aid for fiscal year 1983 payable in fiscal year 1984.

Subd. 5. [POST-SECONDARY VOCATIONAL EQUIPMENT AID.] For post-secondary vocational equipment aid there is appropriated:

\$1,458,000.....1984.

The appropriation is for aid for fiscal year 1983 payable in fiscal year 1984.

Subd. 6. [POST-SECONDARY VOCATIONAL DEBT SERVICE AID.] For post-secondary vocational debt service aid there is appropriated:

\$6,987,000.....1984.

\$6,715,000.....1985.

Subd. 7. [ADULT VOCATIONAL EDUCATION AID.] For adult vocational education aid there is appropriated:

\$7,732,000.....1984,

\$8,122,000.....1985.

The appropriation for 1984 includes \$1,055,000 for aid for fiscal year 1983 payable in fiscal year 1984. This amount also includes \$6,677,000 for aid for fiscal year 1984.

The appropriation for 1985 includes \$1,178,000 for aid for fiscal year 1984 payable in fiscal year 1985. This amount also includes \$6,944,000 for aid for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$7,855,000 for fiscal year 1984 and \$8,170,000 for fiscal year 1985.

Subd. 8. [VETERAN FARMER COOPERATIVE TRAINING PROGRAMS.] For veteran farmer cooperative training programs there is appropriated:

\$392,000.....1984,

\$320,000.....1985.

Subd. 9. [DULUTH AND GRAND RAPIDS LOGGING PROGRAM.] For the logging business management program operated by the adult extension department of the Duluth area vocational-technical institute and the Grand Rapids school district, there is appropriated in addition to the aid provided according to subdivision 8:

\$30,000.....1984,

\$30,000.....1985.

Subd. 10. [SECONDARY VOCATIONAL EDUCATION AID.] For secondary vocational education aid pursuant to section 124.573 there is appropriated:

\$20,378,000.....1984,

\$20,037,000.....1985.

The appropriation for 1984 includes \$2,935,000 for aid for fiscal year 1983 payable in fiscal year 1984. This amount also includes \$17,443,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$3,078,000 for aid for fiscal year 1984 payable in fiscal year 1985. This amount also includes \$16,959,000 for aid for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$20,521,000 for fiscal year 1984 and \$19,952,000 for fiscal year 1985.

For the purposes of this subdivision, money appropriated for secondary vocational education programs may not be expended for the purpose of discontinuing or converting existing senior secondary industrial arts education programs.

Subd. 11. [AID FOR SECONDARY VOCATIONAL EDUCATION PROGRAMS FOR HANDICAPPED CHILDREN.] For secondary vocational programs for handicapped children pursuant to section 124.574 there is appropriated:

\$2,564,000.....1984,

\$2,695,000.....1985.

The appropriation for 1984 includes \$348,000 for aid for fiscal year 1983 payable in fiscal year 1984. This amount also includes \$2,216,000 for aid for fiscal year 1984 payable in fiscal year 1984. This appropriation is based on the assumption that the state will spend for this purpose an amount at least equal to \$230,000 in fiscal year 1984 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

The appropriation for 1985 includes \$391,000 for aid for fiscal year 1984 payable in fiscal year 1985. This amount also includes \$2,304,000 for aid for fiscal year 1985 payable in fiscal year 1985. This appropriation is based on the assumption that the state will spend for this purpose an amount at least equal to \$230,000 in fiscal year 1985 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

The appropriations are based on aid entitlements of \$2,607,000 for fiscal year 1984 and \$2,710,000 for fiscal year 1985.

Subd. 12. [CANCELLATION; PRORATION.] Any unexpended balance remaining from the appropriations in this section for 1984 shall cancel and shall not be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amounts attributable to either year for any purpose indicated are insufficient, the aid for that year shall be prorated among all qualifying districts, and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.

Sec. 19. [EFFECTIVE DATE.]

Sections 1, 2, 3, 4, 5, 6, 8, 13, and 17, subdivision 1 are effective the day following final enactment.

ARTICLE 6

OTHER AIDS AND LEVIES

Section 1. [121.151] [STANDARDS FOR REMOVAL OF HAZARDOUS SUBSTANCES.]

Prior to using the revenue obtained according to sections 123.36, subdivision 13, 124.245, subdivisions 1b and 1c, and 275.125, subdivisions 11b and 11c, a school district shall obtain approval from the department of education for its method of removal or encapsulation of asbestos or cleanup or disposal of polychlorinated biphenyls. The department of education shall consult with the pollution control agency, health department, environmental protection agency, or other appropriate governmental agency in approving or disapproving a district's method. If the pollution control agency or other appro-

priate governmental agency adopts rules establishing standards for asbestos removal or encapsulation or cleanup or disposal of polychlorinated biphenyls, the department of education shall approve only those district methods which are in compliance with the adopted rules.

Sec. 2. Minnesota Statutes 1982, section 121.911, is amended by adding a subdivision to read:

Subd. 5. [DEFICIT FOR CAPITAL PROJECTS.] Upon approval by the commissioner of education, a district may incur a deficit in the capital expenditure fund for a period not to exceed three years to provide money for capital projects. A description of the project and a financial plan to recover the deficit shall be approved by the commissioner prior to the initiation of the project.

Sec. 3. Minnesota Statutes 1982, section 121.912, subdivision 3, is amended to read:

Subd. 3. [DEFICITS; EXCEPTION.] For the purposes of this section, a permanent transfer includes creating a deficit in a nonoperating fund for a period past the end of the current fiscal year which is covered by moneys in an operating fund. However, a deficit in the capital expenditure fund pursuant to section 121.911, subdivision 5, shall not constitute a permanent transfer.

Sec. 4. Minnesota Statutes 1982, section 122.531, is amended by adding a subdivision to read:

Subd. 8. [INTERDISTRICT COOPERATION LEVY AND AID.] Any districts which consolidate pursuant to section 122.23 and which were eligible to make the levy and receive aid pursuant to the provisions of sections 16 and 25 of this article prior to the effective date of the consolidation, shall continue to remain eligible to apply for interdistrict cooperation aid and levy after the effective date of the consolidation.

Sec. 5. Minnesota Statutes 1982, section 123.36, subdivision 13, is amended to read:

Subd. 13. [PROCEEDS OF SALE OR EXCHANGE.] Proceeds of the sale or exchange of school buildings or real property of the school district shall be used as provided in this subdivision.

(1) In districts with outstanding bonds, the proceeds of the sale or exchange shall first be deposited in the debt retirement fund of the district in an amount sufficient to meet when due that percentage of the principal and interest payments for outstanding bonds which is ascribable to the payment of expenses necessary and incidental to the construction or purchase of the particular building or property which is sold.

(2) After satisfying the requirements of clause (1), a district with outstanding bonds may deposit proceeds of the sale or exchange in its capital expenditure fund if the amount deposited is used for the following:

(a) for energy audits on district owned buildings conducted pursuant to chapter 116H, and for funding those energy conservation and renewable energy measures which the energy audits indicate will reduce the use of nonrenewable sources of energy to the extent that the projected energy cost

savings will amortize the cost of the conservation measures within a period of ten years or less;

(b) for capital expenditures for the purpose of reducing or eliminating barriers to or increasing access to school facilities by handicapped persons;

(c) for capital expenditures to bring district facilities into compliance with the uniform fire code adopted pursuant to chapter 299F; ~~or~~

(d) for expenditures for the removal of asbestos from school buildings or property or for asbestos encapsulation, if the method for asbestos removal or encapsulation is approved by the department of education;

(e) for expenditures for the cleanup of polychlorinated biphenyls, if the method for cleanup is approved by the department of education;

(f) for capital expenditures to renovate and improve school buildings in which enrollment has increased as a result of closing schools in the district; or

(g) to replace the building or property sold.

The amount of the proceeds used for the purposes specified in clauses (a), (b) ~~and~~, (c), (d), and (e) shall be deducted from the levy limitation computed for the levy authorized in section 275.125, subdivision 11b in the first year after the deposit and from levy limitations computed for this levy in succeeding years until the entire amount is deducted.

(3) In a district with outstanding bonds, the amount of the proceeds of the sale or exchange remaining after the application of clauses (1) and (2), which is sufficient to meet when due that percentage of the principal and interest payments for the district's outstanding bonds which is not governed by clause (1), shall be deposited in the debt retirement fund.

(4) Any proceeds of the sale or exchange remaining in districts with outstanding bonds after the application of clauses (1), (2), and (3), and all proceeds of the sale or exchange in districts without outstanding bonds shall be deposited in the capital expenditure fund of the district.

(5) Notwithstanding clauses (2) and (3), a district with outstanding bonds may deposit in its capital expenditure fund and use for any lawful capital expenditure without the reduction of any levy limitation the same percentage of the proceeds of the sale or exchange of a building or property as the percentage of the initial cost of purchasing or constructing the building or property which was paid using revenue from the capital expenditure fund.

(6) Every district which sells or exchanges a building or property shall report to the commissioner in the form and at the time he prescribes on the disposition of the proceeds of the sale or exchange.

Sec. 6. Minnesota Statutes 1982, section 123.36, is amended by adding a subdivision to read:

Subd. 14. [ASBESTOS REMOVAL AND POLYCHLORINATED BIPHENYLS CLEANUP.] Notwithstanding any law to the contrary, school districts may, without an election, enter into contracts extending beyond the end of the fiscal year to pay the costs of removal or encapsulation of asbestos or cleanup of polychlorinated biphenyls found in school buildings or on

school property.

Sec. 7. Minnesota Statutes 1982, section 123.702, subdivision 1a, is amended to read:

Subd. 1a. [COMPONENTS.] A screening program shall include at least the following components to the extent the school board determines they are financially feasible: developmental assessments, hearing and vision screening, review of health history and immunization status, and assessments of height, *and weight and blood pressure.* All screening components shall be consistent with the standards of the state commissioner of health for early and periodic screening programs. No child shall be required to submit to any component of this screening program to be eligible for any other component. No screening program shall provide laboratory tests, a health history or a physical examination to any child who has been provided with those laboratory tests or a health history or physical examination within the previous 12 months. The school district shall request the results of any laboratory test, health history or physical examination within the 12 months preceding a scheduled screening clinic. A school board may offer additional components such as nutritional, physical and dental assessments, *blood pressure,* and laboratory tests. State aid shall not be paid for additional components.

Sec. 8. Minnesota Statutes 1982, section 123.705, is amended to read:

123.705 [~~STATE HEALTH SCREENING AID.~~]

Subdivision 1. [AID AMOUNTS.] The department of education shall pay each school district for the cost of screening services provided pursuant to sections 123.701 to 123.705. The payment shall not exceed ~~\$28 per child screened in fiscal year 1982 and \$15 per child screened in fiscal year 1983, \$15 per child screened in fiscal year 1984, and \$15.60 per child screened in fiscal year 1985. Any district may request and receive an advance payment equal to 50 percent of its estimated payment for screening eligible children.~~

Subd. 2. [PAYMENT SCHEDULE.] *For the 1982-1983 and 1983-1984 school years, 85 percent of a district's health screening aid for each school year shall be distributed prior to November 30 of that school year. The final aid distribution to each district shall be made prior to November 30 of the following school year.*

Sec. 9. Minnesota Statutes 1982, section 123.933, subdivision 3, is amended to read:

Subd. 3. [COST OF TEXTBOOKS; LIMITATION.] (a) The cost per pupil of the textbooks, individualized instructional materials and standardized tests provided for in this section for each school year shall not exceed the statewide average expenditure per pupil, adjusted pursuant to clause (b), by the Minnesota public elementary and secondary schools for textbooks, individualized instructional materials and standardized tests as computed and established by the department of education by March 1 of the preceding school year from the most recent public school year data then available.

(b) The cost computed in clause (a) shall be increased by an inflation adjustment equal to the percent of increase in the foundation aid formula allowance, pursuant to section 124.2122, subdivision 1, from the second

preceding school year to the current school year.

(c) The commissioner shall allot to the school districts or intermediary service areas the total cost for each school year of providing or loaning the textbooks, individualized instructional materials and standardized tests for the pupils in each nonpublic school. The allotment shall not exceed the product of the statewide average expenditure per pupil, adjusted pursuant to clause (b), multiplied by the number of nonpublic school pupils who make requests pursuant to this section and who are enrolled as of September 15 of the current school year.

(d) For the 1982-1983 school year, 85 percent of a district's nonpublic pupil aid shall be distributed prior to December 31 of that school year. The final aid distribution to each district shall be made prior to December 31 of the following school year.

Sec. 10. Minnesota Statutes 1982, section 124.155, subdivision 2, as amended by Laws 1982, Third Special Session chapter 1, article III, section 3, is amended to read:

Subd. 2. [SUBTRACTION FROM AIDS.] The amount specified in Laws 1981, Third Special Session Chapter 2, Article 4, Section 3, Subdivision 2, as amended by Laws 1982, Chapter 548, Article 7, Section 7, as further amended by Laws 1982, Third Special Session, chapter 1, article III, section 4 of this act shall be subtracted from the following state aids and credits in the order listed in fiscal year 1983. The amount specified in subdivision 1 shall be used to adjust the following state aids and credits in the order listed:

- (a) Foundation aid as authorized in section 124.212, subdivision 1;
- (b) Secondary vocational aid authorized in section 124.573;
- (c) Special education aid authorized in section 124.32;
- (d) Secondary vocational aid for handicapped children authorized in section 124.574;
- (e) Gifted and talented aid authorized in section 124.247;
- (f) Aid for pupils of limited English proficiency authorized in section 124.273;
- ~~(g) Aid for improved learning programs authorized in section 124.251;~~
- ~~(h)~~ (g) Aid for chemical use programs authorized in section 124.246;
- ~~(i)~~ (h) Transportation aid authorized in section 124.225;
- ~~(j)~~ (i) Community education programs aid authorized in section 124.271;
- ~~(k)~~ (j) Adult education aid authorized in section 124.26;
- ~~(l)~~ (k) Capital expenditure equalization aid authorized in section 124.245;
- ~~(m)~~ (l) Homestead credit authorized in section 273.13, subdivisions 6, 7, and 14a;
- ~~(n)~~ (m) Reduced assessment credit authorized in section 273.139;
- ~~(o)~~ (n) Wetlands credit authorized in section 273.115;
- ~~(p)~~ (o) Native prairie credit authorized in section 273.116; and

(*) (p) Attached machinery aid authorized in section 273.138, subdivision 3.

The commissioner of education shall schedule the timing of the reductions from state aids and credits specified in Laws 1981, Third Special Session Chapter 2, Article 4, Section 3, Subdivision 2, as amended by Laws 1982, Chapter 548, Article 7, Section 7, as further amended by article III, section 4 of this act, and the adjustments to state aids and credits specified in subdivision 1, as close to the end of the fiscal year as possible and in such a manner that will minimize the impact of Laws 1981, Third Special Session Chapter 2, Article 4, as amended, on the cash flow needs of the school districts.

Sec. 11. Minnesota Statutes 1982, section 124.214, subdivision 2, is amended to read:

Subd. 2. [ABATEMENTS.] Whenever by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the assessed valuation of any school district for any taxable year is changed after the taxes for that year have been spread by the county auditor and ~~whenever~~ the mill rate as determined by the county auditor based upon the original assessed valuation is applied upon ~~such~~ the changed valuations, the county auditor shall, prior to February 1 of each year, certify to the commissioner of education the amount of any resulting net revenue loss that accrued to the school district during the preceding year. In August of each year, the commissioner shall pay an abatement adjustment to the district in an amount calculated according to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by section 275.48. The amount of the abatement adjustment shall be the product of (1) the net revenue loss as certified by the county auditor, times (2) the ratio of the sum of the amounts of the district's levy limitations in the preceding October pursuant to section 275.125, ~~subdivision subdivisions 2a, and subdivisions 2i, 2j, 2k, 5, 5c, 6c, and 7a~~ to the total amount of the district's maximum levy limitation in the preceding October pursuant to section 275.125. *If the district is entitled to aid pursuant to section 124.2123, the levy limitation pursuant to section 275.125, subdivision 6b, shall be included in the computation of the ratio. If the district is entitled to aid pursuant to section 124.2128, the levy limitation pursuant to section 275.125, subdivision 6d, shall be included in the computation of the ratio. For purposes of this computation, the district's levy limitation pursuant to section 275.125, subdivision 5, shall not include the amounts authorized to be levied for bus purchases or because of extraordinary traffic hazards.* The abatement adjustment shall be recognized as revenue in the fiscal year in which it is received.

Sec. 12. Minnesota Statutes 1982, section 124.245, is amended by adding a subdivision to read:

Subd. 1c. [HAZARDOUS SUBSTANCE COMPUTATION.] *For the 1984-1985 school year and each year thereafter, the state shall pay a school district the difference by which an amount equal to \$25 per pupil unit exceeds the amount raised by two mills times the adjusted assessed valuation of the taxable property in the district for the preceding year. To qualify for aid pursuant to this subdivision in any school year, a district must levy the maximum permissible amount pursuant to section 275.125, subdivision 11c for*

use in that year. Aid paid pursuant to this subdivision may be used only for the purposes for which the proceeds of the levy authorized in section 275.125, subdivision 11c may be used.

Sec. 13. Minnesota Statutes 1982, section 124.246, subdivision 2, is amended to read:

Subd. 2. [AID.] ~~Except for the 1982-1983 school year,~~ An eligible district shall receive ~~\$1 \$1.04 in fiscal year 1984 and \$1.08 in fiscal year 1985~~ for each pupil, in average daily membership, enrolled in a public elementary, secondary or area vocational-technical or nonpublic elementary or secondary school. Aid for nonpublic school pupils shall be paid to the district upon request by or on behalf of the pupils. No district shall receive less than ~~\$1,000 \$1,040 in fiscal year 1984 and \$1,080 in fiscal year 1985.~~

Sec. 14. Minnesota Statutes 1982, section 124.247, subdivision 3, is amended to read:

Subd. 3. [AID.] A district which establishes a program for gifted and talented students shall receive for the purpose of this program an amount equal to ~~\$16.25, in the 1981-1982 school year,~~ and \$16.18 in the 1982-1983 school year, \$18.25 in the 1983-1984 school year, and \$19.00 in the 1984-1985 school year, times the number of gifted and talented students in the district. No more than five percent of the students enrolled in the district shall be counted as gifted and talented for the purpose of aid computations pursuant to this subdivision. No more than five percent of the moneys received by a district pursuant to this subdivision may be expended for the purpose of administration of the program for gifted and talented students.

Sec. 15. Minnesota Statutes 1982, section 124.247, is amended by adding a subdivision to read:

Subd. 5. [PAYMENT SCHEDULE.] For the 1982-1983 school year, 85 percent of a district's gifted and talented program aid for each school year shall be distributed prior to November 30 of that school year. The final aid distribution to each district shall be made prior to November 30 of the following school year.

Sec. 16. [124.272] [INTERDISTRICT COOPERATION AID.]

Subdivision 1. [LIMITATION.] This section shall not apply to Special School District No. 1, Independent School Districts Nos. 11, 625, and 709, or to school districts which are members of Intermediate School Districts, Nos. 287, 916, and 917.

Subd. 2. [ELIGIBLE DISTRICTS.] A district shall be eligible for inter-district cooperation aid if it has entered into a cooperation agreement and if it has a cooperation plan approved by the commissioner of education.

Subd. 3. [COOPERATION PLAN.] To receive aid or to levy pursuant to section 25 of this article a district shall submit to the commissioner of education an application for aid by August 15. The application shall contain the following:

(a) a three-year plan to improve the district curriculum, which gives priority to offering of any of the following: a three-year mathematics sequence in grades 10 through 12, a three-year science sequence in grades 10 through

12, a two-year foreign language sequence, elementary and secondary courses in computer usage, or other programs recommended by the state board;

(b) an assurance that the proposed curriculum in clause (a) has been developed in conjunction with the planning, evaluation, and reporting process of section 123.741;

(c) a copy of the cooperation agreement;

(d) a description of the proposed increase in curriculum offerings resulting from the agreement;

(e) the estimated instructional cost of the cooperation plan for the following fiscal year; and

(f) other information required by the commissioner.

Subd. 4. [DEFINITION.] (a) A district's "interdistrict cooperation revenue" shall equal the lesser of: (1) \$50 times the actual pupil units for that school year; (2) the estimated cost to the district of the interdistrict cooperation program for the school year to which the levy is attributable; or (3) \$50,000.

(b) A district's "interdistrict cooperation levy limitation" means its levy limitation computed according to section 25 of this article.

Subd. 5. [COOPERATION AID.] A district's interdistrict cooperation aid for any school year shall equal:

(a) the difference between its interdistrict cooperation revenue and its interdistrict cooperation levy limitation for the levy for that school year, multiplied by

(b) the ratio of the amount actually levied to the amount of its interdistrict cooperation levy limitation.

Subd. 6. [APPROVAL WITH APPROPRIATION.] The commissioner may approve applications for aid within the limitation of the appropriation. Approval shall be based on criteria established by the state board of education.

Subd. 7. [REPORT.] By December 1, 1985, and each year thereafter, the department of education shall report to the education committees of the legislature about the interdistrict cooperation agreements and whether the provisions of this section have increased educational opportunities in those districts.

Sec. 17. Minnesota Statutes 1982, section 124.646, subdivision 1, is amended to read:

Subdivision 1. [*SCHOOL LUNCH AID COMPUTATION.*] (a) For the ~~1981-1982~~ 1983-1984 school year, school districts participating in the national school lunch program shall be paid by the state in the amount of ~~5-5~~ 7.5 cents for each full paid student lunch served to students in the district.

(b) For the ~~1982-1983~~ 1984-1985 school year, school districts participating in the national school lunch program shall be paid by the state in the amount of ~~5-9~~ 7.5 cents for each full paid student lunch served to students in the district.

Sec. 18. [126.025] [CARDIOPULMONARY RESUSCITATION INSTRUCTION.]

Subdivision 1. [AUTHORIZATION.] Pupils attending public senior high schools may receive a course of instruction in the techniques of cardiopulmonary resuscitation, sufficient to enable the pupils to give emergency assistance to victims of cardiac arrest. The instruction may be offered as a separate course or as part of another course. The instruction shall be given by a person certified as a cardiopulmonary resuscitation instructor by either the American Red Cross or the American Heart Association, but that person need not be a licensed teacher. Districts are encouraged to use equipment, teaching materials, and training courses provided by public or private agencies, educational cooperative service units, or organizations such as the American Red Cross, American Heart Association.

Subd. 2. [ASSISTANCE.] The department of education shall provide technical assistance to educational cooperative service units and school districts to implement the provisions of subdivision 1.

Sec. 19. [129B.17] [AUTHORIZATION.]

The department of education shall prescribe the form and manner of application for recipients of comprehensive arts in education planning grants. The state board of education shall award grants in consultation with the Minnesota alliance for arts in education and the Minnesota state arts board.

Sec. 20. [129B.18] [PROGRAM ACCOUNTS.]

A district receiving a comprehensive arts in education planning grant shall establish and maintain a separate account for the receipt and disbursement of all funds relating to the program, and the funds shall be spent only for the purpose of arts education programs.

Sec. 21. [129B.19] [ADDITIONAL FUNDING.]

A district receiving a comprehensive arts in education planning grant may receive funds for the program from private sources and from other governmental agencies, including any state or federal funds available for arts education.

Sec. 22. [129B.20] [CRITERIA FOR GRANT APPROVAL.]

Up to 30 grants of \$1,000 each may be approved for programs which include:

(1) a needs assessment of arts education and planning in the school district;

(2) creation of a community based arts education team of eight individuals from the school district and the community whose function will be to promote comprehensive arts education in the school district;

(3) participation by members of the arts education team in training offered by the department of education; and

(4) establishment of an evaluation component.

Sec. 23. [129B.21] [DEPARTMENT RESPONSIBILITY.]

The department of education shall:

(1) provide training and assistance to the arts education teams in the school districts;

(2) provide consultation and technical assistance to districts which receive arts in education planning grants; and

(3) submit a report to the education committees of the senate and house of representatives by January 1, 1985. The report shall include the status and implementation of comprehensive arts in education planning grants and the department's plans to promote arts education in the schools.

Sec. 24. Minnesota Statutes 1982, section 275.125, subdivision 4, is amended to read:

Subd. 4. [MISCELLANEOUS LEVY AUTHORIZATIONS.] A school district may levy the amounts necessary to make payments for bonds issued and for interest thereon, including the bonds and interest thereon, issued as authorized by section 275.125, subdivision 3, clause (7) (C), as it read in Minnesota Statutes 1974; the amounts necessary for repayment of debt service loans and capital loans; the amounts necessary to pay the district's obligations under section 6.62; the amount authorized for liabilities of dissolved districts pursuant to section 122.45; the amounts necessary to pay the district's obligations under section 268.06, subdivision 25; the amounts necessary to pay for job placement services offered to employees who may become eligible for benefits pursuant to section 268.08; the amounts necessary to pay the district's obligations under section 127.05; the amounts authorized by section 122.531; ~~and~~ the amounts necessary to pay the district's obligations under section 122.533; *and the amounts necessary to pay the district's insurance premium costs under section 466.06.*

Sec. 25. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 8a. [INTERDISTRICT COOPERATION LEVY.] Each year, a district which is eligible for aid pursuant to section 16, subdivision 2 of this article, may levy the amount of the estimated instructional costs of the interdistrict cooperation plan for the year to which the levy is attributable, but not more than \$50 times the actual pupil units for that school year. No levy under this subdivision shall exceed one mill times the adjusted assessed valuation of the district for the preceding year. The proceeds of the levy may only be used to pay for instructional costs incurred in providing the program offerings resulting from the cooperation plan.

Sec. 26. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 9b. [OPERATING DEBT LEVY.] (1) In 1983 and each year thereafter, a district may make an additional levy to eliminate a deficit in the net unappropriated operating funds of the district, determined as of June 30, 1983, and certified and adjusted by the commissioner. This levy may in each year be an amount not to exceed the amount raised by a levy of 1.5 mills times the adjusted assessed valuation of the district for the preceding year as determined by the equalization aid review committee. However, the total amount of this levy for all years it is made shall not exceed the lesser of (a) the amount of the deficit in the net unappropriated operating funds of the district as of June 30, 1983, or (b) the amount of the aid reduction, according

to Laws 1981, Third Special Session chapter 2, article 2 and Laws 1982, Third Special Session chapter 1, article 3, sections 6 and 7, to the district in fiscal year 1983. When the cumulative levies made pursuant to this subdivision equal the total amount permitted by this subdivision, the levy shall be discontinued.

(2) The proceeds of this levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(3) Any district which levies pursuant to this subdivision shall certify the maximum levy allowable under section 271.125, subdivision 2a or 2e in that same year.

Sec. 27. Minnesota Statutes 1982, section 275.125, subdivision 11a, is amended to read:

Subd. 11a. [CAPITAL EXPENDITURE LEVY.] (a) Each year a school district may levy an amount not to exceed the amount equal to \$90 per pupil unit, or \$95 per pupil unit in districts where the actual number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), has increased from the prior year. No levy under this clause shall exceed seven mills times the adjusted assessed valuation of the taxable property in the district for the preceding year.

(b) The proceeds of the tax may be used to acquire land, to equip and re-equip buildings and permanent attached fixtures, to rent or lease buildings for school purposes, to pay leasing fees for computer systems hardware and related proprietary software, and to pay leasing fees for photocopy machines and telecommunications equipment. The proceeds of the tax may also be used for capital improvement and repair of school sites, buildings and permanent attached fixtures, energy assessments as required pursuant to section 116J.24, and for the payment of any special assessments levied against the property of the district authorized pursuant to section 435.19 or any other law or charter provision authorizing assessments against publicly owned property; provided that a district may not levy amounts to pay assessments for service charges, such as those described in section 429.101, whether levied pursuant to that section or pursuant to any other law or home rule provision. The proceeds of the tax may also be used for capital expenditures to reduce or eliminate barriers to or increase access to school facilities by handicapped individuals. The proceeds of the tax may also be used to make capital improvements to schoolhouses to be leased pursuant to section 123.36, subdivision 10. The proceeds of the tax may also be used to pay fees for capital outlay expenditures assessed and certified to each participating school district by the educational cooperative service unit board of directors.

(c) Subject to the commissioner's approval, the tax proceeds may also be used to acquire or construct buildings. The state board shall promulgate rules establishing the criteria to be used by the commissioner in approving and disapproving district applications requesting the use of capital expenditure tax proceeds for the acquisition or construction of buildings. The approval criteria for purposes of building acquisition and construction shall include: the appropriateness of the proposal for the district's long term needs; the availability of adequate existing facilities; and the economic fea-

sibility of bonding because of the proposed building's size or cost.

(d) The board shall establish a fund in which the proceeds of this tax shall be accumulated until expended.

(e) The proceeds of the tax shall not be used for custodial or other maintenance services.

(f) Each year, subject to the seven mill limitation of clause (a) of this subdivision, a school district which operates an approved secondary vocational education program or an approved senior secondary industrial arts program may levy an additional amount equal to \$5 per pupil unit for capital expenditures for equipment for these programs.

(g) For purposes of computing allowable levies under this subdivision and ~~subdivision~~ *subdivisions 11b and 11c*, pupil units shall include those units identified in section 124.17, subdivision 1, clauses (1) and (2), and 98.5 percent of the units identified in Minnesota Statutes 1980, section 124.17, subdivision 1, clauses (4) and (5) for 1980-1981.

Sec. 28. Minnesota Statutes 1982, section 275.125, subdivision 11b, is amended to read:

Subd. 11b. [SPECIAL PURPOSE CAPITAL EXPENDITURE LEVY.] ~~In 1981 and each year thereafter,~~ In addition to the levy authorized in subdivision 11a, ~~each year~~ a school district may levy an amount not to exceed the amount equal to \$25 per pupil unit. No levy under this clause shall exceed two mills times the adjusted assessed valuation of the property in the district for the preceding year. The proceeds of the tax shall be placed in the district's capital expenditure fund and may be used only for the following:

(a) for energy audits on district owned buildings conducted pursuant to chapter 116H, and for funding those energy conservation and renewable energy measures which the energy audits indicate will reduce the use of nonrenewable sources of energy to the extent that the projected energy cost savings will amortize the cost of the conservation measures within a period of ten years or less;

(b) for capital expenditures for the purpose of reducing or eliminating barriers to or increasing access to school facilities by handicapped persons;

(c) for capital expenditures to bring district facilities into compliance with the uniform fire code adopted pursuant to chapter 299F;

(d) for expenditures for the removal of asbestos from school buildings or property or for asbestos encapsulation;

(e) for expenditures for the cleanup and disposal of polychlorinated biphenyls.

Sec. 29. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 11c. [HAZARDOUS SUBSTANCE CAPITAL EXPENDITURE LEVY.] *In 1983 and each year thereafter, in addition to the levy authorized in subdivision 11a and 11b, a school district may levy an amount not to exceed the amount equal to \$25 per pupil unit. No levy under this subdivision shall exceed two mills times the adjusted assessed valuation of the property*

in the district for the preceding year. The proceeds of the tax shall be placed in the district's capital expenditure fund and may be used only for expenditures necessary for the removal or encapsulation of asbestos or the cleanup and disposal of polychlorinated biphenyls found in school buildings or property.

Sec. 30. Minnesota Statutes 1982, section 466.06, is amended to read:

466.06 [LIABILITY INSURANCE.]

The governing body of any municipality may procure insurance against liability of the municipality and its officers, employees, and agents for damages resulting from its torts and those of its officers, employees, and agents, including torts specified in section 466.03 for which the municipality is immune from liability; ~~and such.~~ The insurance may provide protection in excess of the limit of liability imposed by section 466.04. If the municipality has the authority to levy taxes, the premium costs for such insurance may be levied in excess of any per capita or millage tax limitation imposed by statute or charter; ~~provided, a school district may not levy for premium costs pursuant to this section.~~ Any independent board or commission in the municipality having authority to disburse funds for a particular municipal function without approval of the governing body may similarly procure liability insurance with respect to the field of its operation. The procurement of such insurance constitutes a waiver of the defense of governmental immunity to the extent of the liability stated in the policy but has no effect on the liability of the municipality beyond the coverage so provided.

Sec. 31. [EXPENSES FOR ASBESTOS AND POLYCHLORINATED BIPHENYLS.]

Notwithstanding any law to the contrary, a district that incurred expenses for removal of asbestos, asbestos encapsulation, or cleanup or disposal of polychlorinated biphenyls may use the revenue authorized by sections 5, 12, 28, and 29 of this article to meet contractual obligations or to reimburse the fund from which expenses were paid, regardless of when the authorized revenue was received by the district.

Sec. 32. [EDUCATION DISTRICTS; STUDY.]

By February 1, 1984, the state board and commissioner of education shall report to the education committees of the legislature on the feasibility of establishing education districts which meet the following criteria:

- (a) extend, combine, or expand educational and curriculum opportunities;*
- (b) maximize the use of instructional and administrative personnel;*
- (c) improve efficiency and cost effectiveness; and*
- (d) operate programs pursuant to sections 121.85 to 121.88, 121.501 to 121.507, 124.247, and 129B.06 to 129B.09.*

Sec. 33. [REPEALER.]

Minnesota Statutes 1982, sections 124.24 and 129B.09, subdivision 5, are repealed.

Sec. 34. [APPROPRIATION.]

Subdivision 1. There is appropriated from the general fund to the depart-

ment of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [HEALTH AND DEVELOPMENTAL SCREENING PROGRAMS.] For health and developmental screening programs pursuant to sections 123.701 to 123.705 there is appropriated:

\$729,000.....1984,

\$794,000.....1985.

The appropriation for fiscal year 1984 includes \$103,000 for aid for fiscal year 1983 payable in fiscal year 1984 and \$626,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for fiscal year 1985 includes \$111,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$683,000 for aid for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$737,000 for fiscal year 1984 and \$804,000 for fiscal year 1985.

Subd. 3. [ABATEMENT AID.] For abatement aid pursuant to section 124.214, subdivision 2, there is appropriated:

\$2,150,000.....1984,

\$2,250,000.....1985.

Subd. 4. [CAPITAL EXPENDITURE EQUALIZATION AID.] For capital expenditure equalization aid pursuant to section 124.245, subdivision 1, there is appropriated:

\$313,000.....1984,

\$224,000.....1985.

The appropriation for fiscal year 1984 includes \$58,000 for aid for fiscal year 1983 payable in fiscal year 1984 and \$255,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for fiscal year 1985 includes \$45,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$179,000 for aid for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$300,000 for fiscal year 1984 and \$211,000 for fiscal year 1985.

Any unexpended balance remaining from the appropriation in this subdivision for either year may be expended for special purpose capital expenditure equalization aid pursuant to section 124.245, subdivision 1a.

Subd. 5. [SPECIAL PURPOSE CAPITAL EXPENDITURE EQUALIZATION AID.] For special purpose capital expenditure equalization aid pursuant to section 124.245, subdivision 1a, there is appropriated:

\$52,000.....1984,

\$46,000.....1985.

The appropriation for fiscal year 1984 includes \$9,000 for aid for fiscal year 1983 payable in fiscal year 1984 and \$43,000 for aid for fiscal year

1984 payable in fiscal year 1984.

The appropriation for fiscal year 1985 includes \$8,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$38,000 for aid for fiscal year 1984 payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$51,000 for fiscal year 1984 and \$45,000 for fiscal year 1985.

Any unexpended balance remaining from the appropriation in this subdivision for either year may be expended for capital expenditure equalization aid pursuant to section 124.245, subdivision 1.

Subd. 6. [HAZARDOUS SUBSTANCE CAPITAL EXPENDITURE EQUALIZATION AID.] For hazardous substance capital expenditure equalization aid pursuant to section 124.245, subdivision 1c, there is appropriated:

\$38,000.....1985.

The appropriation for fiscal year 1985 includes \$38,000 for aid for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$45,000 for fiscal year 1985.

Any unexpended balance remaining from the appropriation in this subdivision for either year may be expended for capital expenditure equalization aid pursuant to section 124.245, subdivision 1.

Subd. 7. [EDUCATIONAL COOPERATIVE SERVICE UNITS.] For educational cooperative service units, there is appropriated:

\$695,000.....1984,

\$591,000.....1985.

The appropriations are based on aid entitlements of \$695,000 for fiscal year 1984 and \$695,000 for fiscal year 1985.

Funds from this appropriation shall be transmitted to ECSU boards of directors for general operations in the amount of \$63,180 per ECSU for each fiscal year; however, the ECSU whose boundaries coincide with the boundaries of development region 11 and the ECSU whose boundaries encompass development regions six and eight shall receive \$126,360 for each fiscal year for general operations.

Subd. 8. [SCHOOL LUNCH AND FOOD STORAGE AID.] For school lunch aid pursuant to section 124.646 and for food storage and transportation costs for U.S.D.A. donated commodities there is appropriated:

\$4,625,000.....1984,

\$4,625,000.....1985.

Any unexpended balance remaining from the appropriations in this subdivision shall be prorated among participating schools based on the number of fully paid lunches served during that school year in order to meet the state revenue matching requirement of the U.S.D.A. National School Lunch Program.

If the appropriation amount attributable to either year is insufficient, the rate of payment for each fully paid student lunch shall be reduced and the aid for that year shall be prorated among participating schools so as not to exceed the total authorized appropriation for that year.

Subd. 9. [INTERDISTRICT COOPERATION AID.] For aid for interdistrict cooperation programs pursuant to section 16 of this article there is appropriated:

\$850,000.....1985.

The appropriation is based on aid entitlement of \$1,000,000 for fiscal year 1985.

Subd. 10. [GIFTED AND TALENTED STUDENTS.] For programs for the gifted and talented pursuant to section 124.247 there is appropriated:

\$625,000.....1984,

\$659,000.....1985.

The appropriation for aid for fiscal year 1984 includes \$80,000 for aid for fiscal year 1983 payable in fiscal year 1984 and \$545,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for fiscal year 1985 includes \$96,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$563,000 for aid for fiscal year 1984 payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$641,000 for fiscal year 1984 and \$662,000 for fiscal year 1985.

Subd. 11. [NONPUBLIC AIDS.] For programs for nonpublic educational aid pursuant to sections 123.931 to 123.947 there is appropriated:

\$6,020,000.....1984,

\$6,645,000.....1985.

The appropriation for aid for fiscal year 1984 includes \$629,000 for aid for fiscal year 1983 payable in fiscal year 1984 and \$5,391,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for fiscal year 1985 includes \$951,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$5,694,000 for aid for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$6,342,000 for fiscal year 1984 and \$6,699,000 for fiscal year 1985.

Subd. 12. [INDIAN EDUCATION.] (a) For certain Indian education programs there is appropriated:

\$156,000.....1984,

\$138,000.....1985.

The appropriations are based on aid entitlements of \$156,000 for fiscal year 1984 and \$163,000 for fiscal year 1985.

These appropriations are available for expenditure with the approval of the commissioner of education.

The commissioner shall not approve the payment of any amount to a school district pursuant to this subdivision unless that school district is in compliance with all applicable laws of this state.

Up to the following amounts may be distributed to the following school districts for fiscal year 1984: \$49,600 to Independent School District No. 309-Pine Point School; \$8,750 to Independent School District No. 166; \$13,500 to Independent School District No. 432; \$12,700 to Independent School District No. 435; \$38,100 to Independent School District No. 707; and \$35,350 to Independent School District No. 38. These amounts shall be expended only for the benefit of Indian students and for the purpose of meeting established state educational standards or statewide requirements.

Up to the following amounts may be distributed to the following school districts for fiscal year 1985: \$52,100 to Independent School District No. 309-Pine Point School; \$9,200 to Independent School District No. 166; \$14,200 to Independent School District No. 432; \$13,350 to Independent School District No. 435; \$40,050 to Independent School District No. 707; and \$37,100 to Independent School District No. 38. These amounts shall be expended only for the benefit of Indian students and for the purpose of meeting established state educational standards or statewide requirements.

These appropriations are available only if there will not be available for the districts enumerated in this subdivision for the applicable school year any operation support funds from the federal bureau of Indian affairs pursuant to the Johnson-O'Malley Act, Public Law 73-167 or 25 Code of Federal Regulations 273.31, or equivalent money from the same or another source.

(b) Before a district can receive moneys pursuant to this subdivision, the district must submit to the commissioner of education evidence that it has:

(i) Complied with the Uniform Financial Accounting and Reporting Standards Act, sections 121.90 to 121.917. For each school year, compliance with section 121.908, subdivision 3a, shall require the school district to prepare one budget including the amount available to the district pursuant to this subdivision and one budget which does not include these moneys. The budget of that school district for the 1985-86 school year prepared according to section 121.908, subdivision 3a, shall be submitted to the commissioner of education at the same time as 1984-1985 budgets and shall not include any moneys appropriated in this subdivision;

(ii) Conducted a special education needs assessment and prepared a proposed service delivery plan according to Minnesota Statutes, sections 120.03 and 120.17; Public Law 94-142, an act of the 94th Congress of the United States cited as the "Education for All Handicapped Children Act of 1975"; and applicable state board of education rules; and

(iii) Compiled accurate daily pupil attendance records.

(c) Prior to approving payment of any amount to a school district pursuant to this subdivision, the commissioner shall review and evaluate each affected district's compliance with clause (b) and any other applicable laws, and each affected district's need for the moneys. Each affected district's net unappropriated fund balance in all operating funds as of June 30 of the previous school year shall be taken into consideration.

Subd. 13. [CHEMICAL USE PROGRAMS.] For aid for chemical depen-

gency programs authorized pursuant to section 124.246 there is appropriated:

\$ 965,000.....1984,

\$1,005,000.....1985.

The appropriation for fiscal year 1984 includes \$135,000 for aid for fiscal year 1983 payable in fiscal year 1984 and \$830,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for fiscal year 1985 includes \$146,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$859,000 for aid for fiscal year 1984 payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$977,000 for fiscal year 1984 and \$1,011,000 for fiscal year 1985.

Subd. 14. [ARTS PLANNING GRANTS.] For Minnesota comprehensive arts in education planning grants, there is appropriated from the general fund to the department of education the sum indicated for the fiscal year ending June 30 in the year designated:

\$125,000.....1984.

Any unexpended balance remaining from the appropriation in this subdivision shall not cancel but shall be available for the second year of the biennium.

Subd. 15. [CARDIOPULMONARY RESUSCITATION INSTRUCTION.] There is appropriated from the general fund to the department of education the sum of \$34,000 for fiscal year 1984 for educational cooperative service units to purchase equipment needed for instruction in cardiopulmonary resuscitation. The equipment shall be available for use by school districts. Funds from this appropriation shall be transmitted to ECSU boards of directors. The department of education shall issue grants to ECSU's based on the following criteria: the number of school districts in the ECSU, the number of students served by the ECSU, and other resources available to the ECSU. The sums appropriated are available until expended.

Subd. 16. [PINE POINT SCHOOL.] There is appropriated from the general fund to the department of education for Independent School District No. 309, Pine Point School, the sum of \$33,000 for payment of an outstanding judgment related to unemployment compensation. The sum shall be available until June 30, 1985.

Subd. 17. [MAXIMUM EFFORT SCHOOL LOAN FUND.] There is appropriated from the general fund to the maximum effort school loan fund the sum of \$2,719,000 for the fiscal year ending June 30, 1984, and \$3,672,000 for the fiscal year ending June 30, 1985. Any unexpended balance of this appropriation for fiscal year 1984 shall not cancel but shall be available for the second year of the biennium.

These appropriations shall be placed in the loan repayment account of the maximum effort school loan fund for the payment of the principal and interest on school loan bonds, as provided in section 124.46, to the extent that money in the fund is not sufficient to pay when due the full amount of principal and interest due on school loan bonds. The purpose of these appropriations is to

ensure that sufficient money is available in the fund to prevent a statewide property tax levy as would otherwise be required pursuant to section 124.46, subdivision 3. Notwithstanding the provisions of section 124.39, subdivision 5, any amount of the appropriation made in this section which is not needed to pay when due the principal and interest due on school loan bonds shall not be transferred to the debt service loan account of the maximum effort school loan fund but instead shall cancel and revert to the general fund.

Subd. 18. [CANCELLATION AND PRORATION.] Except as provided in subdivisions 4, 5, and 6, any unexpended balance remaining from the appropriations in this section for 1984 shall cancel and shall not be available for the second year of the biennium. Except as provided in subdivisions 4 and 5, none of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for the purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.

Sec. 35. [EFFECTIVE DATE.]

Section 6 is effective the day following final enactment.

ARTICLE 7

MISCELLANEOUS

Section 1. [3.86] [LEGISLATIVE COMMISSION ON PUBLIC EDUCATION.]

Subdivision 1. [ESTABLISHMENT.] There is established a legislative commission on public education. The commission shall study issues relating to elementary and secondary education, including at least the following:

(a) education policy development and planning and recommendations for change to make education more effective;

(b) current and alternative financing formulas for education and recommendations for changes in the use of public money to fund education;

(c) current school district organization and administration and recommendations for more efficient use of available resources;

(d) current technology and alternative education delivery systems for Minnesota; and

(e) teacher preparation, certification, salaries, employment policies, and retention.

Subd. 2. [MEMBERSHIP AND TERMS.] The commission shall consist of 12 members. Six members shall be from the senate, including members of the minority caucus, and shall be appointed by the subcommittee on committees of the committee on rules and administration. Six members shall be from the house of representatives, including members of the minority caucus, and shall be appointed by the speaker. The chairs of the senate education committee, senate education aids subcommittee, house education committee, and house education finance division shall be members of the commission. The members shall be appointed for two-year terms beginning on January 1 of

each odd numbered year. Vacancies on the commission shall be filled in the same manner as the original appointments.

Subd. 3. [TERMS AND OFFICERS.] The commission shall elect a chair and a vice-chair from among its members. The chair shall alternate biennially between a member of the senate and a member of the house. The vice-chair shall be a house member when the chair is a senate member, and senate member when the chair is a house member.

Subd. 4. [GOVERNOR'S REPRESENTATIVE.] The governor shall appoint a person to serve as liaison between the governor and the commission.

Subd. 5. [ADVISORY COMMITTEE.] The commission may appoint advisory committees to assist it as needed. The advisory committees shall meet at the discretion of the commission.

Subd. 6. [ASSISTANCE OF OTHER AGENCIES.] The commission may request information from any state officer or agency to assist the commission in performing its duties. The officer or agency is authorized and directed to promptly furnish any data requested.

Subd. 7. [STAFF.] The commission may employ professional, technical, consulting, and clerical services. The commission may use legislative staff to provide legal counsel, research, secretarial, and clerical assistance.

Subd. 8. [EXPENSES AND REIMBURSEMENT.] The members of the commission and its assistants shall be reimbursed for all expenses actually incurred in the performance of their duties. Expenses of the commission shall be approved by the chair and the expenses shall be paid in the same manner as other state expenses are paid.

Subd. 9. [REPORT.] By January 15 of each year, the commission shall report to the education committees of the legislature on its findings and recommendations, including information related to the funding of education.

Sec. 2. Minnesota Statutes 1982, section 6.54, is amended to read:

6.54 [EXAMINATION OF MUNICIPAL RECORDS PURSUANT TO PETITION.]

The registered voters in a home rule charter or statutory city or town may petition the state auditor to examine the books, records, accounts, and affairs of the home rule charter or statutory city, town, or of any organizational unit, activity, project, enterprise, or fund thereof; and the scope of the examination may be limited by the petition, but the examination shall cover, at least, all cash received and disbursed and the transactions relating thereto, provided that the state auditor shall not examine more than the six latest years preceding the circulation of the petition, unless it appears to the state auditor during ~~his~~ the examination that the audit period should be extended to permit a full recovery under bonds furnished by public officers or employees, and may if it appears to ~~him~~ the auditor in the public interest confine the period or the scope of audit or both period and scope of audit, to less than that requested by the petition. In the case of a home rule charter or statutory city or town, the petition shall be signed by a number of registered voters at least equal to 20 percent of those voting in the last presidential election. The ~~freeholders~~ eligible voters of any school district, as defined in section 123.32, subdivision 1a, may petition the state auditor ~~and he, who~~

shall be subject to the same restrictions regarding the scope and period of audit, provided that the petition shall be signed by at least ten ~~freeholders~~ *eligible voters* for each 50 resident pupils in average daily membership during the preceding school year as shown on the records in the office of the commissioner of education. In no case shall the petition for an examination of a town bear the names of less than 25 registered voters; and provided, that in the case of school districts, the petition shall be signed by at least ten ~~freeholders~~ *eligible voters*. At the time it is circulated, every petition shall contain a statement that the cost of the audit will be borne by the city, town, or school district as provided by law. Thirty days before the petition is delivered to the state auditor it shall be presented to the appropriate city, town or school district clerk and the county auditor. The county auditor shall determine and certify whether the petition is signed by the required number of registered voters or ~~freeholders~~ *eligible voters* as the case may be. The certificate shall be conclusive evidence thereof in any action or proceeding for the recovery of the costs, charges and expenses of any examination made pursuant to the petition.

Sec. 3. Minnesota Statutes 1982, section 6.62, subdivision 1, is amended to read:

Subdivision 1. [LEVY OF TAX.] Counties, cities and towns are authorized, if necessary, to levy, over and above tax levy limitations for other governmental purposes, an amount sufficient to pay the expense of a post-audit by the state auditor.

A school district is authorized to levy an amount sufficient to pay for the expense of a post-audit by the state auditor if the audit is performed at the discretion of the state auditor pursuant to section 6.51 or if the audit has been requested through a petition by ~~freeholders~~ *eligible voters* pursuant to section 6.54. A school district is not authorized to levy these amounts if the post-audit by the state auditor is requested by the school board pursuant to section 6.55.

Sec. 4. Minnesota Statutes 1982, section 120.0751, subdivision 3, is amended to read:

Subd. 3. [CRITERIA FOR APPROVAL.] In ~~granting or denying~~ *approving or disapproving* the application the state board of ~~education~~ shall consider the following ~~criteria~~:

(a) *if the circumstances of the pupil are similar or analogous to the exceptions permitted by section 120.075, whether attending school in the district of residence creates a particular hardship for the pupil; and (b) whether the circumstances of the pupil are similar or analogous to the exceptions permitted by section 120.075- or*

(b) if the pupil has been continuously enrolled for at least two years in a district of which the pupil was not a resident because of an error made in good faith about the actual district of residence, whether attending school in the district of residence creates a particular hardship for the pupil. If the board finds that a good faith error was made and that attending school in the district of residence would create a particular hardship for the siblings of that pupil or foster children of that pupil's parents, it may separately approve an application for any or all of the siblings of the pupil who are related by

blood, adoption, or marriage and for foster children of the pupil's parents.

Sec. 5. [120.191] [SPECIAL EDUCATION DIRECTOR.]

The authority for the selection and employment of the director of a special education cooperative established pursuant to section 120.17 or 471.59 shall be vested in the governing board of the cooperative. Notwithstanding the provisions of section 125.12, subdivision 6a or 6b, no individual shall have a right to employment as a director based on seniority or order of employment by the cooperative.

Sec. 6. Minnesota Statutes 1982, section 121.15, is amended to read:

121.15 [PLANS AND SPECIFICATIONS FOR SCHOOL BUILDINGS REVIEW AND COMMENT FOR SCHOOL DISTRICT CONSTRUCTION.]

The state board shall prescribe rules for school sites and for the mechanical equipment, erection, enlargement, and change of school buildings. All plans and specifications for the erection, enlargement, and change of school buildings shall first be submitted to the state department of education for approval before the contract is let and no new school buildings shall be erected or any building enlarged or changed until the plans and specifications have been submitted to, and approved by, the state department. The state board shall include in such rules those made, from time to time, by the state commissioner of health relative to sanitary standards for toilets, water supply, and disposal of sewage in public school buildings. In all other respects the authority to make rules for public school buildings shall be vested in the state board, which shall have the power to prepare and furnish to local school boards plans and specifications for temporary school buildings, containing two classrooms or less. The state board in approving construction plans may specifically qualify its approval as limited solely to physical plant, plans and specifications and it may specifically reserve its approval as to the advisability of construction from an educational program standpoint. Under such rules and procedure as the state board shall prescribe, the state department may condemn school buildings and sites which are unfit or unsafe for use as such.

Subdivision 1. [CONSULTATION.] A school district shall consult with the department of education before developing any plans and specifications to construct, remodel, or improve the building or site of an educational facility. This consultation shall occur before a referendum for bonds, solicitation for bids, or use of capital funds according to section 275.125, subdivision 11a, clause (c), is initiated.

Subd. 2. [PLAN SUBMITTAL.] The department of education, after the consultation required in subdivision 1, may require a school district engaging in a construction, remodeling, or site improvement project to submit for approval:

(a) two sets of preliminary plans for each new building or addition, and

(b) one set of final plans for each construction, remodeling, or site improvement project. The department of education shall approve or disapprove the plans within 60 days after submission. A school district shall not award contracts before the department approves the plans.

Final plans shall meet all applicable state laws, rules, and codes concerning public buildings, including sections 16.83 to 16.87. The department of

education's approval shall be limited to compliance with applicable state laws, rules, and codes and shall reasonably conform to the recommended educational standards established by the department of education. The department may furnish to a school district plans and specifications for temporary school buildings containing two classrooms or less.

Subd. 3. [FINAL PLANS.] If no construction contract has been awarded within two years of approval, the approval shall no longer be valid. After approval, final plans and the approval shall be filed with the department of education. If substantial changes are made to plans after final approval, documents reflecting the changes shall be submitted to the department of education for approval. Upon completing a project, the school board shall certify to the department that the project was completed according to the approved plans.

Subd. 4. [CONDEMNATION OF SCHOOL BUILDINGS.] The department of education may condemn school buildings and sites which the state board of education determines are unfit or unsafe for that use.

Subd. 5. [RULEMAKING.] The state board of education may adopt rules for public school buildings.

Subd. 6. [REVIEW AND COMMENT.] No referendum for bonds or solicitation of bids for new construction, expansion, or remodeling of an educational facility which requires a capital expenditure in excess of \$400,000 per school site shall be initiated prior to review and comment by the commissioner. A school board shall not separate portions of a single project into components to avoid the requirements of this subdivision.

Subd. 7. [INFORMATION REQUIRED.] A school board proposing to construct a facility described in subdivision 6 shall submit to the commissioner a proposal containing information including at least the following:

(a) the geographic area proposed to be served, whether within or outside the boundaries of the school district;

(b) the population proposed to be served, including census findings and projections of the number of preschool and school-aged people in the area;

(c) the reasonably anticipated need for the facility or service to be provided;

(d) a description of the construction in reasonable detail, including: the capital expenditures contemplated; the estimated annual operating cost, including the anticipated salary and number of new staff necessitated by the proposal; and an evaluation of the energy efficiency and effectiveness of the construction, including estimated annual energy costs;

(e) so far as is known, existing facilities within the area to be served that offer the same or similar service; the extent existing facilities or services are used; the extent to which space is available from other sources, including institutions for higher education or other public buildings; and the anticipated effect that the proposal will have on existing facilities and services;

(f) the anticipated benefit to the area that will result from the facility;

(g) if known, the relationship of the proposed construction to any priorities which have been established for the area to be served;

(h) the availability and manner of financing the facility and the estimated date to begin and complete the facility; and

(i) desegregation requirements that cannot be met by any other reasonable means.

Subd. 8. [REVIEW OF PROPOSALS.] In reviewing each proposal, the commissioner shall submit to the school board, within 60 days of receiving the proposal, the review and comment about the educational and economic advisability of the project. The review and comment shall be based on information submitted with the proposal and other information the commissioner determines is necessary.

Subd. 9. [PUBLICATION.] At least 20 days but not more than 60 days before a referendum for bonds or solicitation of bids to construct a facility, the school board shall publish the commissioner's review and comment in a legal newspaper of general circulation in the area. Supplementary information shall be available to the public.

Subd. 10. [REPORT.] Before January 15 of each year, the commissioner shall report to the legislature about the number and nature of proposals for projects submitted according to this section, the nature of the review and comment on the educational and economic advisability, and any recommendations.

Sec. 7. Minnesota Statutes 1982, section 121.908, is amended to read:

121.908 [REQUIREMENT FOR ACCOUNTING, BUDGETING AND REPORTING.]

Subdivision 1. On or before June 30, 1977, each Minnesota school district shall adopt the uniform financial accounting and reporting standards for Minnesota school districts provided for in section 121.902.

Subd. 2. Each ~~Minnesota school~~ district shall submit to the commissioner by ~~August 15, 1977 and~~ August 15 of each year ~~thereafter~~, an unaudited financial statement for the preceding fiscal year. This statement shall be submitted on forms prescribed by the commissioner after consultation with the advisory council on uniform financial accounting and reporting standards.

Subd. 3. ~~Prior to June 30~~ By *December 31* of the calendar year ~~following~~ of the submission of the unaudited financial statement, the ~~school~~ district shall provide to the commissioner and state auditor an audited financial statement prepared in a form which will allow comparison with and correction of material differences in the unaudited statement.

Subd. 3a. ~~Prior to July 1, 1978 and~~ July 1 of each year ~~thereafter~~, the school board of each district shall approve and adopt its revenue and expenditure budgets for the next school year. The budget document so adopted shall be considered an expenditure-authorizing or appropriations document. No funds shall be expended by any board or district for any purpose in any school year prior to the adoption of the budget document which authorizes that expenditure, or prior to an amendment to the budget document by the board to authorize the expenditure. Expenditures of funds in violation of this subdivision shall be considered unlawful expenditures.

Subd. 4. Each ~~Minnesota school~~ district shall submit to the department by

~~August 15, 1977, and by August 15 of each year thereafter~~, on forms prescribed by the commissioner, the revenue and expenditure budgets adopted for that fiscal year.

Subd. 5. All governmental units formed by joint powers agreements entered into by ~~school~~ districts pursuant to sections 120.17, 123.351, 471.59, or any other law and all educational cooperative service units shall be subject to the provisions of this section.

Sec. 8. Minnesota Statutes 1982, section 121.936, is amended by adding a subdivision to read:

Subd. 4a. By July 1, 1984, the department of education shall develop and implement an alternative reporting system for submission of financial data in summary form. This system shall accommodate the use of a microcomputer finance system to be developed and maintained by the department of education. The alternative reporting system must comply with sections 121.90 to 121.917. The provisions of this subdivision shall not be construed to require the department to purchase computer hardware nor to prohibit the department from purchasing services from any regional management information center or the Minnesota educational computing consortium.

Sec. 9. Minnesota Statutes 1982, section 122.23, subdivision 2, is amended to read:

Subd. 2. Upon a resolution of a school board in the area proposed for consolidation or upon receipt of a petition therefor executed by 25 percent of the voters resident in the area proposed for consolidation or by 50 such voters, whichever is lesser, the county auditor of the county which contains the greatest land area of the proposed new district shall forthwith cause a plat to be prepared. The resolution or petition shall show the approximate area proposed for consolidation. The resolution or petition may propose either that the bonded debt of the component districts will be paid according to the levies previously made for that debt under chapter 475, as provided in subdivision 16a, or that the taxable property in the newly created district will be taxable for the payment of the bonded debt previously incurred by any component district as provided in subdivision 16b. *The resolution or petition may also propose that referendum levies previously approved by voters of the component districts pursuant to section 275.125, subdivision 2d, or its predecessor provision, be combined as provided in section 122.531, subdivision 2a or 2b, or that the referendum levies be discontinued.* The resolution or petition may also propose that the board of the newly created district consist of seven members, and may also propose the establishment of separate election districts from which school board members will be elected, the boundaries of these election districts, and the initial term of the member elected from each of these election districts. If more than one request for a plat is received by a county auditor and the requests involve parts of identical districts, he shall forthwith prepare a plat which in his opinion best serves the educational interests of the inhabitants of the districts or areas affected. The plat shall show:

(a) Boundaries of the proposed district, as determined by the county auditor, and present district boundaries,

(b) The location of school buildings in the area proposed as a new district

and the location of school buildings in adjoining districts,

(c) The boundaries of any proposed separate election districts, in accordance with the provisions of section 123.32, and

(d) Other pertinent information as determined by the county auditor.

Sec. 10. Minnesota Statutes 1982, section 122.23, subdivision 3, is amended to read:

Subd. 3. A supporting statement to accompany the plat shall be prepared by the county auditor. The statement shall contain:

(a) The adjusted assessed valuation of property in the proposed district,

(b) If a part of any district is included in the proposed new district, the adjusted assessed valuation of the property and the approximate number of pupils residing in the part of the district included shall be shown separately and the adjusted assessed valuation of the property and the approximate number of pupils residing in the part of the district not included shall also be shown,

(c) The reasons for the proposed consolidation, including a statement that at the time the plat is submitted to the state board of education, no proceedings are pending to dissolve any district involved in the plat unless all of the district to be dissolved and all of each district to which attachment is proposed is included in the plat,

(d) A statement showing that the jurisdictional fact requirements of subdivision 1 are met by the proposal,

(e) Any proposal contained in the resolution or petition regarding the disposition of the bonded debt *or referendum levies* of component districts,

(f) Any other information the county auditor desires to include, and

(g) The signature of the county auditor.

Sec. 11. Minnesota Statutes 1982, section 122.531, subdivision 2, is amended to read:

Subd. 2. ~~[CONSOLIDATION AND VOLUNTARY DISSOLUTION: REFERENDUM LEVIES.]~~ As of the effective date of a consolidation pursuant to section 122.23 ~~or~~ the voluntary dissolution of a district and its attachment to one or more existing districts pursuant to section 122.22, the authorization for all referendum levies previously approved by the voters of all affected districts for those districts pursuant to section 275.125, subdivision 2d, or its predecessor ~~or successor~~ provision, is cancelled. However, if all of the territory of any independent district is included in the newly created ~~enlarged~~ district, and if the adjusted assessed valuation of taxable property in that territory comprises 90 percent or more of the adjusted assessed valuation of all taxable property in a newly created ~~or an~~ enlarged district, the board of the newly created ~~or~~ enlarged district may levy the increased amount previously approved by a referendum in the pre-existing independent district upon all taxable property in the newly created ~~or~~ enlarged district. Any new referendum levy shall be certified only after approval is granted by the voters of the entire newly created ~~or~~ enlarged district in an election pursuant to section 275.125, subdivision 2d; ~~or its successor refer-~~

endum provision.

Sec. 12. Minnesota Statutes 1982, section 122.531, is amended by adding a subdivision to read:

Subd. 2a. [CONSOLIDATION; MAXIMUM AUTHORIZED REFERENDUM LEVIES.] As of the effective date of a consolidation pursuant to section 122.23, if the plan for consolidation so provides, or if the plan for consolidation makes no provision concerning referendum levies, the authorization for all referendum levies previously approved by the voters of all affected districts for those districts pursuant to section 275.125, subdivision 2d, or its predecessor provision shall be recalculated as provided in this subdivision. The referendum levy authorization for the newly created district shall be the millage that would raise an amount equal to the combined dollar amount of the referendum levies authorized by each of the component districts for the year preceding the consolidation, unless the referendum levy authorization of the newly created district is subsequently modified pursuant to section 275.125, subdivision 2d. If the referendum levy authorizations for each of the component districts were limited to a specified number of years, the referendum levy authorization for the newly created district shall continue for a period of time equal to the longest period authorized for any component district. If the referendum levy authorization of any component district is not limited to a specified number of years, the referendum levy authorization for the newly created district shall not be limited to a specified number of years.

Sec. 13. Minnesota Statutes 1982, section 122.531, is amended by adding a subdivision to read:

Subd. 2b. [ALTERNATIVE METHOD.] As of the effective date of a consolidation pursuant to section 122.23, if the plan for consolidation so provides, the authorization for all referendum levies previously approved by the voters of all affected districts for those districts pursuant to section 275.125, subdivision 2d, or its predecessor provision shall be combined as provided in this subdivision. The referendum levy authorization for the newly created district may be any millage provided in the plan for consolidation, but may not exceed the millage that would raise an amount equal to the combined dollar amount of the referendum levies authorized by each of the component districts for the year preceding the consolidation. If the referendum levy authorizations for each of the component districts were limited to a specified number of years, the referendum levy authorization for the newly created district shall continue for a period of time equal to the longest period authorized for any component district. If the referendum levy authorization of any component district is not limited to a specified number of years, the referendum levy authorization for the newly created district shall not be limited to a specified number of years. The referendum levy authorization for the newly created district may be modified pursuant to section 275.125, subdivision 2d.

Sec. 14. Minnesota Statutes 1982, section 122.531, is amended by adding a subdivision to read:

Subd. 2c. If the plan for consolidation provides for discontinuance of referendum levies previously approved by voters of the component districts pursuant to section 275.125, subdivision 2d, or its predecessor provision, the newly created district shall not make a referendum levy unless the voters

of the newly created district authorize a referendum levy pursuant to section 275.125, subdivision 2d.

Sec. 15. Minnesota Statutes 1982, section 123.32, is amended by adding a subdivision to read:

Subd. 29. [REQUIREMENTS FOR PETITIONS.] Any petition to a school board authorized in this section or section 275.125 or any other law which requires the board to submit an issue to referendum or election shall meet the following requirements to be valid.

(1) Each page of the petition shall contain a heading at its top which specifies the particular action the board is being petitioned to take. The signatures on any page which does not contain such a heading shall all be invalidated. All pages of the petition shall be assembled and filed with the board as a single instrument.

(2) Each page of the petition shall contain an authentication signed by the circulator of the petition specifying as follows:

I personally have circulated this page of the petition, all signatures were made in my presence, I believe that each person signed his or her own name and that each person who has signed is eligible to vote in a school district election according to Minnesota Statutes, section 123.32.

Signed: _____
Signature of Petition Circulator

Date: _____

The signatures on any page which does not contain such an authentication shall all be invalidated.

(3) Each signer of the petition shall personally sign his own name in ink or indelible pencil and shall indicate after his name his place of residence by street and number, or other description sufficient to identify the place. Except as provided in clause (4) of this subdivision, any signature which does not meet these requirements shall be invalidated.

(4) An individual who is unable to write his name shall be required to make his mark on the petition. The circulator of the petition shall certify the mark by signing the individual's name and address and shall thereafter print the phrase "mark certified by petition circulator".

(5) A petition to be valid must contain the minimum number of valid signatures of eligible voters specified in the law authorizing the petition and election.

Sec. 16. Minnesota Statutes 1982, section 123.33, subdivision 10, is amended to read:

Subd. 10. The school board of any school district of this state by a two-thirds vote may become a member of the Minnesota school boards association or the Minnesota association of public schools, or the metropolitan area school board association, and appoint one or more of its members to attend its annual meeting. The amount of annual membership dues in the association and actual and necessary expense incurred in attending such meeting shall be paid as other expenses of the district are paid. ~~The school board of~~

any school district of this state may maintain such membership and pay membership dues only in the event the associations file annual financial statements showing detailed expenditures and receipts with the commissioner of education no later than October 1 of each year. The statements to the commissioner shall be made on forms prescribed by him no later than July 15 of each year.

Sec. 17. Minnesota Statutes 1982, section 123.33, subdivision 14, is amended to read:

Subd. 14. The school board of any school district of this state by a two-thirds vote may become a member of an association of vocational schools and may appoint one or more of its members to attend the annual meeting of such association. The amount of annual membership dues in the association and actual and necessary expenses incurred in attending such meeting shall be paid as other expenses of the district are paid. ~~The school board of any school district of this state may maintain such membership and pay membership dues only in the event the association files annual financial statements showing detailed expenditures and receipts with the commissioner of education no later than October 1 of each year. The statements to the commissioner shall be made on forms prescribed by him no later than July 15 of each year.~~

Sec. 18. Minnesota Statutes 1982, section 123.34, subdivision 9, is amended to read:

Subd. 9. [SUPERINTENDENT.] All districts maintaining a classified secondary school shall employ a superintendent who shall be *an ex officio a nonvoting member of the school board but not entitled to vote therein*. The authority for selection and employment of a superintendent shall be vested in the school board *in all cases*. Notwithstanding the provisions of ~~section sections 122.532, 122.541, 125.12, subdivision 6a or 6b, or any other law to the contrary~~, no individual shall have a right to employment as a superintendent based on seniority or order of employment in ~~the any~~ district. The superintendent ~~in such districts of a district shall visit the schools of the district, and exercise a general supervision over them, and report their condition to the board, with proper recommendations, when he deems it advisable, or when requested by the board. He shall make recommendations to the board concerning the employment and dismissal of teachers. He shall superintend the grading of the schools and examinations for promotions and perform such other duties as the board shall prescribe. He shall make directly to the commissioner such reports as shall be required~~ *perform the following*:

(a) *visit and supervise the schools in the district, report and make recommendations about their condition when advisable or on request by the board;*

(b) *recommend to the board employment and dismissal of teachers;*

(c) *superintend school grading practices and examinations for promotions;*

(d) *make reports required by the commissioner of education; and*

(e) *perform other duties prescribed by the board.*

Sec. 19. Minnesota Statutes 1982, section 123.351, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] (a) The center board shall have the general charge of the business of the center and the ownership of facilities.

Where applicable, section 123.36, shall apply. The center board may not issue bonds in its behalf. Each participating district may issue its bonds for the purpose of acquisition and betterment of center facilities in the amount certified by the center board to such participating district in accordance with chapter 475.

(b) The center board (1) may furnish vocational offerings to any eligible person residing in any participating district; (2) may provide special education for the handicapped and disadvantaged; and (3) may provide any other educational programs or services agreed upon by the participating districts. Academic offerings shall be provided only under the direction of properly licensed academic supervisory personnel.

(c) In accordance with subdivision 5, clause (b), the center board shall certify to each participating district the amount of funds assessed to the district as its proportionate share required for the conduct of the educational programs, payment of indebtedness, and all other proper expenses of the center.

(d) The center board shall employ and contract with necessary qualified teachers and administrators and may discharge the same for cause pursuant to section 125.12. *The authority for selection and employment of a director shall be vested in the center board. Notwithstanding the provisions of section 125.12, subdivision 6a or 6b, no individual shall have a right to employment as a director based on seniority or order of employment by the center.* The board may employ and discharge other necessary employees and may contract for other services deemed necessary.

(e) The center board may provide an educational program for secondary and adult vocational phases of instruction. The high school phase of its educational program shall be offered as a component of the comprehensive curriculum offered by each of the participating school districts. Graduation shall be from the student's resident high school district. Insofar as applicable, sections 123.35 to 123.40, shall apply.

(f) The center board may prescribe rates of tuition for attendance in its programs by adults and nonmember district secondary students.

Sec. 20. Minnesota Statutes 1982, section 123.36, subdivision 9, is amended to read:

Subd. 9. The board may contract for the furnishing of heat for its building for such terms as it may deem for the best interest of the district, not exceeding ten years. *However, a district may enter into a contract for a period not to exceed 30 years for a district heating system.* Where it is necessary to lay mains or pipes to connect these buildings with a heating system, the district is authorized to advance all, or any part of the cost thereof upon such terms and conditions as shall be agreed upon.

Sec. 21. Minnesota Statutes 1982, section 123.39, subdivision 4, is amended to read:

Subd. 4. The board may provide for the instruction of any resident pupil in another district when inadequate room, distance to school, unfavorable road conditions, or other facts or conditions make attendance in his own district unreasonably difficult or impractical, in which case such district shall pay to

the district so attended the tuition agreed upon or charged, *pursuant to section 124.18, subdivision 2*, and may provide transportation; provided, that such pupil shall continue to be a pupil of the district of his residence for the payment of apportionment and other state aids.

Sec. 22. Minnesota Statutes 1982, section 124.14, subdivision 1, is amended to read:

Subdivision 1. The state board shall supervise distribution of the school aids *and grants* in accordance with law. It may make rules *and regulations* consistent with law for ~~such the~~ distribution ~~which will~~ to enable districts to perform efficiently the services required by law and further education in the state, including reasonable requirements for ~~such the~~ reports and accounts to it as will assure accurate and lawful apportionment of aids. *State and federal aids and discretionary or entitlement grants distributed by the state board shall not be subject to the contract approval procedures of the commissioner of administration or chapter 16. The commissioner of education shall adopt internal procedures for administration and monitoring of aids and grants.*

Sec. 23. Minnesota Statutes 1982, section 124.15, subdivision 5, is amended to read:

Subd. 5. [VIOLATION; AID REDUCTION.] If the violation specified is corrected within the time permitted, or if the commissioner on being notified of the district board's decision to dispute decides ~~such the~~ violation does not exist, or if the state board decides after hearing no violation specified in the commissioner's notice existed at the time ~~thereof~~ of it, or that ~~such as any~~ which existed were corrected within the time permitted, there ~~will shall~~ be no reduction of special state aids payable to ~~such the~~ school district. Otherwise special state aids payable to the district for the year in which the violation occurred ~~will shall~~ be reduced as follows: The total amount of special state aids to which the district may be entitled ~~will shall~~ be reduced in the proportion that the period during which a specified violation continued, computed from the last day of the time permitted for correction, bears to the total number of days school is held in the district during the year in which ~~such a~~ violation exists, *multiplied by 60 percent of the product of the foundation aid formula allowance times its total pupil units for that year.*

Sec. 24. Minnesota Statutes 1982, section 124.19, subdivision 3, is amended to read:

Subd. 3. [UNCERTIFIED TEACHERS; AID REDUCTION.] When a district employs a ~~teacher~~ one or more teachers ~~that who~~ do not hold a valid teaching certificate, special state aid shall be withheld in the proportion that the number of such teachers is to the total number of teachers employed by the district, *multiplied by 60 percent of the product of the foundation aid formula allowance times its total pupil units for the year in which the employment occurred.*

Sec. 25. Minnesota Statutes 1982, section 124.43, subdivision 1, is amended to read:

Subdivision 1. [REVIEW BY COMMISSIONER.] (a) To the extent moneys are from time to time available hereunder, the commissioner may, after review and a favorable recommendation by the state board of education, ~~make~~ *recommend to the legislature* capital loans to school districts.

Proceeds of the loans shall be used only for sites for school buildings and for acquiring, bettering, furnishing, or equipping school buildings under contracts to be entered into within 12 months from and after the date on which each loan is granted. Applications with the accompanying data specified in subdivision 2 shall be filed between October 1 of any year and the following June 1.

(b) Any board which intends to submit an application for a capital loan shall submit a proposal to the commissioner for review and comment pursuant to section ~~422.90~~ 121.15, and the commissioner shall prepare a review and comment on the proposed facility, regardless of the amount of the capital expenditure required to construct the facility. The state board shall not make a favorable recommendation on an application for a capital loan for any facility unless:

(1) the facility receives a favorable review and comment pursuant to section ~~422.90~~ 121.15; and

(2) the state board determines that

(A) the facilities are needed to replace facilities dangerous to the health and safety of pupils, or to provide for pupils for whom no adequate facilities exist;

(B) the facilities could not be made available through dissolution and attachment of the district to another district or through pairing, interdistrict cooperation, or consolidation with another district, or through the purchase or lease of facilities from existing institutions within the area. The preference of the school district regarding reorganization shall not be a criterion used by the state board in determining whether the facilities could be made available through reorganization;

(C) the facilities are comparable in size and quality to facilities recently constructed in other districts of similar enrollment; and

(D) the district's need for the facilities is comparable to needs which comparable districts are meeting through local bond issues.

The state board may recommend that the loan be approved in a reduced amount in order to meet the foregoing criteria. If the state board recommends that a loan not be approved, the commissioner shall not ~~approve~~ *recommend approval of* the loan; ~~and~~. If the state board recommends that the loan be approved in a reduced amount, the commissioner shall not ~~approve~~ *recommend approval of* a loan larger than that recommended by the state board.

(c) As part of reviewing an application for a capital loan, the commissioner of education shall prepare estimated yearly repayments by the school district and the estimated amount of principal and interest that may be forgiven after the term of the loan. These estimates shall assume no growth in assessed valuation over the term of the loan, shall assume a 16 mill levy, and shall be prepared using a methodology approved by the commissioner of finance. The commissioner of education shall use a discount factor provided by the commissioner of finance in determining the present value of the estimated amount of interest and principal which may be forgiven after the term of the loan.

~~(e)~~ (d) No loan shall be ~~approved~~ *recommended for approval* for any dis-

trict exceeding an amount computed as follows:

(1) The amount voted by the district under subdivision 2;

(2) Plus the aggregate principal amount of general obligation bonds of the district outstanding on the date of approval, not exceeding the limitation on net debt of the district in section 475.53, subdivision 4, or 24 percent of the adjusted assessed value, whichever is less;

(3) Less the maximum net debt permissible for the district on the date of approval, under the limitation in section 475.53, subdivision 4, or 24 percent of the adjusted assessed value, whichever is less; and

(4) Less any amount by which the amount voted exceeds the total cost of the facilities for which the loan is granted, as estimated in accordance with subdivision 4, provided that the loan may be approved in an amount computed as provided in clauses (1) to (3), subject to subsequent reduction in accordance with this clause.

Sec. 26. [124.435] [APPROVAL BY LEGISLATURE.]

After review of an application for a capital loan, the commissioner of education shall submit the application to the education committees of the legislature. The legislature may approve, disapprove, or modify the application. After the legislature has approved the application, the commissioner shall grant the loan for the purposes and in the amount specified by the legislature.

Sec. 27. [125.032] [LICENSURE; COMMUNITY EDUCATION INSTRUCTORS.]

Subdivision 1. [EXEMPTION.] Notwithstanding the provisions of any law to the contrary and except as otherwise provided in this section, a person who teaches in a community education program established pursuant to sections 121.85 to 121.88 is exempt from all licensure requirements.

Subd. 2. [EXCEPTIONS.] A person who teaches in a community education program which qualifies for aid pursuant to section 124.26 shall continue to meet licensure requirements as a teacher. A person who teaches in an early childhood and family education program which is offered through a community education program and which qualifies for per capita aid pursuant to section 124.271 shall continue to meet licensure requirements as a teacher. A person who teaches in a community education course which is offered for credit for graduation to persons under 18 years of age shall continue to meet licensure requirements as a teacher. A person who teaches a driver training course which is offered through a community education program to persons under 18 years of age shall be licensed by the board of teaching. A license which is required for an instructor in a community education program pursuant to this subdivision shall not be construed to bring an individual within the definition of a teacher for purposes of section 125.12, subdivision 1, or section 125.17, subdivision 1, clause (a). A community education instructor shall not be defined as a teacher pursuant to section 179.63, subdivision 13, or be a member of a teacher bargaining unit solely as a result of that individual's employment in a community education program.

Sec. 28. Minnesota Statutes 1982, section 125.05, is amended by adding a subdivision to read:

Subd. 5. [PROVISIONAL LICENSES; PROHIBITED.] The board of

teaching shall grant no new provisional licenses. By January 15, 1984, the state board and commissioner of education shall submit a report to the education committees of the legislature with recommendations on provisional licenses.

Sec. 29. Minnesota Statutes 1982, section 125.12, is amended by adding a subdivision to read:

Subd. 1a. [NONPROVISIONAL LICENSE DEFINED.] For purposes of this section, "nonprovisional license" shall mean an entrance, continuing, or life license.

Sec. 30. Minnesota Statutes 1982, section 125.12, subdivision 6a, is amended to read:

Subd. 6a. [NEGOTIATED UNREQUESTED LEAVE OF ABSENCE.] The school board and the exclusive bargaining representative of the teachers may negotiate a plan providing for unrequested leave of absence without pay or fringe benefits for as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts. Failing to successfully negotiate such a plan, the provisions of subdivision 6b shall apply. The negotiated plan shall not include provisions which would result in the exercise of seniority by a teacher holding a provisional license, other than a vocational education license, contrary to the provisions of subdivision 6b, clause (c), or the reinstatement of a teacher holding a provisional license, other than a vocational education license, contrary to the provisions of subdivision 6b, clause (e). The provisions of section 179.72 shall not apply for the purposes of this subdivision.

Sec. 31. Minnesota Statutes 1982, section 125.12, subdivision 6b, is amended to read:

Subd. 6b. [UNREQUESTED LEAVE OF ABSENCE.] The school board may place on unrequested leave of absence, without pay or fringe benefits, as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts. The unrequested leave shall be effective at the close of the school year. In placing teachers on unrequested leave, the board shall be governed by the following provisions:

(a) The board may place probationary teachers on unrequested leave first in the inverse order of their employment. No teacher who has acquired continuing contract rights shall be placed on unrequested leave of absence while probationary teachers are retained in positions for which the teacher who has acquired continuing contract rights is licensed;

(b) Teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed in the inverse order in which they were employed by the school district. In the case of equal seniority, the order in which teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed shall be negotiable;

(c) Notwithstanding the provisions of clause (b), no teacher shall be entitled to exercise any seniority when that exercise results in that teacher

being retained by the district in a field for which the teacher holds only a provisional license, as defined by the board of teaching, unless that exercise of seniority results in the placement on unrequested leave of absence of another teacher who also holds a provisional license in the same field. The provisions of this clause shall not apply to vocational education licenses;

(e) (d) Notwithstanding clauses (a) and (b) and (c), if either the placing of a probationary teacher on unrequested leave before a teacher who has acquired continuing rights, or the placing of a teacher who has acquired continuing contract rights on unrequested leave before another teacher who has acquired continuing contract rights but who has greater seniority, or the restriction imposed by the provisions of clause (c) would place the district in violation of its affirmative action program, the district may retain the probationary teacher or the teacher with less seniority, or the provisionally licensed teacher;

(d) (e) Teachers placed on unrequested leave of absence shall be reinstated to the positions from which they have been given leaves of absence or, if not available, to other available positions in the school district in fields in which they are licensed. Reinstatement shall be in the inverse order of placement on leave of absence. *No teacher shall be reinstated to a position in a field in which the teacher holds only a provisional license, other than a vocational education license, while another teacher who holds a nonprovisional license in the same field remains on unrequested leave.* The order of reinstatement of teachers who have equal seniority and who are placed on unrequested leave in the same school year shall be negotiable;

(e) (f) No appointment of a new teacher shall be made while there is available, on unrequested leave, a teacher who is properly licensed to fill such vacancy, unless the teacher fails to advise the school board within 30 days of the date of notification that a position is available to him that teacher, that he or she may return to employment and that he or she will assume the duties of the position to which appointed on a future date determined by the board;

(f) (g) A teacher placed on unrequested leave of absence may engage in teaching or any other occupation during the period of this leave;

(g) (h) The unrequested leave of absence shall not impair the continuing contract rights of a teacher or result in a loss of credit for previous years of service;

(h) (i) The unrequested leave of absence of a teacher who is placed on unrequested leave of absence prior to January 1, 1978 and who is not reinstated shall continue for a period of two years after which the right to reinstatement shall terminate. The unrequested leave of absence of a teacher who is placed on unrequested leave of absence on or after January 1, 1978 and who is not reinstated shall continue for a period of five years, after which the right to reinstatement shall terminate; provided the teacher's right to reinstatement shall also terminate if he or she fails to file with the board by April 1 of any year a written statement requesting reinstatement;

(i) (j) The same provisions applicable to terminations of probationary or continuing contracts in subdivisions 3 and 4 shall apply to placement on unrequested leave of absence;

(j) (k) Nothing in this subdivision shall be construed to impair the rights of

teachers placed on unrequested leave of absence to receive unemployment compensation if otherwise eligible.

Sec. 32. Minnesota Statutes 1982, section 125.17, subdivision 1, is amended to read:

Subdivision 1. [WORDS, TERMS, AND PHRASES.] Unless the language or context clearly indicates that a different meaning is intended, the following words, terms, and phrases, for the purposes of the following subdivisions in this section shall be defined as follows:

(a) [TEACHERS.] The term "teacher" includes every person regularly employed, as a principal, or to give instruction in a classroom, or to superintend or supervise classroom instruction, or as placement teacher and visiting teacher. Persons regularly employed as counselors and school librarians shall be covered by these sections as teachers if licensed as teachers or as school librarians.

(b) [SCHOOL BOARD.] The term "school board" includes a majority in membership of any and all boards or official bodies having the care, management, or control over public schools.

(c) [DEMOTE.] The word "demote" means to reduce in rank or to transfer to a lower branch of the service or to a position carrying a lower salary or compensation.

(d) [NONPROVISIONAL LICENSE.] *For purposes of this section, "nonprovisional license" shall mean an entrance, continuing, or life license.*

Sec. 33. Minnesota Statutes 1982, section 125.17, subdivision 11, is amended to read:

Subd. 11. [SERVICES TERMINATED BY DISCONTINUANCE OR LACK OF PUPILS; PREFERENCE GIVEN.] (a) Any teacher whose services are terminated on account of discontinuance of position or lack of pupils shall receive first consideration for other positions in the district for which ~~she~~ that teacher is qualified. In the event it becomes necessary to discontinue one or more positions, in making such discontinuance, teachers shall be discontinued in any department in the inverse order in which they were employed.

(b) *Notwithstanding the provisions of clause (a), no teacher shall be entitled to exercise any seniority when that exercise results in that teacher being retained by the district in a field for which the teacher holds only a provisional license, as defined by the board of teaching, unless that exercise of seniority results in the termination of services, on account of discontinuance of position or lack of pupils, of another teacher who also holds a provisional license in the same field. The provisions of this clause shall not apply to vocational education licenses.*

(c) *Notwithstanding the provisions of clause (a), no teacher shall be reinstated to a position in a field in which the teacher holds only a provisional license, other than a vocational education license, while another teacher who holds a nonprovisional license in the same field is available for reinstatement.*

Sec. 34. Minnesota Statutes 1982, section 275.125, subdivision 2d, is

amended to read:

Subd. 2d. [REFERENDUM LEVY.] (1) The levy authorized by subdivision 2a may be increased in any amount which is approved by the voters of the district at a referendum called for the purpose. ~~Such a~~ *The* referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. The referendum shall be held on a date set by the school board. ~~Only one such election~~ *two elections* may be held to approve a levy increase which will commence in a specific school year. ~~However, more than one referendum may be held to approve a levy increase to commence in the 1983-1984 school year.~~ The question on the ballot shall state the maximum amount of the increased levy in mills, the amount that will be raised by that millage in the first year it is to be levied, and that the millage shall be used to finance school operations. ~~The question ballot~~ *may* designate a specific number of years for which the referendum authorization shall apply. ~~The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:~~

“Shall the increase in the levy proposed by (petition to) the board of, School District No. ..., be approved?”

If approved, the amount provided by the approved millage applied to each year's taxable valuation shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(2) A referendum on the question of revoking or reducing the increased levy amount authorized pursuant to clause (1) of this subdivision may be called by the school board and shall be called by the school board upon the written petition of qualified voters of the district. A levy approved by the voters of the district pursuant to clause (1) of this subdivision must be made at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one such revocation or reduction election may be held to revoke or reduce a levy for any specific year and for years thereafter.

(3) A petition authorized by clause (1) shall be effective if signed by a number of qualified voters in excess of 15 percent, or ten percent if the school board election is held in conjunction with a general election, of the average number of voters at the two most recent district wide school elections. A referendum invoked by petition shall be held within three months of submission of the petition to the school board.

(4) A petition authorized by clause (2) shall be effective if signed by a number of qualified voters in excess of five percent of the residents of the school district as determined by the most recent census. A revocation or reduction referendum invoked by petition shall be held within three months of submission of the petition to the school board.

(5) Notwithstanding any law to the contrary, the approval of 50 percent plus one of those voting on the question is required to pass a referendum.

(6) Within 30 days after the district holds a referendum pursuant to this clause, the district shall notify the commissioner of education of the results of the referendum.

Sec. 35. Minnesota Statutes 1982, section 136A.02, subdivision 1, is amended to read:

Subdivision 1. The higher education coordinating board shall consist of eight citizen members, one from each congressional district, to be appointed by the governor with the advice and consent of the senate, and three citizen members also to be appointed by the governor ~~by~~ and with the advice and consent of the senate to represent the state at large. All appointees to the board shall be selected for their knowledge of and interest in post secondary education and at least one shall be selected specifically for ~~his~~ knowledge of and interest in vocational education. *No member of the board shall be an employee of or receive compensation from a public or private post-secondary institution while serving on the board.*

Sec. 36. Minnesota Statutes 1982, section 475.61, subdivision 3, is amended to read:

Subd. 3. [IRREVOCABILITY.] Tax levies so made and filed shall be irrevocable, except as provided in this subdivision.

In each year when there is on hand any excess amount in the debt service fund of a school district at the time the district makes its property tax levies, the amount of the excess shall be certified by the school board to the county auditor and the auditor shall reduce the tax levy otherwise to be included in the rolls next prepared by the amount certified, unless the school board determines that the excess amount is necessary to ensure the prompt and full payment of the obligations and any call premium on the obligations, or will be used for redemption of the obligations in accordance with their terms. An amount shall be presumed to be excess for a school district in the amount that it, together with the levy required by subdivision 1, will exceed 106 percent ~~in excess~~ of the amount needed to meet when due the principal and interest payments on the obligations due before the second following July 1. This subdivision shall not limit a school board's authority to specify a tax levy in a higher amount if necessary because of anticipated tax delinquency.

If the governing body, including the governing body of a school district, in any year makes an irrevocable appropriation to the debt service fund of moneys actually on hand or if there is on hand any excess amount in the debt service fund, the recording officer may certify to the county auditor the fact and amount thereof and the auditor shall reduce by the amount so certified the amount otherwise to be included in the rolls next thereafter prepared.

Sec. 37. Laws 1967, chapter 822, is amended by adding a section to read:

Sec. 12. [OTHER PROGRAMS AND SERVICES.]

The board may also provide any other educational programs or other services requested by a participating district. However, these programs and services may not be post-secondary programs or services. Academic offerings shall be provided only under the direction of properly licensed academic supervisory personnel.

Sec. 38. Laws 1969, chapter 775, section 3, subdivision 2, as amended by Laws 1971, chapter 267, section 2, is amended to read:

Subd. 2. It shall be the duty and the function of the intermediate district to furnish to every person eligible therefor residing in any part of such district

and such other resident of the state as provided by law the following:

(a) Vocational school facilities and instruction in vocational-technical education;

(b) Facilities for and instruction in special education.

The board may also provide any other educational programs or other services requested by a participating district. However, these programs and services may not be post-secondary programs or services. Academic offerings shall be provided only under the direction of properly licensed academic supervisory personnel.

Sec. 39. Laws 1969, chapter 1060, is amended by adding a section to read:

Sec. 7. [OTHER PROGRAMS AND SERVICES.]

The board may also provide any other educational programs or other services requested by a participating district. However, these programs and services may not be post-secondary programs or services. Academic offerings shall be provided only under the direction of properly licensed academic supervisory personnel.

Sec. 40. Laws 1974, chapter 237, section 1, is amended to read:

Section 1. [INDEPENDENT SCHOOL DISTRICT NO. 709; TERMINATION OF TEACHING POSITIONS.] Independent School District No. 709, St. Louis county, and the exclusive representative of teachers as defined by Minnesota Statutes, 1973 Supplement, Section 179.63, Subdivision 13, may enter into a written agreement with respect to the termination of such teachers due to discontinuance of position or lack of pupils within the school district, which may include a method, system or scheme other than that provided by Minnesota Statutes, Section 125.17, Subdivision 11, or any act amendatory thereof. *The written agreement entered into pursuant to this section shall not include provisions allowing a teacher to exercise any seniority when that exercise results in the teacher being retained by the district in a field for which the teacher holds only a provisional license, as defined by the board of teaching, other than vocational education license, unless that exercise of seniority results in the termination of services, on account of discontinuance of position or lack of pupils, of another teacher who also holds a provisional license in the same field. In addition, the written agreement entered into pursuant to this section shall not include provisions allowing a teacher to be reinstated to a position in a field in which the teacher holds only a provisional license, other than a vocational education license, while another teacher who holds a nonprovisional license in the same field is available for reinstatement.*

Sec. 41. Laws 1981, chapter 358, article VII, section 29, as amended by Laws 1981, Third Special Session chapter 1, article 1, section 10, and by Laws 1982, chapter 548, article IV, section 19, is amended to read:

Sec. 29. [EXEMPTION FROM PUBLIC SALE.] Notwithstanding Minnesota Statutes, section 124.76, from ~~June 1, 1981~~ July 1, 1983 until June 30, 1983 1985, the requirements as to public sale of tax and aid anticipation certificates of indebtedness shall not apply to certificates which mature no later than twelve months after their date of issue. The interest rate on these

certificates may be determined by direct negotiation.

Sec. 42. [BEMIDJI REGIONAL INTERDISTRICT COUNCIL.]

The Bemidji regional interdistrict council, formed according to Minnesota Statutes, section 471.59, may acquire real property by receiving a gift of the owner's equity and either entering into a contract for deed or assuming the obligations of the mortgage existing on the property. The real property shall be used by the council for educational programs and other related services. Each district which is a member of the council shall pay its pro rata share of the mortgage or contract for deed payments from its capital expenditure fund.

Sec. 43. [DATE OF CONSOLIDATION.]

Notwithstanding Minnesota Statutes, section 122.23, subdivision 13, or any other law to the contrary, the effective date of a consolidation of Independent School District No. 694, Buhl, with one or more school districts may be a date in 1984, as agreed upon by the school boards of the affected districts.

Sec. 44. [BOARD OF CONSOLIDATED DISTRICT.]

Independent School District No. 694, Buhl, and one or more districts with which it consolidates according to Minnesota Statutes, section 122.23, and any other applicable provisions of law, may agree to any of the following:

(a) A school board of not more than seven members, (b) election districts of the size and with the population desired by the consolidating districts, and (c) election of school board members in any manner agreed upon, such as at large from a previously existing district or from the newly consolidated district, some members at large, some members from election districts or from previously existing districts. However, at least six years after the first election of the consolidated district board, the board shall comply with the general provisions of law governing election of school board members. To the extent the provisions of Minnesota Statutes, section 122.23, or any other applicable law are inconsistent with this section, the provisions of this section shall apply.

Sec. 45. [PILOT PROJECTS USING MICROCOMPUTERS.]

The department of education shall pilot test microcomputer-based financial reporting systems in up to eight school districts during the 1983-1984 school year. The alternative reporting system must comply with Minnesota Statutes, sections 121.90 to 121.917.

The school districts selected as pilot sites shall operate parallel reporting systems until such time that the department certifies that the alternative system meets the reporting requirements. The systems to be tested shall include one developed by the Minnesota educational computing consortium and at least one other available system recommended for testing by the ESV computer council, in consultation with the department. The alternative reporting systems operated by school districts selected as pilot sites shall be exempt from the requirements in Minnesota Statutes, section 121.936, subdivision 1, clause (b)(2), for the 1983-1984 school year.

The department shall evaluate the pilot systems. The evaluation shall in-

clude recommendations on the feasibility and efficiency of reporting directly to the department, reporting to the department through the regional management information centers, or by other methods. The ESV computer council shall review the evaluation of the pilot systems and report its findings to the house education and appropriations committees and senate education and finance committees by February 15, 1984. The cost of the evaluation shall be paid by the department of education.

Sec. 46. [TIME PERIOD EXTENDED.]

Notwithstanding the provisions of Minnesota Statutes 1982, section 125.185, and 5 MCAR S 3.002, the board of teaching shall extend the time period to apply for a life license from July 1, 1982 to January 1, 1984.

Sec. 47. [NONRESIDENT PUPIL; INDEPENDENT SCHOOL DISTRICT NO. 181.]

Subdivision 1. Any pupil who, as of June 30, 1983, has continuously been enrolled for a period of two or more consecutive school years in Independent School District No. 181 without a tuition agreement pursuant to section 123.39, subdivision 5, or 124.18, subdivision 2, and was not a resident of that district, may continue in enrollment in that district as long as the pupil resides in a dwelling on the same property upon which the pupil resided on May 1, 1983. Independent School District No. 181 shall be considered the pupil's district of residence.

Subd. 2. Subdivision 1 shall also apply to any brother or sister of a qualified pupil who is related to that pupil by blood, adoption or marriage and to any foster child of that pupil's parents, as long as the sibling or foster child resides in a dwelling on the same property upon which the qualified pupil resided on May 1, 1983.

Subd. 3. The provisions of subdivisions 1 and 2 shall be effective without local approval, according to Minnesota Statutes, section 645.023, subdivision 1, clause (a).

Sec. 48. [CENTRAL MINNESOTA EDUCATIONAL RESEARCH AND DEVELOPMENT COUNCIL.]

The central Minnesota educational research and development council, an entity formed by member school districts pursuant to Minnesota Statutes, section 471.59, is authorized pursuant to resolution to issue bonds, notes, or other obligations on behalf of its member school districts in order to provide funds to carry out its purposes. The obligations so issued shall be payable solely from the revenues, earnings, and assets of the entity and not be a liability or debt of any of the member school districts.

The obligations issued pursuant to this section may be issued without an election. However, if the obligations are issued for the acquisition or betterment of a building, an election shall be required. The obligations issued pursuant to this section may be sold at public or private sale and shall be in the forms and amounts, bear interest and mature and be subject to optional or mandatory redemption as the joint board may determine. This section shall not limit or restrict the ability of the member school districts to issue obligations or incur indebtedness pursuant to section 471.59 without regard to this section.

Sec. 49. [INTERMEDIATE SCHOOL DISTRICT STUDY.]

On December 1, 1983, the commissioner of education shall report to the education committees of the legislature about funding levels for secondary vocational services and special education services offered by Intermediate School Districts Nos. 916, 917, and 287. The report shall include an analysis of the use of special levies by intermediate districts and the ability of intermediate school districts to provide programs, compared to the ability of non-member districts or cooperative centers to provide programs.

The report shall include recommendations which would ensure equal opportunities for all districts to provide secondary vocational and special education services. The report shall also include recommended procedures for defining operating fund and capital fund needs, clarifying accounting procedures, and establishing tuition rates at secondary vocational and special education cooperatives. The report shall also include recommendations on whether school district cooperatives utilizing joint powers agreements should be able to lease-purchase real property and any statutory changes necessary to implement these recommendations.

Sec. 50. [ADMISSION REQUIREMENTS.]

Subdivision 1. [DEVELOPMENT OF PROPOSAL.] By November 15, 1983 the board of regents of the University of Minnesota, the state university board, the community college board, and the state board for vocational education shall develop proposals for admission requirements for incoming freshmen. Each proposal shall specify secondary curriculum requirements necessary for admission into institutions of that system. The proposals may include such requirements as minimum grade point average and standardized test scores.

Subd. 2. [REVIEW AND COMMENT.] The higher education coordinating board shall review and comment on the proposals developed according to subdivision 1.

Subd. 3. [FACTORS.] In developing proposals, the boards shall consider such factors as freshman level of preparedness for post-secondary work, the distinct missions of each system, the effect of the proposals on students, and the short-term and long-term effect of the proposals on the quality of education at all levels.

Subd. 4. [REPORT.] The higher education coordinating board shall report to the education committees of the legislature by January 1, 1984.

Sec. 51. [EXEMPTION FROM APPLICATION.]

The provisions of sections 29 to 33 and 40 shall not apply to any final decisions relating to placing teachers, as defined in Minnesota Statutes 1982, section 125.12, subdivision 1, on unrequested leaves of absence or, in the case of cities of the first class, termination of services of teachers, as defined in Minnesota Statutes 1982, section 125.17, subdivision 1, on account of discontinuance of position or lack of pupils made by school boards prior to the effective date of this act. The provisions of this act shall not apply to any school district that, on the effective date of this act, is governed by a contractual agreement which includes specific terms explicitly allowing the exercise of seniority rights by teachers holding provisional licenses, the re-

sults of which would be contrary to the provisions of this act, until the expiration of that contractual agreement. All contractual agreements entered into after the effective date of this act shall be consistent with this act.

Sec. 52. [REPEALER.]

Minnesota Statutes 1982, section 122.90, is repealed.

Sec. 53. [APPROPRIATION; COMMISSION ON EDUCATION.]

There is appropriated \$150,000 from the general fund to the legislative commission on public education. The sum is available until June 30, 1985.

Sec. 54. [EFFECTIVE DATE.]

Sections 1, 5, 15, 18, 19, 27, 28, and 34 are effective the day following final enactment.

ARTICLE 8

TECHNOLOGY AND EDUCATIONAL IMPROVEMENT

Section 1. [121.601] [SUBJECT AREA INSERVICE TRAINING.]

Subdivision 1. [ESTABLISHMENT.] The department of education shall establish a program for providing inservice training to school district staff. During the first year, the program shall provide inservice training to elementary and secondary staff in mathematics, science, and social science. For each succeeding year of the program, the commissioner shall recommend to the legislature subject areas for which inservice training programs shall be provided. Inservice training programs shall be designed to offer a broad spectrum of experiences, including activities which require active participant involvement rather than classroom lectures. To the extent possible, the inservice training programs shall be integrated with the technology inservice training provided according to sections 14 and 15 of this article.

Subd. 2. [PROPOSALS.] Grant proposals submitted by eligible applicants to the department shall include at least the following:

- (a) a variety of staff education activities which are designed to assess and upgrade skills of those attending the training programs;*
- (b) provisions for addressing the requirements for licensure for those staff who currently are not licensed in the designated areas but who desire to be so licensed;*
- (c) a plan for staff who participate in the training program to return to their school districts and provide training programs or disseminate information on inservice programs to other staff in their districts and regions;*
- (d) a process for notifying staff in the state who teach in the designated subject areas and who are eligible for the program, a process for selecting staff to participate in the inservice training program, and a mechanism for evaluation to be provided to the state board upon completion of the program;*
- (e) an estimated budget for the program, which shall provide for tuition expenses, related expenses including meals and lodging, and a stipend for participants in the program; and*
- (f) other information that may be requested by the department.*

Subd. 3. [ELIGIBLE APPLICANTS.] The department may allocate money to public or nonpublic institutions of higher education, public or private nonprofit organizations, educational cooperative service units, or school districts for the purpose of providing inservice training according to this section. When approving or disapproving grants, the department shall ensure geographic accessibility of the programs to teachers throughout the state and a balance of programs available in different subject areas.

Subd. 4. [CONSULTATION.] When making grants for the inservice training programs according to this section, the department shall consult with elementary and secondary staff in the designated subject areas to ensure that proposals submitted incorporate recent research findings and address the retraining needs of staff in those subject areas.

Subd. 5. [PRIVATE MONEY.] The commissioner of education may accept contributions from additional private or public sources to supplement state money provided by this section. These contributions shall be added to the total amount of available state money and shall be administered by the department in the same manner as state money.

Subd. 6. [FEDERAL MONEY.] The commissioner of education shall apply for and accept all federal money available for inservice training programs in the designated subject areas.

Subd. 7. [APPLICATION DATES.] Applications for inservice training programs to be conducted during a school year shall be submitted to the department by January 15 preceding the beginning of that school year. The department shall approve or disapprove applications by the following March 1.

Sec. 2. [121.608] [INSTRUCTIONAL EFFECTIVENESS PLAN.]

By January 1, 1984, the commissioner of education shall develop a comprehensive statewide plan for maintaining and improving instructional effectiveness in the schools. The plan shall encourage implementation of school effectiveness strategies based on research findings in the area, develop in-service training models for school district staff, integrate developments in educational technology with classroom instruction models, and develop a mechanism for establishing a statewide network to coordinate and disseminate information on research in instructional effectiveness. The commissioner may employ consultants and specialists to assist in the development of the plan, and, to the extent possible, shall utilize the information provided by the planning, evaluation, and reporting process and the statewide assessment program.

Sec. 3. [121.609] [INSTRUCTIONAL EFFECTIVENESS TRAINING.]

Subdivision 1. [ADVISORY TASK FORCE; PROGRAM MODEL.] By January 1, 1984, the commissioner of education shall appoint an advisory task force to assist the department of education, in cooperation with the educational cooperative service units, in developing an implementation model for training school district staff in instructional effectiveness. The training program model shall be based on established principles of instructional design and the essential elements of effective instruction as determined by educational research. The training program model shall take into account the diverse needs of the school districts due to such factors as district size

and location, and shall be structured to facilitate regional delivery of the training through the educational cooperative service units.

Subd. 2. [PILOT TESTING OF TRAINING MODEL.] Between January 1, 1984, and January 1, 1985, the commissioner shall administer a pilot program of the instructional effectiveness training models which shall be implemented in at least 20 pilot sites throughout the state. The advisory task force established in subdivision 1 of this section may recommend modifications in the training models as necessary.

Subd. 3. [EVALUATION AND REPORT.] The commissioner shall pay an independent evaluator to conduct an evaluation of the effectiveness of this section. The evaluator shall submit a report, including a sample survey of district personnel trained at the pilot sites, to the commissioner by January 1, 1985.

Sec. 4. [121.612] [CITATION.]

Subdivision 1. This section may be cited as the "Minnesota Academic Excellence Act."

Subd. 1a. [CREATION OF FOUNDATION.] There is created the Minnesota Academic Excellence Foundation. The purpose of the foundation shall be to promote academic excellence in Minnesota public schools through a public-private partnership. The foundation shall be a nonprofit organization.

Subd. 2. [BOARD OF DIRECTORS.] The board of directors of the foundation shall consist of the governor or the governor's designee; the chairpersons of the education committee and education finance division in the house of representatives and the chairpersons of the education committee and education subcommittee on education aids in the senate; a minority member of the house of representatives to be appointed by the house minority leader; a minority member of the senate, to be appointed by the senate minority leader; the commissioner of education; and 15 members to be appointed by the governor. Of the 15 members appointed by the governor, six shall represent various education groups and nine shall represent various business groups. The board of directors shall meet as soon as possible after the effective date of this section. The commissioner of education shall serve as secretary for the board of directors and provide administrative support to the foundation.

Subd. 3. [FOUNDATION PROGRAMS.] The foundation shall plan for programs which advance the concept of educational excellence. These may include but are not limited to:

(a) recognition programs and awards for students demonstrating academic excellence;

(b) summer institute programs for students with special talents;

(c) recognition programs for teachers, administrators, and others who contribute to academic excellence;

(d) summer mentorship programs with business and industry for students with special career interests and high academic achievements;

(e) governor's awards ceremonies to promote academic competition; and

(f) consideration of the establishment of a Minnesota high school academic

league.

To the extent possible, the foundation shall make these programs available to students in all parts of the state.

Subd. 4. [PRIVATE FUNDING.] The foundation shall seek private resources to supplement the available public money. Individuals, businesses, and other organizations may contribute to the foundation in any manner specified by the board of directors. All money received shall be administered by the board of directors.

Subd. 5. [REPORT.] By February 1, 1984, and February 1, 1985, the board of directors of the foundation shall report to the education committees of the legislature on the progress of its activities made pursuant to the provisions of this section.

Sec. 5. Minnesota Statutes 1982, section 122.41, is amended to read:

122.41 [POLICY.]

~~It is hereby declared to be~~ The policy of the state ~~is~~ to encourage ~~the~~ organization of school districts into ~~such local~~ units of administration ~~as will~~ to afford better educational opportunities for all pupils, make possible a more economical and efficient operation of the schools, and insure a more equitable distribution of public school revenue. To this end all area of the state shall be included in an independent or special school district maintaining classified elementary and secondary schools, grades one through twelve, unless a district has made an agreement with another district or districts as provided in section 8 of this article or 122.541.

Sec. 6. Minnesota Statutes 1982, section 122.43, is amended to read:

122.43 [DISSOLUTION OF DISTRICTS NOT A PART OF INDEPENDENT DISTRICTS.]

Subdivision 1. ~~If there be~~ Any organized school district not a part of an independent school district maintaining classified elementary and secondary schools, grades one through twelve ~~is dissolved~~, unless the district has made an agreement with another district or districts as provided in section 8 of this article or 122.541, ~~such district shall hereby be dissolved.~~

Subd. 2. The board of each district so dissolved shall continue to maintain school ~~therein~~ until all its territory ~~thereof~~ has been attached to a proper district not later than July 1; ~~but~~. Such boards shall ~~have power and authority~~ only ~~to~~ make such contracts and ~~to~~ do such things as are necessary to maintain ~~schools~~ properly ~~the schools~~ for the period they may be in session prior to the attachment.

Sec. 7. Minnesota Statutes 1982, section 122.44, is amended to read:

122.44 [PROCEDURE FOR ATTACHMENT TO ORGANIZED DISTRICTS; PROCEDURE.]

Subdivision 1. Upon notice and hearing, as provided in section 122.22 for the attachment of dissolved districts, all territory of school districts dissolved by sections 122.41 to 122.52 and all area of the state not in a district maintaining classified elementary and secondary schools shall be attached by order of the county board to organized districts maintaining classified

elementary and secondary schools, grades one through twelve, unless a district has made an agreement with another district or districts as provided in section 8 of this article or 122.541.

Sec. 8. [122.535] [AGREEMENTS FOR SECONDARY EDUCATION.]

Subdivision 1. [APPLICABILITY.] The provisions of this section shall apply to a district with fewer than 375 pupils enrolled in grades 7 through 12.

Subd. 2. [AGREEMENT.] The school board may enter into one or more agreements providing for instruction of its secondary pupils in one or more districts. The agreement shall be effective on July 1 and shall be for a specified or indefinite number of years. The agreement shall set forth the obligations of transportation, the tuition to be paid to the providing district, and all additional charges and fees to be paid to the providing district. The amount of tuition shall not be subject to the provisions of section 124.18, subdivision 2. The agreement may provide for negotiation of a plan for the assignment or employment in a providing district as an exchange teacher according to section 125.13, or placement on unrequested leave of absence of teachers whose positions are discontinued as a result of the agreement. "Teacher" has the meaning given it in section 125.12, subdivision 1.

Subd. 3. [INFORMATIONAL MEETING.] Before entering into agreements permitted by subdivision 2 of this section, the school board shall hold a public hearing. The board shall publish notice of the hearing in the newspaper with the largest circulation in the district. If the board proposes to enter into agreements with two or more districts, the board may conduct separate or consolidated hearings.

Subd. 4. [REVIEW AND COMMENT.] After the hearing required by subdivision 3 of this section and before entering into an agreement, the board shall submit the agreement to the commissioner of education for review and comment.

Subd. 5. [AID PAYMENTS.] A district entering into an agreement permitted in subdivision 2 of this section shall continue to count its resident pupils who are educated in other districts as resident pupils in the calculation of pupil units for the purposes of state aids, levy limitations, and any other purpose. A district may continue to provide transportation and collect transportation aid for its resident pupils. For purposes of aid calculations, the commissioner of education may adjust the cost per eligible pupil transported to reflect changes in cost resulting from the agreement, if any.

Sec. 9. Minnesota Statutes 1982, section 123.741, subdivision 1, is amended to read:

Subdivision 1. The school board of each school district in the state shall develop and adopt a written educational policy which establishes educational goals for the district, a process for achieving these goals, and procedures for evaluating and reporting progress toward the goals. *These goals shall include meeting the curriculum requirements adopted by the state board of education.* The school board shall review this policy each year and adopt revisions which it deems desirable. School boards are encouraged to develop this school district policy and any revisions after consultation with the staff of each school building. In formulating the policy, the school board of a district is encouraged to consider: (a) the number of dropouts of school

age in the district and the reasons for the dropouts; (b) existing programs within the district for dropouts and potential dropouts and (c) program needs of dropouts and potential dropouts.

Sec. 10. [129B.10] [CITATION.]

Sections 12 to 20 of this article may be cited as the "Minnesota Education Technology Act."

Sec. 11. [ADVISORY COMMITTEE ON TECHNOLOGY IN EDUCATION.]

By July 1, 1983, a 15 member advisory committee on technology in education shall be appointed by the governor to assist in the implementation of sections 13 to 20 of this article. Representation on the advisory committee shall include public school teachers and administrators, school boards, parents, department of education, Minnesota educational computing consortium, at least one regional management information center, council on quality education, higher education, and at least two members from high technology business and industry. Advisory committee members shall be knowledgeable about the use of technology in elementary and secondary education. The advisory committee shall terminate on June 30, 1985.

Sec. 12. [129B.11] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purpose of sections 13 to 20 of this article, the following terms have the meanings given them, unless clearly provided otherwise.

Subd. 2. [AVERAGE DAILY MEMBERSHIP.] "Average daily membership" has the meaning given it in section 124.17, subdivision 2.

Subd. 3. [COURSEWARE PACKAGE.] "Courseware package" means integrated videotape and videodisk, computer disk, and software and its supporting materials, such as workbooks and textbooks.

Subd. 4. [STATE BOARD.] "State board" means state board of education.

Subd. 5. [ADVISORY COMMITTEE.] "Advisory committee" means the advisory committee on technology in education established in section 11 of this article.

Subd. 6. [TECHNOLOGY.] "Technology" includes, but is not limited to, computers, telecommunications, cable television, interactive video, film, low-power television, satellite communications, and microwave communications.

Sec. 13. [129B.12] [TECHNOLOGY UTILIZATION PLANS.]

Subdivision 1. [DEVELOPMENT OF PLAN.] Each school district is encouraged to develop and adopt as part of its educational policy a written technology utilization plan, in consultation with the curriculum advisory committee for planning, evaluation, and reporting appointed pursuant to section 123.741, subdivision 3. The district is encouraged to review the plan each year and adopt revisions as desired.

Subd. 2. [ELIGIBILITY FOR AID.] Each school district which intends to prepare and submit a technology utilization plan that complies with this sec-

tion is eligible to receive state aid. Application forms shall be provided to districts by the department of education by August 31, 1983.

Subd. 3. [AID FOR PLANNING.] A school district which applies for aid to develop a technology utilization plan shall receive \$0.75 times average daily membership for the 1982-1983 school year. No district which applied for aid shall receive less than \$500.

Subd. 4. [PAYMENT OF AID; SUBMISSION OF PLANS.] The department of education shall pay aid to a district within 30 days of receiving the district's application. Districts which receive aid shall submit technology utilization plans by January 31, 1984, or within 90 days of receiving aid, whichever is later.

Subd. 5. [CONTENTS OF PLAN.] The plan shall describe:

(a) how technology will be used to provide educational opportunities for people of all ages residing in the district, affirmatively addressing the needs of special populations, including females, minorities, and the disabled;

(b) goals for implementing the use of technology in the district, including instruction and management uses;

(c) means to achieve these goals, including proposed teacher inservice training;

(d) procedures for integrating the use of technology into the district's community education program; and

(e) procedures to evaluate and report progress toward the goals.

Subd. 6. [MODEL PLANS.] By August 31, 1983, the department of education, in consultation with the advisory committee, educational cooperative service units, Minnesota educational computing consortium, and appropriate regional management information centers formed according to section 121.935, subdivision 1, shall develop model plans and criteria for evaluating district plans. The department may employ consultants and specialists to assist in this effort. The model plans and criteria shall be distributed to districts, and the department shall assist in developing district plans, upon request.

Subd. 7. [APPROVAL OF PLAN.] The state board shall approve or disapprove a plan within 60 days of receiving the plan submitted by a district. The plan may be modified by the district, in consultation with the department, at any time prior to state board action on the plan. A plan that is disapproved may be revised and resubmitted for approval.

Sec. 14. [129B.16] [INSERVICE TRAINING FOR USE OF TECHNOLOGY.]

Subdivision 1. [ELIGIBILITY FOR AID.] Each school district with an approved technology utilization plan, according to section 13 of this article, may apply for state aid to provide inservice training for elementary and secondary public school staff on the use of technology in education. The inservice training should not be limited to formal classroom presentations. School districts are encouraged to cooperate in providing inservice training for staff members.

Subd. 2. [APPLICATIONS.] Applications containing specific inservice

training proposals for a district or combination of districts shall be submitted by December 1, 1984, in the form and manner prescribed by the department of education. The department shall approve or disapprove applications within 60 days of receipt.

Subd. 3. [AMOUNT OF AID.] A district or combination of districts whose application is approved shall receive \$1 times average daily membership for the 1982-1983 school year. Aid shall be paid within 30 days of approval.

Subd. 4. [STATEWIDE INSERVICE TRAINING.] By June 30, 1985, the department shall provide for supplemental regional or statewide inservice training for district staff on the use of technology in education. The department may employ consultants or specialists for this purpose, but shall ensure that these training activities do not duplicate or conflict with services provided by other governmental agencies or organizations.

Sec. 15. [129B.18] [REGIONAL COORDINATORS.]

The Minnesota educational computing consortium shall provide regional instructional computing coordinators with expertise in the use of technology in education. The Minnesota educational computing consortium and the department of education shall agree on the services to be provided by the regional coordinators. Among other responsibilities, the regional coordinators shall serve as onsite consultants to districts participating in technology utilization planning and inservice training.

Sec. 16. [129B.20] [TECHNOLOGY DEMONSTRATION SITES.]

Subdivision 1. [SITE DESIGNATION.] By January 15, 1984, the state board shall designate from eight to ten districts as technology demonstration sites and award each district a grant for use during the 1983-1984 and 1984-1985 school years.

Subd. 2. [CRITERIA FOR SELECTION.] In consultation with the department of education, appropriate regional management information centers, and the Minnesota educational computing consortium, the advisory committee shall develop selection criteria for review by the state board. The state board shall establish selection criteria to be distributed to districts by October 1, 1983. Criteria shall include at least the following:

(a) exemplary program of technology utilization existing in the district;

(b) evidence of willingness by district staff and the community to incorporate technology fully into the curriculum to demonstrate new instructional methods;

(c) willingness to match the grant awarded to the district; and

(d) willingness to share educational experiences with other interested parties.

For two of the sites, criteria may include participation of Minnesota high technology business or industry. Clause (a) may be excluded as a factor in selection of the two sites, one of which may be a rural district.

Subd. 3. [SITES THROUGHOUT THE STATE.] To the extent possible, the selected sites shall be geographically well-distributed with representation from urban, suburban, and rural areas.

Subd. 4. [GRANT AWARDS.] Applications for grants shall be submitted to the state board by December 1, 1983 in the form and manner prescribed by the department. Grants shall be awarded by January 15, 1984.

Subd. 5. [RECIPIENT DUTIES AND USE OF MONEY.] A district selected for a grant shall work cooperatively with the advisory committee, department of education, Minnesota educational computing consortium, higher education institutions in the area, and business and industry, as appropriate. A district selected for a grant shall have a technology utilization plan according to section 13 of this article. The district shall conduct at least one workshop each school year of the grant to demonstrate to other districts and interested parties its use of technology in education. Grant money may be used for equipment, consultants, curriculum development, and teacher training.

Subd. 6. [PRIVATE FUNDING.] The advisory committee shall seek funding and in-kind contributions from private sources to supplement state money for the purpose of awarding grants. Private contributions may be made directly to the technology demonstration sites.

Subd. 7. [EVALUATION OF SITES.] The state board shall evaluate the technology demonstration sites. It may contract with independent evaluators for this purpose.

Sec. 17. [129B.22] [COURSEWARE PACKAGE EVALUATION.]

Subdivision 1. [LIST.] By January 1, 1984, the department of education shall compile, publish, and distribute to districts a list of high quality courseware packages for use in public elementary and secondary schools. Every six months thereafter, the department shall supplement the list with recently evaluated materials.

Subd. 2. [PROCUREMENT.] The department shall obtain courseware packages for evaluation by notifying publishers and inviting them to submit their materials. The department may provide for evaluation of courseware packages that have not been submitted, if districts express strong interest in using the courseware packages.

Subd. 3. [CRITERIA.] The state board shall develop and adopt criteria and procedures for evaluation of courseware packages, in consultation with the department, advisory committee, appropriate regional management information centers, and the Minnesota educational computer consortium. The procedures developed shall contain a provision for resubmission of a courseware package. Chapter 14 shall not apply to the criteria and procedures.

Subd. 4. [CONSULTANTS.] The department may employ consultants to evaluate courseware packages and pay them fees based on the size and complexity of the courseware package involved. The evaluators shall certify to the state board that they have no financial interest in the product being evaluated or any similar or competing product.

Subd. 5. [EVALUATION TEAM.] The evaluation team for each courseware package shall include at least five persons, including three practicing teachers, from appropriate grade level or content areas, who will field test the courseware packages in their classrooms; one microcomputer profes-

sional knowledgeable in software and documentation techniques; and one curriculum content expert from the department. Each evaluation team member shall use the criteria and procedures adopted by the state board and submit a written report to the department upon completion.

Subd. 6. [HIGH QUALITY.] Based on the reports submitted by evaluation team members and the criteria and procedures adopted by the state board, the department shall determine whether the courseware package qualifies as high quality. The results shall be recorded in a standardized format and be available at the department for review by the courseware package producer and other interested persons.

Subd. 7. [DISPOSITION.] The department shall maintain a collection of the courseware packages evaluated as high quality. These materials shall be available to the public for review.

Sec. 18. [129B.23] [SUBSIDY FOR PURCHASE OF COURSEWARE PACKAGES.]

Subdivision 1. [AID AMOUNT.] A district that purchases or leases courseware packages that qualify as high quality according to section 17 of this article shall receive state aid. The aid shall be equal to the lesser of:

(a) \$1.60 times average daily membership for the 1982-1983 school year; or

(b) 25 percent of the actual expenditures of the district for purchase or lease of the courseware packages between January 1, 1984, and May 31, 1985.

Subd. 2. [AID PAYMENT.] Applications for aid shall be submitted in the form and manner prescribed by the department. Payment of aid shall be made by July 31, 1984, for applications received by June 30, 1984. Payment of aid shall be made by June 30, 1985, for applications received between July 1, 1984, and May 31, 1985.

Sec. 19. [129B.24] [PURCHASE OF COURSEWARE PACKAGE DUPLICATION RIGHTS.]

Rights to duplication of courseware packages may be purchased, and volume purchase agreements may be established by the department of education, if the department determines that the courseware packages qualify as high quality according to section 17 of this article, and if the courseware packages are available to the state at a lower cost than if purchased by school districts individually. The department shall make the courseware packages available to the Minnesota educational computing consortium for distribution to districts. The materials shall be available to districts without cost except for nominal costs of reproduction and distribution.

Sec. 20. [129B.26] [COURSEWARE PACKAGE DEVELOPMENT.]

Subdivision 1. [NEW COURSEWARE PACKAGES.] The Minnesota educational computing consortium, in consultation with the department of education, is authorized to develop and design courseware packages which will meet the needs of schools districts and which otherwise are unavailable or too expensive for individual districts or the state to purchase. The Minnesota educational computing consortium may:

(a) contract with school districts, private entrepreneurs, and other public or private agencies for the development of a specified courseware package;

(b) assist entrepreneurs to develop their own ideas for courseware packages that could be used in school districts, by providing funds for that purpose;

(c) secure copyrights for those materials in which it has a whole or part interest;

(d) sell developed courseware packages at cost to school districts in Minnesota and at commercial rates elsewhere; and

(e) sell or contract for the marketing of courseware packages.

The department of education shall evaluate whether the courseware packages qualify as high quality according to the criteria and procedures established in section 17 of this article.

Courseware packages developed according to this subdivision shall become the property of the Minnesota educational computing consortium. Revenue from the sale of these courseware packages shall be used to develop additional courseware packages according to this section.

Subd. 2. [DISTRIBUTION.] The Minnesota educational computing consortium may sell courseware packages to Minnesota school districts at cost and may sell to school districts in other states and to the general public at commercial rates. Each contract with a developer who shares in the profits of distribution shall include a provision requiring sale of the courseware packages at cost to Minnesota school districts.

Sec. 21. [INCREASE IN COMPLEMENT.]

To implement the provisions of sections 13 to 20 of this article, the department of education may increase its complement by two positions: one education specialist II and one clerical support position. The positions are in the classified service of the state civil service.

Sec. 22. [REPORT ON NEED FOR CURRICULUM CHANGES.]

By October 1, 1983, the commissioner of education shall develop and submit a report to the education committees of the legislature on the need for amending current rules governing curriculum requirements in the elementary and secondary public schools. In developing the recommendations, the commissioner shall consider the extent to which the proposed curriculum requirements shall adequately prepare the students for entering post-secondary institutions. The report shall include at least the following:

(1) preliminary information on the extent to which school districts are in compliance with the current curriculum requirements established in state board rules;

(2) a preliminary draft of proposed rules which would increase the curriculum requirements in elementary and secondary schools;

(3) recommendations for changes in the laws which impose penalties for noncompliance with state board of education rules;

(4) development of a statewide monitoring system to ensure compliance

with curriculum requirements;

(5) assessment of the feasibility of establishing learning requirements for elementary and secondary students to complete outside the classroom; and

(6) recommendations for changes in high school graduation requirements and achievement standards.

Sec. 23. [RULEMAKING ON CURRICULUM.]

By September 1, 1984, the state board of education shall adopt rules pursuant to chapter 14, establishing elementary and secondary curriculum requirements which will ensure that a minimum comprehensive educational program is available to all public school students in the state. The rules adopted by the state board shall be effective beginning in the 1985-1986 school year.

Sec. 24. [REPORT TO LEGISLATURE.]

The department of education shall evaluate the concept of extending the school year. The department shall consider at least the following: educational benefits, methods to extend the school year, fiscal implications, and other relevant factors. By November 1, 1983, the department shall report its findings and recommendations to the education committees of the legislature.

Sec. 25. [REPORTS TO THE LEGISLATURE.]

By February 1, 1984, the department of education shall report to the education committees of the legislature on the progress of implementing the programs in sections 1 to 3, and 13 to 20 of this article.

By February 1, 1985, the department of education shall report to the education committees of the legislature on preliminary evaluations of the programs and participants in sections 1 to 3, and 13 to 20 of this article.

Sec. 26. [APPROPRIATIONS; DEPARTMENT OF EDUCATION.]

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section. The sums are available until June 30, 1985.

Subd. 2. [SUBJECT AREA INSERVICE TRAINING.] The sum of \$500,000 is appropriated for the purposes of section 1 of this article. The department may use up to \$50,000 of this appropriation for administration and evaluation of the program.

Subd. 3. [INSTRUCTIONAL EFFECTIVENESS PLAN.] The sum of \$50,000 is appropriated for the purposes of section 2 of this article.

Subd. 4. [INSTRUCTIONAL EFFECTIVENESS TRAINING.] The sum of \$300,000 is appropriated for the purposes of section 3 of this article. No more than \$15,000 shall be used for the evaluation required in section 3, subdivision 3 of this article.

Subd. 5. [ACADEMIC EXCELLENCE FOUNDATION.] The sum of \$150,000 is appropriated for the purpose of section 4 of this article. No more than \$50,000 of this amount shall be used for administrative costs. The foundation shall add to this appropriation any additional money raised from other sources.

Subd. 6. [TECHNOLOGY UTILIZATION PLANS.] The sum of \$650,000 is appropriated for the purposes of section 13 of this article.

The department may use up to \$63,000 of the appropriation for costs of developing model plans and criteria, assisting districts to develop plans, and evaluating the program.

Subd. 7. [INSERVICE TRAINING.] The sum of \$936,000 is appropriated for the purposes of section 14 of this article.

The department may use up to \$220,000 of the appropriation for supplemental regional or statewide inservice training.

Subd. 8. [TECHNOLOGY DEMONSTRATION SITES.] The sum of \$1,600,000 is appropriated for the purposes of section 16 of this article. The department may use up to \$15,000 of the appropriation for costs of administering the program and up to \$40,000 for evaluating the program. The department shall allocate \$300,000 for the costs of inservice training conducted at the demonstration sites, including partial substitute pay and travel expenses for visitation to the sites from districts within the state.

Subd. 9. [COURSEWARE PACKAGE EVALUATION.] The sum of \$200,000 is appropriated for the purposes of section 17 of this article. The department may use up to \$15,000 of the appropriation for costs of administering the program.

Subd. 10. [SUBSIDY FOR COURSEWARE PURCHASE.] The sum of \$1,154,000 is appropriated for the purposes of section 16 of this article.

Subd. 11. [PURCHASE OF COURSEWARE DUPLICATION RIGHTS.] The sum of \$225,000 is appropriated for the purposes of section 19 of this article.

Subd. 12. [INCREASE IN COMPLEMENT.] The sum of \$125,000 is appropriated for the purposes of section 21 of this article.

Sec. 27. [APPROPRIATIONS; MINNESOTA EDUCATIONAL COMPUTING CONSORTIUM.]

Subdivision 1. There is appropriated from the general fund to the Minnesota educational computing consortium the amounts indicated in this section for the fiscal years ending June 30 in the year designated. Any unexpended balance from the appropriation for fiscal year 1984 shall not cancel but shall be available for fiscal year 1985.

Subd. 2. [REGIONAL COORDINATORS.] For regional instructional computing coordinators as provided in section 15 of this article, there is appropriated:

*\$280,000.....1984,
\$280,000.....1985.*

Subd. 3. [COURSEWARE PACKAGE DEVELOPMENT.] The sum of \$250,000 is appropriated for fiscal year 1984 for the purposes of section 20 of this article. The Minnesota educational computing consortium shall supplement this appropriation from other sources in its budget for the purpose of developing courseware packages.

Sec. 28. [EFFECTIVE DATE.]

Sections 1 to 4, and 10 to 20 of this article are effective the day following final enactment.

ARTICLE 9

COUNCIL ON QUALITY EDUCATION

Section 1. Minnesota Statutes 1982, section 121.503, is amended to read:

121.503 [PROGRAM SELECTION.]

Subdivision 1. [AUTHORIZATION.] A school district or group of districts that ~~wish~~ *wishes* to receive ~~moneys~~ *a grant* for improved learning programs may apply to the ~~state board of education~~ *council on quality education* for approval. Programs may be approved for one portion of a school population, ~~an entire school attendance area; one or several attendance areas, an entire school district; or one or a group of school districts.~~

Subd. 2. [APPLICATIONS.] The ~~state board~~ *council on quality education* shall prescribe the form and manner of *annual* application for the program. ~~The council on quality education may review and advise the state board on applications made for improved learning programs. Beginning in 1982, and each year thereafter, applications shall be submitted to the state board by January 15. If a district wishes to receive aid for the principal teacher, career teacher or counselor-teacher component of an improved learning program, an application for state aid must be submitted to the state board by January 15. The application may include estimates of salaries and fringe benefits for the next school year and for the additional time beyond the regular contract period for staff to be employed shall be itemized on the application for aid. The board shall notify all applicants of aid approved or denied by March 15 of each year. The board shall approve or deny applications in the order that they are received. The council shall require that each program be evaluated and it may contract for additional evaluation.~~

Subd. 2a. [DECLINING GRANT AMOUNTS.] *An improved learning program may receive grants for not more than three years. The grant amount for the second year of a program shall not exceed 75 percent of the grant amount for the first year. The grant amount for the third year of a program shall not exceed 50 percent of the grant amount for the first year. The council shall notify each recipient that no grant will be awarded after the third year and that the recipient is expected to continue successful programs without grants.*

Subd. 3. [WAIVERS RULES AND RIGHTS.] *On recommendation of the council of quality education, the state board of education may waive school district compliance with its rules which would prevent implementation of an improved learning program which receives approval from the state board. However, individuals participating Participation in the an improved learning program as a principal-teacher, counselor-teacher, or career teacher program shall maintain their not affect seniority date in the district and all or rights under the applicable collective bargaining agreement.*

Subd. 4. [ADDITIONAL FUNDING.] A school district providing an improved learning program may receive funds for the program from private sources and governmental agencies, including state or federal funds.

Subd. 5. [REPORT.] The ~~department~~ *council on quality education* shall

submit a report to the legislature by February 1, 1983, and by February 1 each year thereafter. This report shall include the number and description of programs approved, implementation status of programs approved, waivers granted, and evaluation of programs approved.

Sec. 2. Minnesota Statutes 1982, section 121.505, is amended to read:

121.505 [PROGRAM CRITERIA COMPONENTS.]

Subdivision 1. [MANDATORY COMPONENTS.] A plan for An improved learning program shall include:

(a) ~~Curricula, instructional strategy and use of materials responsive to the individual educational needs and learning styles of each pupil to enable students to make continuous progress and learn at a rate appropriate to their abilities participation by a designated individual as a principal-teacher, career teacher, or counselor-teacher, as defined in sections 121.506 and 121.507;~~

(b) ~~a plan to develop student abilities for both learner and teacher in basic skills and applied learning skills and, when appropriate, arts, humanities, physical, natural, and social sciences; multicultural education; physical, emotional, and mental health; consumer economics, and career education involve parents in planning the educational experiences of their children;~~

(c) ~~Plans to make use of community resources and communications media to pursue improved learning opportunities for pupils an annual plan for the district to evaluate program goals and objectives;~~

(d) ~~a staff development program for teachers and other school personnel, such as that found in sections 121.506 and 121.507 plan for the district to fund the program after the third year of the program;~~

(e) ~~A plan to improve the learning environment, including use of the community in general, to enhance the learning process;~~

(f) ~~A plan for annual and ongoing evaluation of program goals and objectives; and~~

(g) ~~A plan to involve parents in planning an improved learning program for their children.~~

Subd. 2. [OPTIONAL COMPONENTS.] A plan for An improved learning program may include:

(a) ~~A principal teacher and career teacher program as defined in section 121.506 efforts to improve curricula strategies, instructional strategies, and use of materials which respond to the individual educational needs and learning styles of each pupil in order to enable each pupil to make continuous progress and to learn at a rate appropriate to that pupil's abilities;~~

(b) ~~A counselor-teacher program as defined in section 121.507 efforts to develop student abilities in basic skills; applied learning skills; and, when appropriate, arts; humanities; physical, natural, and social sciences; multicultural education; physical, emotional, and mental health; consumer economics; and career education;~~

(c) ~~use of community resources and communications media to pursue improved learning opportunities for pupils;~~

(d) ~~staff development for teachers and other school personnel;~~

(e) *improvements to the learning environment, including use of the community in general, to enhance the learning process;*

~~(f)~~ (f) *cooperative efforts with other agencies involved with human services or child development and development of alternative community based learning experiences;*

~~(g)~~ (g) *apprenticeship post-secondary education components for ~~students~~ pupils who are able to accelerate or programs for ~~students~~ pupils with special abilities and interests who are given advanced learning opportunities within existing programs;*

~~(h)~~ (h) *use of volunteers in the learning program;*

~~(i)~~ (i) *flexible attendance schedules for ~~students~~ pupils;*

~~(j)~~ (j) *adult education component;*

~~(k)~~ (k) *coordination with early childhood and family education ~~component~~ programs;*

~~(l)~~ (l) *variable student/faculty ratios for special education students to provide for special programming;*

~~(m)~~ (m) *inclusion of nonpublic ~~students participating in an improved learning program~~ pupils as part of the ratio in the principal-teacher and career teacher component;*

~~(n)~~ (n) *application of educational research findings;*

~~(o)~~ (o) *summer learning experiences for students as recommended by the principal-teacher and career teacher;*

~~(p)~~ (p) *use of educational assistants, teacher aides or paraprofessionals as part of the improved learning program;*

~~(q)~~ (q) *establishment of alternative criteria for high school graduation; and*

~~(r)~~ (r) *variable age and class size groupings of students.*

Sec. 3. Minnesota Statutes 1982, section 129B.01, subdivision 2, is amended to read:

Subd. 2. [TERMS, COMPENSATION, REMOVAL, VACANCIES.] The membership terms, compensation, removal of members and filling of vacancies shall be as provided for in section 15.0575; *members appointed by organizations shall be subject to reappointment or removal by the appointing organizations.*

Sec. 4. Minnesota Statutes 1982, section 129B.02, is amended to read:

129B.02 [PURPOSE.]

Subdivision 1. [CONCERN FOR FUTURE.] The legislature of the state of Minnesota expresses concern over the future of elementary and secondary education in this state, its ability to meet the educational needs of the public school students, the professional growth and satisfaction of school staffs, the effectiveness and efficiency of present schools and their learning processes, continuing pupil unit cost escalation and the resulting financial crisis which this brings about. New approaches to the learning process, better utilization use of professional staff and community resources, different re-

quirements as to course offerings, course content, grading, graduation and school attendance must be researched and developed. It is believed that revised programs, innovations, new attitudes about learning and the public schools' responsibilities can be effectively achieved if ~~such~~ research and development ~~are~~ *is* performed by the council on quality education and at the local school level by the school's staff and with involvement by the students and their community. Although funds spent now for ~~such~~ *these* purposes can produce substantial educational and cost benefits in the future, ~~such~~ *these* capital type funds are seldom available within any single school district's budget.

Subd. 2. [RESEARCH AND DEVELOPMENT.] The purpose of the council on quality education is, therefore, to encourage, promote, aid, and perform research and development for quality education in Minnesota elementary and secondary schools, to evaluate the results of significant innovative programs and to disseminate information about these programs throughout the state.

To these ends, the council through the state board of education shall establish a venture fund from which grants or loans may be made in support of research and development programs relating to the problems and objectives ~~heretofore~~ described *in this section* which shall include but not be limited to:

- (1) effective ~~utilization~~ *use* of community personnel and resources-;
- (2) developing *improved learning programs, including* model personnel policies and procedures, new staffing *and educational* concepts such as differentiated staffing *and comprehensive developmental and educational planning for individual pupils-*;
- (3) assessment and evaluation of education programs-;
- (4) developing a ~~management and unit of instructional objectives design which will provide procedures to increase a school's accountability by relating time and dollars to the amount of learning produced-~~;
- (5) determining responsibilities to be assumed by the schools exclusively or concurrently with other agencies or individuals-;
- (6) effective dissemination of educational information-;
- (7) developing new knowledge about learning and teaching-;
- (8) developing model educational programs ~~as alternatives to existing educational practices and curricula~~ *and alternative delivery systems that will improve curriculum offerings for small rural schools-*;
- (9) model programs and innovations to increase equality of educational opportunities-;
- (10) research and testing of new concepts of educational efficiency, effectiveness and cost benefits-; *and*
- (11) comprehensive interdisciplinary programs in health education and comprehensive programs designed to coordinate and integrate the delivery of pupil support services.

Subd. 3. [NEW CONCEPTS.] The council shall not be limited to supporting innovations, programs or procedures supplementary to existing school

structures and programs but may assist or research entirely new concepts such as open schools, informal schools and the like. It is the legislature's intent that any supported program shall hold promise of both educational and cost benefits and that the costs and improvements in learning effectiveness introduced thereby shall be measured and related. *The council shall provide for an evaluation of each program which it supports with a grant or loan.*

The council may also review literature and other information about innovative programs in Minnesota and other states and disseminate the results of this research throughout the state. The council may identify ideas for innovative programs in the course of this research and solicit proposals from school boards for grants for such programs; ~~provided~~. *However, not to exceed more than ten percent of the funds appropriated to the venture fund in any year may be expended to fund such research and programs.*

Subd. 4. [REPORT TO LEGISLATURE.] The council shall make a report to the legislature by November 15 of each even numbered year to the legislature concerning all research and all proposals received and, the dispositions made thereof of them by the council and the state board of education, the evaluations of the programs that were funded, and of receipts and expenditures resulting from sales of materials developed through venture fund grants.

Sec. 5. Minnesota Statutes 1982, section 129B.04, is amended to read:

129B.04 [PROPOSALS.]

Subdivision 1. [REQUIREMENTS.] ~~The~~ *A school board of any local school district or any group of such school boards may develop a proposal for a grant or loan in support of a research and development program of the kind described in section 129B.02. Except for grants according to subdivision 1a, every such proposal shall include:*

(1) ~~a statement of~~ *the objectives of the program, and the procedures for achieving the objectives to achieve them;*

(2) ~~a description of~~ *the evaluation procedures for measuring the effectiveness of the program;*

(3) ~~provision for such~~ *fiscal control and fund accounting procedures as are necessary to assure proper disbursement and accounting for funds paid to the applicant;*

(4) ~~provision for~~ *administration of the program by the local school district, or in cooperation with other school districts, educational institutions, or local agencies under the supervision of the local school district; and*

(5) ~~a description of the involvement of local~~ *how school staff, students pupils, and members of the community are involved in planning and implementing the program.*

Subd. 1a. [MINI GRANTS.] The council may award grants not to exceed \$5,000 to districts to (1) disseminate information about successful projects initiated by the district with a grant from the venture fund, or (2) replicate cost-effective innovations which either were initiated in other districts with venture fund support or were validated by the department of education or

federal agencies. The council shall prescribe the form and manner of application for these grants.

Subd. 2. [PROCEDURE.] Every program proposal shall be submitted to the council created by section 129B.01, not less than ~~three~~ two months before the planned commencement of the program. The council shall recommend approval or disapproval, or shall modify and then recommend such modification with respect to every proposal submitted to it. The council shall also recommend the amount and type of grant to be made in support of the proposed program in the light of the then currently available moneys in the venture fund; ~~which.~~ This information shall be provided to the council by the state board of education. The council shall also recommend what rules ~~and regulations,~~ if any, shall be suspended or modified ~~in order~~ to implement the proposal. Only ~~such~~ proposals as ~~are~~ recommended for approval shall be transmitted by the council to the state board; ~~and.~~ All ~~such~~ these proposals shall be approved and funded from the venture fund by the state board as recommended by the council unless the state board, within 30 days of ~~receipt~~ ~~of after receiving~~ a proposal from the council, shall ~~make~~ makes other disposition of the proposal by formal board action. One half of each grant recommended by the council and funded by the state board may be ~~deemed~~ an interest free loan ~~to be~~ and repaid over a five year ~~period~~ years.

Sec. 6. [129B.041] [COPYRIGHT AND SALE OF PRODUCTS.]

Subdivision 1. [COPYRIGHT.] Products of projects and programs funded pursuant to sections 129B.01 to 129B.05, including curriculum and instructional materials, computer and telecommunications software, and associated manuals and reports, may be copyrighted by the council in the name of the state and may be sold. However, the state shall sell the products to all school districts and public agencies in the state at prices that do not exceed the cost of reproduction and distribution.

Subd. 2. [SALE.] The council shall enter into an agreement with the Minnesota educational computing consortium for the sale and distribution of computer and telecommunications software products of projects and programs funded pursuant to sections 129B.01 to 129B.05. The agreement shall provide that the products sold be clearly labeled as products developed pursuant to a grant or loan from the council on quality education.

Subd. 3. The education products revolving account is established in the state treasury. Except as provided in the agreement between the council and the Minnesota educational computing consortium pursuant to subdivision 2, proceeds up to the cost of reproduction and distribution from the sale of products under this section shall be deposited in this account. All funds in this account are annually appropriated to the department of education and shall be used to reproduce and distribute products of projects and programs funded pursuant to sections 129B.01 to 129B.05.

Subd. 4. Proceeds in excess of costs from the sale of products pursuant to this section shall be shared equally between the state and the school district which developed the product with a grant from the council. The school district share is appropriated to the department of education and shall be paid to the district. The state share is appropriated to the department of education and shall be placed in the venture fund of the council and used to fund similar projects.

Sec. 7. Minnesota Statutes 1982, section 129B.05, is amended to read:

129B.05 [STATE BOARD AND COMMISSIONER.]

Subdivision 1. [GENERAL POWERS.] The state board of education shall develop and promulgate ~~such~~ additional recommendatory guidelines as may be appropriate ~~for the furtherance of to further~~ sections 129B.01 to 129B.05 and the development and implementation of the *contemplated* programs ~~contemplated herein~~, for its benefit and the benefit of the council and applicants. The commissioner of education shall make available to the council at its request ~~such the staff as~~ the council deems necessary to perform its functions.

Subd. 2. [CONSULTANTS.] The council may also employ or contract for the services of ~~outside consultants, and.~~ *The consultants may be for purposes such as research, evaluation, dissemination, cost-benefit analyses, and in-service training. The council may contract with one or more qualified consultants or law firms specializing in securing broadcast and telecast licenses from the federal communications commission. The consultant or law firm shall assist with the preparation of all necessary license applications to the federal communications commission on behalf of school districts recommended by the council as transmission sites. The council may use as much of the annual appropriation to the state department of education, made for the purposes of sections 129B.01 to 129B.05 as is necessary, shall be made available to the council* for this purpose.

Sec. 8. Minnesota Statutes 1982, section 129B.09, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] The school board of any district, however organized, which receives early childhood and family education moneys from the council on quality education shall provide those services in ~~one elementary school attendance an area, or an area within the district,~~ if the council deems ~~the area~~ to be appropriate. The council on quality education shall prescribe the form and manner of application for the programs and shall select the grant recipients. These programs shall be as equally distributed as possible among districts in cities of the first class, in suburbs, and outside the seven county metropolitan area.

Sec. 9. Minnesota Statutes 1982, section 129B.09, subdivision 12, is amended to read:

Subd. 12. [NEGOTIATED GRANTS.] For the ~~1981-1982 and 1982-1983 1983-1984 school years~~ *year* the council on quality education may fund up to 36 early childhood and family education programs according to the negotiated grants procedure in sections 129B.01 to 129B.05.

For the 1983-1984 school year, the council on quality education shall only make grants to the early childhood and family education programs which were funded for the 1982-1983 school year.

Sec. 10. [REVIEW OF EARLY CHILDHOOD AND FAMILY EDUCATION FORMULAS.]

The council on quality education, with the assistance of the state board, shall review various formulas for statewide funding of early childhood and family education programs. The formulas reviewed shall include a formula

using a per capita aid amount distributed to school districts through the community education program and designated for early childhood and family education programs. The council shall report to the legislature by February 15, 1984, regarding its review of formulas.

Sec. 11. [REPORT TO LEGISLATURE.]

The council on quality education shall submit a report to the education committees of the legislature by February 15, 1984 containing evaluation data on programs designed to benefit handicapped adults and recommendations for policies for school districts to extend services to handicapped adults.

Sec. 12. [INSTRUCTION TO THE REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes is requested to renumber Minnesota Statutes, sections 121.501, 121.502, 121.503, 121.504, 121.505, 121.506, and 121.507 in an appropriate place in Minnesota Statutes, chapter 129B. The revisor of statutes is also requested to retitle chapter 129B as "Grants for Education".

Sec. 13. [REPEALER.]

Minnesota Statutes 1982, sections 122.542 and 124.251 are repealed.

Sec. 14. [APPROPRIATION.]

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [COUNCIL ON QUALITY EDUCATION; VENTURE FUND GRANTS.] For the council on quality education venture fund grants pursuant to sections 129B.01 to 129B.05, there is appropriated

\$778,000.....1984,
\$816,000.....1985.

(a) The appropriation for fiscal year 1984 includes \$84,000 for grants for fiscal year 1983 payable in fiscal year 1984, and \$694,000 for grants for fiscal year 1984 payable in fiscal year 1984.

(b) The appropriation for fiscal year 1985 includes \$122,000 for grants for fiscal year 1984 payable in fiscal year 1985, and \$694,000 for grants for fiscal year 1985 payable in fiscal year 1985.

(c) Any unexpended balance remaining from the appropriations in this subdivision for 1984 shall not cancel and shall be available for the second year of the biennium.

Subd. 3. [EARLY CHILDHOOD AND FAMILY EDUCATION PROGRAMS.] For early childhood and family education programs pursuant to sections 129B.06 to 129B.09, there is appropriated:

\$1,028,000.....1984.

The appropriation for fiscal year 1984 includes \$209,000 for grants for fiscal year 1983 payable in fiscal year 1984, and \$819,000 for grants for fiscal year 1984. The amount of the appropriation for grants for fiscal year 1984 is the total appropriation for these grants.

The council on quality education shall prorate this amount among the eligible districts in proportion to the ratio of the district's grant for fiscal year 1983 to the total amount of grants made for fiscal year 1983. However, the total amount of revenue received by a district for fiscal year 1984 pursuant to this subdivision and Minnesota Statutes, section 124.271, subdivision 2a, clause (2) shall not exceed the amount of the district's grant for fiscal year 1983.

ARTICLE 10

TEACHER MOBILITY

Section 1. Minnesota Statutes 1982, section 125.60, subdivision 2, is amended to read:

Subd. 2. The board of any district may grant an extended leave of absence without salary to any full *or part* time elementary, secondary or area vocational-technical school teacher who has been employed by the district for at least five years and has at least ten years of allowable service, as defined in section 354.05, subdivision 13, or the bylaws of the appropriate retirement association or ten years of full time teaching service in Minnesota public elementary, secondary and area vocational-technical schools. The maximum duration of an extended leave of absence pursuant to this section shall be determined by mutual agreement of the board and the teacher at the time the leave is granted and shall be at least three but no more than five years. An extended leave of absence pursuant to this section shall be taken by mutual consent of the board and the teacher and may be granted only once. *If the school board denies a teacher's request, it shall provide reasonable justification for the denial.*

Sec. 2. Minnesota Statutes 1982, section 125.60, subdivision 3, is amended to read:

Subd. 3. [REINSTATEMENT.] Except as provided in subdivisions 6a and 6b, a teacher on an extended leave of absence pursuant to this section shall have the right to be reinstated to a position for which ~~he~~ *the teacher* is licensed at the beginning of any school year which immediately follows a year of the extended leave of absence, unless ~~he~~ *the teacher* is discharged or placed on unrequested leave of absence or ~~his~~ *the* contract is terminated pursuant to section 125.12 or 125.17 while ~~he~~ *the teacher* is on the extended leave. The board shall not be obligated to reinstate any teacher who is on an extended leave of absence pursuant to this section, unless the teacher advises the board of ~~his~~ *the* intention to return before February 1 in the school year preceding the school year in which ~~he~~ *the teacher* wishes to return. The board shall notify the commissioner within 30 days of being notified that a teacher intends to return from an extended leave.

Sec. 3. Minnesota Statutes 1982, section 125.60, subdivision 7, is amended to read:

Subd. 7. [APPLICATION PROCEDURES; LIMITS.] No school board shall grant an extended leave of absence pursuant to this section without applying for and receiving authorization from the commissioner of education. The commissioner of education shall establish procedures for applications and shall approve or disapprove applications pursuant to this subdivision within the limits of the appropriation for the purposes of sections

354.094 and 354A.091. Each application shall state whether or not the teacher requesting the extended leave of absence pursuant to this section intends to pay the employee contribution and requests state payment of the employer contribution into the teacher's retirement fund pursuant to section 354.094 or 354A.091 in order to receive retirement service credit for years spent on leave. The commissioner shall approve no more than ~~300~~ 250 applications for extended leaves beginning in the ~~1981-1982, 1982-1983 and 1983-1984 school years~~ year for teachers who intend to pay employee contributions and request state payment of employer contributions.

If more than ~~300~~ 250 applications for extended leaves beginning in any school year are received by March 15 of the preceding school year, the commissioner may decide which applications to approve according to the order of receipt, a method ensuring participation by teachers from the maximum possible number of districts, random allotment or any combination of these methods. Applications received by the commissioner after March 15 shall be considered for approval according to the order of receipt within the limits prescribed by this subdivision.

The commissioner shall not approve any applications for extended leaves beginning in the 1984-1985 or any subsequent school year for teachers who intend to pay employee contributions and request state payment of employer contributions. There is no limit on the number of applications which may be approved for extended leaves for teachers who do not intend to pay employee contributions or who do not request state payment of employer contributions.

Sec. 4. Minnesota Statutes 1982, section 125.611, subdivision 8, is amended to read:

Subd. 8. [PAYMENT; REDUCTION.] An eligible teacher *who is offered and accepts an early retirement incentive contract pursuant to subdivision 7* shall receive an early retirement incentive in the amount of \$10,000. This amount shall be reduced by \$500 for each year that a teacher is over the age of 55 years to a maximum age of 60 years and by an additional \$1,500 for each year that a teacher is over the age of 60 years. The age of the teacher shall be determined as of the June 30 in the school year during which the application for the early retirement incentive is made.

Sec. 5. Minnesota Statutes 1982, section 125.611, subdivision 9, is amended to read:

Subd. 9. [DESEGREGATION DISTRICTS.] Notwithstanding the provisions of subdivision 8, *beginning in the 1983-1984 school year*, an eligible teacher who is employed by a school district which is implementing a desegregation plan ordered by federal court or approved by the state board, and who is offered and accepts an early retirement incentive contract pursuant to subdivision 7, shall receive an early retirement incentive in the amount of ~~\$15,000~~ \$12,500. This amount shall be reduced by ~~\$750~~ \$625 for each year that a teacher is over the age of 55 years to a maximum age of 60 years and by an additional ~~\$2,250~~ \$1,875 for each year that a teacher is over the age of 60 years. The age of the teacher shall be determined as of the June 30 in the school year during which the application for the early retirement incentive is made.

Sec. 6. Minnesota Statutes 1982, section 354.094, subdivision 1, is

amended to read:

Subdivision 1. [SERVICE CREDIT CONTRIBUTIONS.] ~~If~~ A member ~~is~~ granted an extended leave of absence pursuant to section 125.60 or 136.88, except as provided in subdivision 1a ~~he or~~ 1b, may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter, for each year of ~~his~~ the leave by paying into the fund ~~employee contributions provided the member and the employing board make the required employer contribution in any proportion they may agree upon,~~ during the period of the leave which shall not exceed five years. Except as provided in subdivision 1a or 1b, the state shall *not* pay employer contributions into the fund for ~~each~~ any year for which a member ~~who~~ is on extended leave pays employee contributions into the fund. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354.42 for the salary received during the year immediately preceding the extended leave. Payments for the years for which a member is receiving service credit while on extended leave shall be made on or before June 30 of each fiscal year for which service credit is received.

Sec. 7. Minnesota Statutes 1982, section 354.094, subdivision 1a, is amended to read:

Subd. 1a. [RESTRICTIONS EXCEPTION FOR LEAVES SINCE 1981-1982.] Notwithstanding subdivision 1, the following provisions apply to elementary, secondary and area vocational-technical school teachers whose extended leaves begin in the 1981-1982, 1982-1983, or 1983-1984 school year and each year thereafter:

(a) ~~Only~~ A member whose application states the intention to pay employee contributions into the fund, requests state payment of employer contributions, and is approved by the commissioner within the limits of section 125.60, subdivision 7, ~~qualifies for the payment of employee contributions and for state payment of employer contributions pursuant to subdivision 1~~ may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter for each year of the leave during the period of the leave which shall not exceed five years;

(b) The state shall pay employer contributions *into the fund* for a member described in clause (a) for no more than the first three years of the leave, *provided the member who is on extended leave pays the employee contribution into the fund by the payment date specified in subdivision 1;*

(c) A member whose application is approved as to the member's eligibility under section 125.60, subdivisions 1 and 2 but whose application does not request state payment of employer contributions or is disapproved as to state payment of employer contributions, or who is in the fourth or fifth year of leave affected by clause (b) may pay employee contributions and receive allowable service credit as provided in subdivision 1 if the member and ~~his~~ the employing school board make the required employer contribution, in any proportion which they may agree upon, by the payment date specified in subdivision 1.

Sec. 8. Minnesota Statutes 1982, section 354.094, is amended by adding a subdivision to read:

Subd. 1b. [PRE-MAY 16, 1981 LEAVE EXCEPTION.] *Notwithstanding*

subdivision 1, the following provisions apply only to elementary, secondary, and area vocational technical school teachers whose extended leaves began in the 1978-1979, 1979-1980, or 1980-1981 school years:

(a) A member whose period of extended leave began on or before May 15, 1981, may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter for each year of the leave during the period of the leave which does not exceed five years;

(b) The state shall pay employer contributions into the fund for a member described in clause (a) of this subdivision for each year of the leave for which the member who is on extended leave pays the employee's contribution into the fund by the payment date specified in subdivision 1.

Sec. 9. Minnesota Statutes 1982, section 354.66, subdivision 4, is amended to read:

Subd. 4. [RETIREMENT CONTRIBUTIONS.] Notwithstanding any provision ~~of to the contrary~~ in this chapter relating to the salary figure to be used for the determination of contributions or the accrual of service credit ~~to the contrary~~, a teacher assigned to a part time position pursuant to this section shall continue to make employee contributions and to accrue allowable service credit in the retirement fund during the period of part time employment ~~pursuant to this section upon~~ on the same basis and in the same amounts as would have been paid and accrued if the teacher had been employed on a full time basis *provided that, except as provided in subdivision 4a, prior to June 30 each year the member and the employing board make that portion of the required employer contribution to the retirement fund, in any proportion which they may agree upon, that is based on the difference between the amount of compensation that would have been paid if the teacher had been employed on a full time basis and the amount of compensation actually received by the teacher for the services rendered in the part time assignment.* The state shall make ~~the full~~ that portion of the required employer contributions to the retirement fund on behalf of the teacher ~~to the retirement association for the part time teaching service~~ that is based on the amount of compensation actually received by the teacher for the services rendered in the part time assignment in the manner described in section 354.43, subdivisions 1, 2 and 5. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354.42. Full accrual of allowable service credit and employee contributions for part time teaching service pursuant to this section and section 354A.094 shall not continue for a period longer than 10 years.

Sec. 10. Minnesota Statutes 1982, section 354.66, is amended by adding a subdivision to read:

Subd. 4a. [EXCEPTION.] Notwithstanding the provisions of subdivision 4, a teacher whose assignment to a part time position pursuant to this section is authorized by the commissioner within the limits of subdivision 9, shall continue to make employee contributions and to accrue allowable service credits in the retirement fund during the period of part time employment on the same basis and in the same amounts as would have been paid and accrued if the teacher had been employed on a full time basis. The state shall make the full required employer contributions to the retirement fund on behalf of the teacher in the manner described in section 354.43, subdivisions 1 and 5. The

employee and employer contributions shall be based upon the rates of contribution prescribed by section 354.42. Full accrual of allowable service credit and employee contributions for part time teaching service pursuant to this section and section 354A.094 shall not continue for a period longer than ten years.

Sec. 11. Minnesota Statutes 1982, section 354.66, subdivision 9, is amended to read:

Subd. 9. [APPLICATIONS; LIMITS.] *For the 1983-1984 and 1984-1985 school years, a school district shall not assign a teacher to a part time teaching position qualifying for full accrual of service credit from and employee contributions to the retirement fund pursuant to this section without applying for and receiving the authorization of the commissioner of education. In cooperation with the board of trustees of the teachers retirement association and the boards of trustees of the appropriate teachers retirement fund associations and within the limits of the amount appropriated for the purpose of this section, the commissioner of education shall approve or disapprove the applications from school districts for authorization to assign teachers to part time teaching positions qualifying for full accrual of service credit from and employee contributions to the retirement fund pursuant to this section; provided he. The commissioner shall not approve more than \$5 125 total applications pursuant to this section and section 354A.094 for participation in the fund in any fiscal year each of the 1983-1984 and 1984-1985 school years by teachers who intend to pay employee contributions and request full state payment of employer contributions. If more than \$5 125 applications for any school year are received by the commissioner by March 15 of the preceding school year, the commissioner may decide which applications to approve according to the order of receipt, a method ensuring participation by teachers from the maximum possible number of districts, random allotment or any combination of these methods. Applications received by the commissioner after March 15 shall be considered for approval according to the order of receipt within the limits prescribed by this subdivision. The state board for community colleges and the state university board may within the limits appropriated to them for purposes of this section assign a teacher to a part time teaching position qualifying for full accrual of service credit from and employee contributions to the retirement fund pursuant to this section without applying for and receiving the authorization of the commissioner of education.*

Sec. 12. Minnesota Statutes 1982, section 354A.091, subdivision 1, is amended to read:

Subdivision 1. [RETIREMENT CONTRIBUTIONS.] *Notwithstanding any provision to the contrary of this chapter or the articles of incorporation or bylaws of an association relating to the salary figure to be used for the determination of contributions or the accrual of service credit, except as provided in subdivision 1a or 1b, an elementary, secondary or area vocational-technical school teacher in the public schools of a city of the first class who is granted an extended leave of absence pursuant to section 125.60, may pay employee contributions to the applicable association and shall be entitled to receive allowable service credit in the applicable that association for each year of leave, provided the member and the employing board make the required employer contributions, in any proportion they may*

agree upon, to that association during the period of leave which shall not exceed five years. To obtain the service credit, the teacher on extended leave shall make an employee contribution to the applicable association each year during the period of the leave. The extended leave period for which a teacher shall be entitled to receive allowable service credit pursuant to this section shall not exceed the leave duration maximum set forth in section 125.60, subdivision 2. If the teacher on extended leave makes the employee contribution pursuant to this section during a leave of absence year, Except as provided in subdivision 1a or 1b the state shall not make an employer contribution on behalf of the teacher to the applicable association for that year. The employee and employer contributions shall be in amounts equal to the employee and employer contribution rates in effect for other active members of the association covered by the same program applied based upon the rates of contribution prescribed by section 354A.12 as applied to a salary figure equal to the teacher's actual covered salary for the plan year immediately preceding the leave. Payment of the employee contribution and employer contributions authorized pursuant to this section shall be made by the teacher on or before June 30 of the fiscal year for which service credit is to be obtained, and payment of the employer contribution shall be made by the state within 30 days of notification by the association of receipt of the required employee contribution received. No allowable service with respect to a year of extended leave of absence shall be credited to a teacher until payment of the required employee and employer contributions has been received by the association.

Sec. 13. Minnesota Statutes 1982, section 354A.091, subdivision 1a, is amended to read:

Subd. 1a. [~~CONTRIBUTION RESTRICTIONS EXCEPTION FOR LEAVES SINCE 1981-1982.~~] Notwithstanding subdivision 1, the following provisions apply to elementary, secondary and area vocational-technical school teachers whose extended leaves begin in the 1981-1982, 1982-1983, or 1983-1984 school year and each year thereafter:

(a) ~~Only~~ A member whose application states the intention to pay employee contributions to the applicable association, requests state payment of the employer contribution, and is approved by the commissioner within the limits of section 125.60, subdivision 7, ~~qualifies for the payment of employee contributions and for state payment of employer contributions pursuant to subdivision 1~~ may pay employee contributions to the applicable association and receive allowable service credit in that association for each year of leave during the period of the leave, which shall not exceed five years;

(b) The state shall pay employer contributions for a member described in clause (a) for no more than the first three years of the leave, provided the member who is on extended leave pays the employee contribution to the applicable association by the payment date specified in subdivision 1;

(c) A member whose application is approved as to the member's eligibility under section 125.60, subdivisions 1 and 2 but whose application does not request state payment of employer contributions or is disapproved as to state payment of employer contributions, or who is in the fourth or fifth year of leave affected by clause (b) may pay employee contributions and receive allowable service credit as provided in subdivision 1 if the member and his the employing school board make the required employer contribution, in

any proportion which they may agree upon, by the payment date specified in subdivision 1.

Sec. 14. Minnesota Statutes 1982, section 354A.091, is amended by adding a subdivision to read:

Subd. 1b. [PRE-MAY 16, 1981 LEAVE EXCEPTION.] *Notwithstanding subdivision 1, the following provisions apply only to elementary, secondary, and area vocational technical school teachers whose extended leaves began in the 1978-1979, 1979-1980 or 1980-1981 school years:*

(a) A member whose period of extended leave began on or before May 15, 1981, may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter for each year of the leave during the period of the leave which does not exceed five years;

(b) The state shall pay employer contributions into the applicable fund for a member described in clause (a) of this subdivision for each year of the leave for which the member who is on extended leave pays the employee's contribution into the fund by the payment date specified in subdivision 1.

Sec. 15. Minnesota Statutes 1982, section 354A.094, subdivision 4, is amended to read:

Subd. 4. [RETIREMENT CONTRIBUTIONS.] *Notwithstanding any provision to the contrary in this chapter or the articles of incorporation or bylaws of an association relating to the salary figure to be used for the determination of contributions or the accrual of service credit, a teacher assigned to a part time position pursuant to this section shall continue to make employee contributions to and to accrue allowable service credit in the applicable association during the period of part time employment pursuant to this section upon the same basis and in the same amounts as would have been paid and accrued if the teacher had been employed on a full time basis provided that, except as provided in subdivision 4a, prior to June 30 each year the member and the employing board make that portion of the required employer contribution to the applicable association in any proportion which they may agree upon, that is based on the difference between the amount of compensation that would have been paid if the teacher had been employed on a full time basis and the amount of compensation actually received by the teacher for services rendered in the part time assignment. The state shall make the full that portion of required employer contributions to the applicable association on behalf of the teacher to the applicable association for the part time teaching service that is based on the amount of compensation actually received by the teacher for the services rendered in the part time assignment in the manner described in section 354.43, subdivisions 1, 2 and 5. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354A.12. Full membership, accrual of allowable service credit and employee contributions for part time teaching service by a teacher pursuant to this section and section 354.66 shall not continue for a period longer than ten years.*

Sec. 16. Minnesota Statutes 1982, section 354A.094, is amended by adding a subdivision to read:

Subd. 4a. [EXCEPTION.] *Notwithstanding the provisions of subdivision 4, a teacher whose assignment to a part time position pursuant to this section*

is authorized by the commissioner within the limits of subdivision 9, shall continue to make employee contributions to and to accrue allowable service credit in the applicable association during the period of part time employment on the same basis and in the same amounts as would have been paid and accrued if the teacher had been employed on a full time basis. The state shall make the full required employer contributions to the applicable association on behalf of the teacher in the manner described in section 354.43, subdivisions 1 and 5. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354A.12. Full membership accrual of allowable service credit and employee contributions for part time teaching service by a teacher pursuant to this section and section 354.66 shall not continue for a period longer than ten years.

Sec. 17. Minnesota Statutes 1982, section 354A.094, subdivision 9, is amended to read:

Subd. 9. [APPLICATION APPROVAL; LIMITS.] *For the 1983-1984 and 1984-1985 school years, a district shall not assign a teacher to a part time teaching position qualifying for full membership in, accrual of service credit from and employee contributions to a teachers retirement fund association pursuant to this section without applying for and receiving the authorization of the commissioner of education. In cooperation with the boards of trustees of the appropriate retirement fund associations and within the limits of the amounts appropriated for the purpose of this section, the commissioner of education shall approve or disapprove the applications from districts for authorization to assign teachers to part time teaching positions qualifying for full membership in, accrual of service credit from and employee contributions to a teachers retirement fund association pursuant to this section; provided he the commissioner shall not approve more than 55 125 total applications pursuant to this section and section 354.66 for participation in the fund in any fiscal year each of the 1983-1984 and 1984-1985 school years by teachers who intend to pay employee contributions and request full state payment of employer contributions. If more than 55 125 applications for any school year are received by the commissioner by March 15 of the preceding school year, the commissioner may decide which applications to approve according to the order of receipt, a method ensuring participation by teachers from the maximum possible number of districts, random allotment, or any combination of these methods. Applications received by the commissioner after March 15 shall be considered for approval according to the order of receipt within the limits prescribed by this subdivision.*

Sec. 18. [REPEALER.]

Minnesota Statutes 1982, section 124.611 is repealed.

Sec. 19. [APPROPRIATION.]

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [EXTENDED LEAVES OF ABSENCE.] To meet the state's obligation prescribed in Minnesota Statutes 1982, sections 354.094 and 354A.091, there is appropriated:

\$1,143,000.....1984,

\$1,524,000.....1985.

Subd. 3. [PART-TIME TEACHING.] To meet the state's obligation prescribed in Minnesota Statutes 1982, sections 354.66 and 354A.094, there is appropriated:

\$ 74,000.....1984,
\$182,000.....1985.

Subd. 4. [EARLY RETIREMENT INCENTIVES.] To meet the state's obligation prescribed in Minnesota Statutes 1982, section 125.611, there is appropriated:

\$1,983,000.....1984,
\$1,962,500.....1985.

Subd. 5. [NONCANCELLATION; FUNDING RESTRICTION.] Any unexpended balances remaining from the appropriations in this section for fiscal year 1984 shall not cancel but shall be available for the second year of the biennium. Notwithstanding the provisions of Minnesota Statutes 1982, sections 354.43 and 354A.12, the state's obligations prescribed in Minnesota Statutes 1982, sections 354.094, 354.66, 354A.091, and 354A.094 shall not be financed out of standing appropriations for the state's obligations pursuant to Minnesota Statutes 1982, chapter 354 or 354A.

Subd. 6. [TRANSFER AUTHORITY.] If any appropriation for any year in subdivision 2, 3 or 4 exceeds the amount needed to pay the state's obligation for that year under that subdivision, then the excess amount may be used to make payments for that year pursuant to another subdivision.

Sec. 20. [EFFECTIVE DATE.]

Sections 1, 3, 11, and 17 of this article are effective the day following final enactment.

ARTICLE 11

LIBRARIES

Section 1. Minnesota Statutes 1982, section 134.07, is amended to read:

134.07 [~~LIBRARIES; READING ROOMS; TAX PUBLIC LIBRARY SERVICE.~~]

~~Subdivision 1.~~ The governing body of any city or county may establish and maintain a public library, a public reading room, or both, service for the use of its inhabitants. By ordinance or resolution it may set apart for the benefit thereof any public property of the city or county. ~~Except as provided in subdivision 2,~~ In any statutory city and in any city of the second, third, or fourth class, and in any county, the governing body thereof may levy an annual tax of not more than ~~2.6~~ ²/₃ mills on the dollar, of all taxable property therein ~~except counties may not tax property which is already taxed for public library service.~~ The proceeds of any such tax shall be known as the library fund.

~~Subd. 2.~~ The governing body of any city of the fourth class located in any county having over 7,000 and less than 9,000 inhabitants and over 70 full and fractional congressional townships, operating under a home rule charter, may levy an annual tax of not to exceed ~~1.6~~ ²/₃ mills for such purposes, notwith-

standing any limitation contained in its home rule charter.

Sec. 2. Minnesota Statutes 1982, section 134.08, is amended to read:

134.08 [WHEN ESTABLISHED BY VOTE; EXISTING LIBRARIES ESTABLISHING AND DISCONTINUING LIBRARY SERVICE; APPLICABILITY OF LAW.]

Subdivision 1. [ESTABLISHMENT.] If a public library or reading room service is not otherwise established under section 134.07, the governing body of the municipality city or county, upon the petition of 50 eligible voters, as defined in section 200.02 201.014, subdivision 25 1, of the municipality city or county, in a number not less than five percent of the number of persons who voted at the last general election in the city or county, shall submit the question of the establishment or provision of public library services to the voters at the next municipal general election. If two-thirds a majority of the votes cast on the question are in the affirmative, the governing body shall establish the library or reading room shall provide public library service as authorized in section 134.12 or 375.335 and levy a yearly an annual tax for its support, within the limits fixed by section 134.07.

Subd. 2. [DISCONTINUANCE.] If public library service is established under the provisions of subdivision 1, it may be discontinued only after a majority of the votes cast on the question are in the affirmative on a question on a ballot in a general election. The question of discontinuance of public library service shall be placed on the ballot at the next general election upon the petition of eligible voters, as defined in section 201.014, subdivision 1, of the city or county, in a number not less than five percent of the number of persons who voted at the last general election in the city or county.

Subd. 3. [APPLICABILITY.] All public libraries and reading rooms library service heretofore established and now existing in cities are and counties is continued and all ordinances and resolutions setting apart public property for their support are hereby confirmed. Nothing in sections 134.08 to 134.15 shall be construed as abridging any power or duty in respect to libraries conferred by any city charter. If a city charter does not address matters provided for in chapter 134, the provisions of chapter 134 shall apply.

Sec. 3. Minnesota Statutes 1982, section 134.09, is amended to read:

134.09 [DIRECTORS LIBRARY BOARDS; TERM; REMOVAL.]

Subdivision 1. [APPOINTMENT.] When any such public library or reading room service is established, except in any city of the first class operating under a home rule charter, the mayor of the city or president of the statutory city, with the approval of the council for a city library or the board of commissioners for a county library, shall appoint a board of five, seven or nine directors members from among the residents of the city or county, but. The number of members on the board shall be determined by resolution or ordinance adopted by the council or the board of commissioners. Not more than one of whom council member or county commissioner shall at any time be a member of such governing body, such the library board. The appointments to shall be made prior to before the first meeting of such the library board after the end of the fiscal year.

Subd. 2. [TERM OF OFFICE.] If nine board members are appointed, three shall hold office for one year, three for two years and three for three years. If seven members be are appointed, three shall hold office for one year, two

for two years, and two for three years; if five ~~be~~ *are* appointed, two shall hold office for one year, two for two years, and one for three years. ~~The number of directors on the board shall be determined by resolution or ordinance adopted by the council.~~ All terms shall end with the fiscal year. Annually ~~thereafter such the mayor or president with the approval of the council, or the board of county commissioners~~ shall appoint *board members* for the term of three years ~~and~~ until their successors qualify a sufficient number of ~~directors~~ *members* to fill the places of those whose term or terms expire. *A library board member shall not be eligible to serve more than three consecutive three-year terms.*

Subd. 2 3. [REMOVAL OF MEMBERS.] The mayor ~~or president, by and with the consent approval of the council, or the board of county commissioners~~ may remove any ~~director member~~ for misconduct or neglect.

Subd. 3. ~~Terms of directors in office at the time Laws 1945, Chapter 46, takes effect shall expire at the end of the city's fiscal year current at the expiration of their terms as heretofore provided.~~

Subd. 4. [ABOLISHMENT.] Upon recommendation of a majority of any library board created under the provisions of subdivision 1, the governing body of ~~such the city or county~~ may abolish ~~such the~~ library board at the end of any fiscal year provided that ~~such the~~ governing body shall simultaneously establish a successor library board of either five, seven or nine members by resolution or ordinance. ~~In the event of such resolution or ordinance, the mayor, with the approval of the council, shall appoint a library board of the number of members as provided by said resolution or ordinance. If nine are appointed, three shall hold office for one year, three for two years and three for three years. If seven members be appointed, three shall hold office for one year, two for two years, and two for three years; if five be appointed, two shall hold office for one year, two for two years, and one for three years. Annually thereafter such mayor shall appoint for the term of three years and until their successors qualify a sufficient number of directors to fill the places of those whose term or terms expire. All terms shall end with the fiscal year. The appointment of successor board members shall be made as provided in subdivision 1. The terms of successor board members shall be as provided in subdivision 2.~~

Sec. 4. Minnesota Statutes 1982, section 134.10, is amended to read:

134.10 [BOARD VACANCIES; COMPENSATION.]

~~Vacancies in~~ The library board of ~~directors~~ *president* shall ~~be reported report vacancies in the board to the council and filled by like or the board of county commissioners. The council or board of county commissioners shall fill the vacancies by appointment for the unexpired term. Directors Library board members shall receive no compensation for their services as such but may be reimbursed for actual and necessary traveling expenses incurred in the discharge of library board duties and activities.~~

Sec. 5. Minnesota Statutes 1982, section 134.11, is amended to read:

134.11 [ORGANIZATION OF BOARD; RULES BONDING; DUTIES.]

Subdivision 1. [ORGANIZATION.] Immediately after appointment, ~~such the~~ library board shall organize by electing one of its number as president and one as secretary, and from time to time it may appoint such other officers ~~and employees~~ as it deems necessary. ~~The secretary, before entering upon his duties, shall give bond to the municipality in an amount fixed by the~~

~~directors, conditioned for the faithful discharge of his official duties.~~

Subd. 2. [DUTIES.] The library board shall adopt ~~such~~ bylaws and regulations for the government of the library ~~and reading room~~ and for the conduct of its business as may be expedient and conformable to law. It shall have exclusive control of the expenditure of all moneys collected for or placed to the credit of the library fund, *of interest earned on all moneys collected for or placed to the credit of the library fund*, of the construction of library buildings, and of the grounds, rooms, and buildings provided for library purposes. All moneys received for ~~such~~ the library shall be paid into the city or county treasury, credited to the library fund, kept separate from other moneys of the ~~municipality~~ city or county, and paid out only upon ~~itemized vouchers approved~~ approval by the board. The library board may lease rooms for library use; ~~fix~~. *The library board shall appoint a qualified library director and other staff as necessary, establish the compensation of employees, and remove any of them at pleasure for cause.* With the approval of the council or board of county commissioners, the library board may purchase grounds and erect a library building thereon.

Sec. 6. Minnesota Statutes 1982, section 134.12, is amended to read:

134.12 [BENEFITS OF LIBRARY.]

Subdivision 1. [NON-RESIDENTS TO RECEIVE.] Any library board ~~of directors~~ may admit to the benefits of its library persons not residing within the ~~municipality~~ its city or county under regulations and upon conditions as to payment and security prescribed by ~~the library board~~.

Subd. 2. [LOAN OF BOOKS, CONTRACTS WITH CITIES AND TOWNS.] The library board may contract with the county board of the county in which the library is situated or the county board of any adjacent county, or with the governing body of any neighboring town or city, to loan ~~books of the library, either singly or in traveling libraries,~~ library materials to residents of the contracting county, town, or city.

Subd. 3. [USE OF FREE PUBLIC LIBRARY; TAX LEVY.] Any ~~such~~ county board or city governing body may contract with the board of ~~directors~~ of any ~~free~~ city or county public library for the use of the library by the residents of the county, town, or city who do not have the use of a ~~free~~ public library, upon the terms and conditions as those granted residents of the city or county where the ~~public~~ library is located, and to pay ~~such~~ the library board of ~~directors~~ an annual amount therefor. Any ~~such~~ county board or city governing body may establish a library fund by levying an annual tax upon all taxable property which is not already taxed for the support of any ~~free~~ public library and all taxable property which is situated outside of any city in which is situated a ~~free~~ public library.

Sec. 7. Minnesota Statutes 1982, section 134.13, is amended to read:

134.13 [DIRECTORS NOW IN OFFICE; ANNUAL REPORT; EXCEPTIONS.]

The directors of any ~~such~~ library or reading room in office under existing laws shall so continue until the expiration of their terms; but their successors shall be appointed and vacancies filled under the provision of sections 134.08 to 134.15. At the first regular meeting of the board *As soon as practicable*

following the end of ~~each the~~ fiscal year of a ~~city~~, the library board shall report to the governing body of the ~~municipality city or county~~ all amounts received during the preceding year and the sources thereof, the amounts expended and for what purposes, the number of ~~books~~ library materials on hand, the number purchased and loaned, and such other information as it deems advisable. ~~A copy of such report~~ *No later than April 1 of each year the library board shall be filed file this information with the Library Division, state department of education on forms supplied by the department. Nothing in this section shall apply to libraries in cities of the first class.*

Sec. 8. Minnesota Statutes 1982, section 134.14, is amended to read:

134.14 [TITLE TO PROPERTY; FREE USE.]

All property given, granted, conveyed, donated, devised, or bequeathed to, or otherwise acquired by, any ~~municipality city or county~~ for a public library or reading room shall vest in, and be held in the name of, ~~such municipality the city or county~~ and any conveyance, grant, donation, devise, bequest, or gift made to, or in the name of, any public library or library board shall be deemed to have been made directly to ~~such municipality the city or county to be used as provided in section 134.11.~~ Every public library and reading room established under sections ~~134.08~~ 134.07 to 134.15 shall be forever free to the use of the inhabitants of the ~~municipality city or county~~ subject to ~~such~~ reasonable regulations as the ~~directors~~ library board may adopt.

Sec. 9. Minnesota Statutes 1982, section 134.15, is amended to read:

134.15 [GIFTS; CONTRACTS.]

With the consent of the governing body of any ~~city or county~~, expressed by ordinance or resolution, and ~~within the limitations of sections 134.08 to 134.15 as to the rate of taxation,~~ the library board may accept any gift, grant, devise, or bequest made or offered by any person for public library purposes, or for the establishment, enlargement, or maintenance of an art gallery or museum in connection with its library, and may carry out the conditions of ~~such the~~ donation. The ~~municipality city or county~~ in all such cases is authorized to acquire a site, levy a tax, and pledge itself by ordinance or resolution to a perpetual compliance with all the terms and conditions of the gift, grant, devise, or bequest so accepted.

Sec. 10. Minnesota Statutes 1982, section 134.30, is amended to read:

134.30 [DEFINITIONS.]

Subdivision 1. ~~As used in sections 134.30 to 134.35 and sections 134.351, 134.352, and 134.353,~~ The terms ~~defined used in this section shall~~ *chapter 134 have the meanings ascribed to given them in this section.*

Subd. 2. "Public library" means any library that provides free access to all residents of a city or county without discrimination, receives at least half of its financial support from public funds and is organized under the provisions of chapter 134 ~~or section 375.33.~~ It does not include libraries such as law, medical, school and academic libraries organized to serve a special group of persons, or libraries organized as a combination of a public library and another type of library.

Subd. 3. "Public library services" means services provided by or on be-

half of a public library and does not include services for elementary schools, secondary schools or post-secondary educational institutions.

Subd. 4. "Regional public library system" means a multicounty public library service agency that provides free access to all residents of the region without discrimination, and is organized under the provisions of ~~sections 134.12, 375.335, 471.59 or chapter 317~~ *chapter 134 or 317, or section 471.59.*

Subd. 5. "Basic system services" means services offered by all regional public library systems either directly or by contract. These services shall include, but are not limited to, communication among participants, resource sharing, delivery of materials, reciprocal borrowing, and cooperative reference service.

Subd. 6. "Multi-county, multi-type library system" means a cooperative network composed of any combination of public libraries, regional public library systems, public school libraries, public or private college or university libraries and any other libraries which share services and resources within a multi-county area.

Subd. 7. "City" or "cities" means home rule and statutory cities unless specifically provided otherwise.

Sec. 11. Minnesota Statutes 1982, section 134.32, subdivision 1, is amended to read:

Subdivision 1. The department shall provide the grants specified in this section from any available state ~~or~~, federal, *or other* funds.

Sec. 12. Minnesota Statutes 1982, section 134.32, subdivision 7, is amended to read:

~~Subd. 7. Nothing within the provisions of this section shall be construed to allow state money to be used for the construction of library facilities. It may provide grants for construction or remodeling of library facilities from any state and federal funds specifically appropriated for this purpose.~~

Sec. 13. Minnesota Statutes 1982, section 134.351, subdivision 3, is amended to read:

Subd. 3. [AGREEMENT.] In order for a multi-county, multi-type library system to qualify for a planning, development or operating grant pursuant to ~~sections 134.352 and 134.353 and section 16 of this article~~, each participating library in the system shall adopt an organizational agreement providing for the following:

- (a) Sharing of resources among all participating libraries;
- (b) Long-range planning for cooperative programs;
- (c) The development of a delivery system for services and programs;
- (d) The development of a bibliographic data base; and
- (e) A communications system among all cooperating libraries.

Sec. 14. Minnesota Statutes 1982, section 134.351, subdivision 7, is amended to read:

Subd. 7. [REPORTS.] Each multi-county, multi-type system receiving a

grant pursuant to section ~~134.352~~ or 134.353 or *section 16 of this article* shall provide an annual progress report to the department of education. The department shall report before November 15 of each year to the legislature on all projects funded under ~~sections 134.352 and section 134.353 and section 16 of this article.~~

Sec. 15. Minnesota Statutes 1982, section 134.353, is amended to read:

134.353 [MULTI-COUNTY, MULTI-TYPE LIBRARY SYSTEM DEVELOPMENT GRANT.]

The state board of education may provide development ~~and operating~~ grants to multi-county, multi-type library systems ~~in their second and subsequent years of operation.~~ In awarding a development ~~and operating~~ grant, the state board shall consider the extra costs incurred in systems located in sparsely populated and large geographic regions.

Sec. 16. [134.354] [MULTI-COUNTY, MULTI-TYPE LIBRARY SYSTEM OPERATING GRANT.]

The state board of education may provide operating grants to multi-county, multi-type library systems. In awarding an operating grant, the state board shall consider the extra costs incurred in systems located in sparsely populated and large geographic areas.

Sec. 17. Minnesota Statutes 1982, section 134.36, is amended to read:

134.36 [RULES.]

The state board of education shall promulgate rules as necessary for implementation of ~~any provision of sections 134.30 to 134.353 library grant programs.~~

Sec. 18. Minnesota Statutes 1982, section 375.335, is amended to read:

375.335 [REGIONAL LIBRARIES PUBLIC LIBRARY SYSTEMS.]

Subdivision 1. [ESTABLISHMENT.] Two or more ~~contiguous~~ counties ~~except counties one or more of which contain a city of the first class over 300,000 according to the 1960 United States census or two or more cities located in two or more counties~~ may, through action by their governing bodies under the provisions of section 471.59, establish and maintain a regional *public library system*, even though any one or more of the counties ~~or cities~~ may already have a ~~county~~ library with a library board; provided that in any ~~such~~ county ~~or city~~ already having a ~~county~~ library board, the approval of ~~said~~ the library board shall also be required. Cities ~~in any of the contracting counties~~ having public libraries may join in the regional *public library system* by being parties to the agreement which establishes the regional *public library system* through action of their library boards ~~and their city councils~~, or as ~~hereinafter~~ provided in subdivision 3.

Subd. 2. [LIBRARY BOARD.] The agreement establishing ~~such a regional public library may system~~ shall provide for a library board to govern the organization having all the powers and duties of ~~city and county~~ library boards as provided in ~~section 375.33 sections 134.11, 134.12, and 134.13 and including exclusive determination of all library services to be provided under terms of the agreement as defined in section 134.30, subdivision 5, and exclusive control of the expenditure of all funds for the services.~~ ~~Such~~ The

regional library system board may consist of as many members as the contracting parties deem necessary, appointed in ~~such numbers~~ a number from among the residents of the contracting parties and for ~~such terms~~ by each county board party to the contract as may be determined by the contracting parties, irrespective of the existence of one or more city and county library boards already in existence in the participating cities and counties. Not more than one member from each contracting party shall be a member of the governing body of a contracting party and no member may be appointed to serve more than three consecutive three-year terms. In ~~such the~~ participating cities and counties, ~~such the~~ portion of the proceeds of the city and county library tax authorized by section ~~375.33, subdivision 1~~ + 134.07, shall be used for the support of the regional public library system as the contracting agreement may provide.

Subd. 3. [CITY PARTICIPATION.] Where ~~such a~~ regional public library system is established, any city located in any of the contracting counties which is excluded from the county tax supporting the regional public library system under the provisions of section ~~375.33, subdivision 1~~ + 134.07, may, upon recommendation of its library board and upon action by its governing body, be included in ~~such the~~ county tax and become an integral part of the regional public library system. ~~Such cities and any other cities in the participating counties~~ Cities included in the county tax and with public libraries which are part of the regional public library system, whether or not governed by home rule charter provisions, upon action by their city council, may levy taxes for the additional support of their local library services provided that said combined levies shall not exceed the statutory limit on the library levy. Any ~~such~~ local public library board or governing body may, at its option, continue to control ~~such the~~ local library fund or pay all or part thereof into the regional public library system fund, to be used for the increase or improvement of public library services in ~~such the~~ city.

Subd. 4. [PROPERTY.] All property given, granted, conveyed, donated, devised or bequeathed to, or otherwise acquired by any regional library board or any regional public library system board however created shall vest in, and be held in the name of, the regional library board or regional public library system board. Any conveyance, grant, donation, devise, bequest, or gift made to, or in the name of, any regional library or public library system shall be deemed to have been made directly to the regional public library system board.

Subd. 5. [RATIFICATION.] All property heretofore given, granted, conveyed, donated, devised, bequeathed to, or otherwise acquired by any regional library board or any regional public library system board however created is hereby validated, ratified and confirmed as the property of the board.

Subd. 6. [RATIFICATION.] Any multicounty regional public library heretofore created, and the agreements creating them, are hereby validated, ratified, and confirmed and the benefits of subdivisions 1 to 6 5 shall hereafter apply to these libraries.

Sec. 19. Minnesota Statutes 1982, section 648.39, subdivision 1, is amended to read:

Subdivision 1. [FREE DISTRIBUTION.] The revisor of statutes shall

without charge distribute each edition of Minnesota Statutes, supplement to the Minnesota Statutes, and the Laws of Minnesota to the persons, officers, departments, agencies, or commissions listed in this subdivision. Prior to distribution of Minnesota Statutes, supplement to the Minnesota Statutes, or the Laws of Minnesota, the revisor of statutes shall inquire whether the full number of copies authorized by this subdivision are required for their work. Unless a smaller number is needed, each edition shall be distributed without charge as follows:

- (a) 30 copies to the supreme court;
- (b) 1 copy to each judge of a district court;
- (c) 1 copy to the clerk of each district court for use in each courtroom of the district court of his county;
- (d) 100 copies to the state law library;
- (e) 100 copies to the law school of the University of Minnesota;
- (f) 100 copies to the office of the attorney general;
- (g) 10 copies each to the governor's office, the departments of agriculture, commerce, corrections, education, health, transportation, labor and industry, economic security, natural resources, public safety, public service, public welfare, and revenue, and the pollution control agency;
- (h) 1 copy each to other state departments, agencies, boards, and commissions not specifically named in this subdivision;
- (i) 1 copy to each member of the legislature;
- (j) 100 copies for the use of the senate and 150 copies for the use of the house of representatives;
- (k) 4 copies to the secretary of the senate;
- (l) 4 copies to the chief clerk of the house of representatives;
- (m) 1 copy to each judge, district attorney, clerk of court of the United States and the deputy clerk of each division of the United States district court in this state, the secretary of state of the United States, the library of congress, and the Minnesota historical society;
- (n) 20 copies each to the department of administration, state auditor, and legislative auditor;
- (o) 1 copy to each county library maintained pursuant to ~~section 134.12 or 375.33~~ chapter 134, except in counties containing cities of the first class. If a county has not established a county library pursuant to ~~section 134.12 or 375.33~~ chapter 134, the copy shall be provided to any public library in the county; and
- (p) 50 copies to the revisor of statutes.

Sec. 20. [TEMPORARY RULES.]

The state board of education may adopt temporary rules, according to the provisions of Minnesota Statutes, sections 14.29 to 14.36, to implement a grant program for construction of library facilities using federal funds.

Sec. 21. [REPEALER.]

Minnesota Statutes 1982, sections 134.03; 134.06; 134.16; 134.19; 134.352; and 375.33 are repealed.

Sec. 22. [INSTRUCTION TO THE REVISOR.]

The revisor of statutes, under the powers in section 648.34, shall renumber sections 134.01 and 134.02 by placing them in chapter 123; shall renumber section 134.04 by placing it in chapter 121; shall renumber section 134.30 by placing it at the beginning of chapter 134; and shall renumber section 375.335 by placing it in chapter 134.

Sec. 23. [APPROPRIATION.]

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [BASIC SUPPORT GRANTS.] For grants pursuant to sections 134.32 to 134.35 and 134.36 for the provision of library services there is appropriated:

\$4,381,000.....1984,

\$4,605,000.....1985.

The appropriation for 1984 includes \$595,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$3,786,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$668,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$3,937,000 for aid for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$4,454,000 for fiscal year 1984 and \$4,632,000 for fiscal year 1985.

If the Crow River regional library system and the Western Plains regional library system merge by July 1, 1983, the basic support grant paid to the merged system pursuant to section 134.35, subdivision 4, shall be increased by \$24,000 in fiscal year 1984 and \$12,000 in fiscal year 1985. These additional grants are included in the appropriations in this subdivision.

Subd. 3. [MULTI-COUNTY LIBRARY SYSTEMS.] For grants pursuant to section 134.353 and section 16 of this article to multi-county, multi-type library systems there is appropriated:

\$188,000.....1984,

\$197,000.....1985.

The appropriation for 1984 includes \$26,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$162,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$29,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$168,000 for aid for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on aid entitlements of \$190,000 for fiscal year 1984 and \$198,000 for fiscal year 1985.

ARTICLE 12

TEACHER RETIREMENT CONTRIBUTIONS

Section 1. [APPROPRIATIONS.]

Subdivision 1. The sums indicated in this section are appropriated from the general fund to the agencies and for the purposes indicated, to be available for the fiscal years ending June 30 in the years indicated. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 2. [TEACHERS RETIREMENT ASSOCIATION: TEACHERS STATEWIDE.] To the teachers retirement association, to meet the state's obligation prescribed in Minnesota Statutes, section 354.43, there is appropriated:

\$87,508,200.....1984,

\$92,137,200.....1985.

Subd. 3. [TEACHERS RETIREMENT ASSOCIATION: SUPPLEMENTAL BENEFITS-1915.] To the teachers retirement association, to meet the state's obligation prescribed in Minnesota Statutes, section 354.55, subdivision 5, there is appropriated:

\$1,500.....1984,

\$1,500.....1985.

Subd. 4. [TEACHERS RETIREMENT ASSOCIATIONS IN CITIES OF THE FIRST CLASS.] To the commissioner of finance for payment to teachers retirement associations in Minneapolis, St. Paul, and Duluth to meet the state's obligation prescribed in Minnesota Statutes, section 354A.12, subdivision 2, there is appropriated:

\$17,917,000.....1984,

\$18,791,200.....1985.

Subd. 5. [EMPLOYER SOCIAL SECURITY CONTRIBUTIONS.] To the commissioner of employee relations for payment to the federal government to meet the state's obligation prescribed in Minnesota Statutes, section 355.46, there is appropriated:

\$80,155,900.....1984,

\$86,385,400.....1985.

Subd. 6. [SOCIAL SECURITY COSTS OF ADMINISTRATION.] To the commissioner of employee relations to meet the state's obligation prescribed in Minnesota Statutes, sections 355.46 and 355.49, there is appropriated:

\$51,000.....1984,

\$51,000.....1985.

ARTICLE 13

AID PAYMENT REDUCTIONS

Section 1. Minnesota Statutes 1982, section 121.904, subdivision 4a, as

amended by Laws 1982, Third Special Session chapter 1, article III, section 1, is amended to read:

Subd. 4a. [LEVY RECOGNITION.] (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and excluding the amount levied pursuant to section 275.125, subdivision 9a, and Laws 1976, Chapter 20, Section 4.

(b) In June of each year, the school district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the June and July school district tax settlement revenue received in that calendar year; or

(2) the sum of the state aids and credits enumerated in section 124.155, subdivision 2 which are for the fiscal year payable in that fiscal year; or

(3) thirty-two percent of the amount of the ~~spread~~ *levy certified in the current prior calendar year, plus or minus auditor's adjustments*, not including levy portions that are assumed by the state, which remains after subtracting, by fund, the amounts levied for the following purposes:

(i) reducing or eliminating projected deficits in the appropriated fund balance accounts for unemployment insurance and bus purchases;

(ii) statutory operating debt pursuant to section 275.125, subdivision 9a, and Laws 1976, Chapter 20, Section 4; and

(iii) retirement and severance pay pursuant to section 275.125, subdivision 6a, and Laws 1975, Chapter 261, Section 4;

(iv) amounts levied for bonds issued and interest thereon, amounts levied for debt service loans and capital loans, and amounts levied pursuant to section 275.125, subdivision 14a.

(c) In July of each year, the school district shall recognize as revenue that portion of the school district tax settlement revenue received in that calendar year and not recognized as revenue for the previous fiscal year pursuant to clause (b).

(d) All other school district tax settlement revenue shall be recognized as revenue in the fiscal year of the settlement. Portions of the school district levy assumed by the state, including prior year adjustments and the amount to fund the school portion of the reimbursement made pursuant to section 273.425, shall be recognized as revenue in the fiscal year beginning in the calendar year for which the levy is payable.

Sec. 2. [REDUCTIONS FOR FISCAL YEAR 1984.]

Aid payments that were not reduced in fiscal year 1983 because of the recognition of school district tax settlement revenue, pursuant to Minnesota Statutes, section 121.904, subdivision 4a, as amended by Laws 1982 third special session, chapter 1, article 3, section 1, shall be reduced from aid payments in fiscal year 1984 by approximately \$7,600,000. The commissioner shall reduce aid payments authorized by the appropriations in articles 1 to 12 in accordance with section 10 of article 6.

Sec. 3. [REDUCTIONS FOR REVENUE EQUITY.]

Pursuant to section 7, of article 1, aid payments shall be reduced in fiscal year 1985 by approximately \$4,269,000.

Delete the title and insert:

“A bill for an act relating to education; providing for aids to education, aids to libraries, state payments for teacher retirement contributions, tax levies, and the distribution of tax revenues; granting certain duties and powers to school boards, school districts, the state board of education, the state board for vocational education, and the higher education coordinating board; modifying certain components of foundation aid; providing for revenue equity; modifying the computation of the transportation aid, summer school, and community education aids and levies; providing funding for AVTI's; providing incentives for school districts to use technology in education; modifying certain provisions relating to teacher mobility programs; modifying certain duties of the council on quality education; appropriating money; amending Minnesota Statutes 1982, sections 6.54; 6.62, subdivision 1; 120.0751, subdivision 3; 120.17, subdivision 3; 121.15; 121.503; 121.505; 121.904, subdivision 4a, as amended; 121.908; 121.911, by adding a subdivision; 121.912, subdivision 3, and by adding a subdivision; 121.936, by adding a subdivision; 122.23, subdivisions 2 and 3; 122.41; 122.43; 122.44; 122.531, subdivision 2, and by adding subdivisions; 123.32, by adding a subdivision; 123.33, subdivisions 10 and 14; 123.34, subdivision 9; 123.351, subdivision 4; 123.36, subdivisions 9, 13, and by adding a subdivision; 123.37, subdivision 1b; 123.39, subdivision 4; 123.702, subdivision 1a; 123.705; 123.741, subdivision 1; 123.933, subdivision 3; 124.14, subdivision 1; 124.15, subdivision 5; 124.155, subdivision 2, as amended; 124.17, subdivision 2d; 124.19, subdivision 3; 124.201, subdivisions 2 and 3, and by adding subdivisions; 124.2122, subdivisions 1 and 2; 124.2124, subdivision 1; 124.2126, subdivision 3; 124.2127, subdivision 1; 124.2132, subdivisions 1 and 4; 124.214, subdivision 2; 124.225; 124.245, by adding a subdivision; 124.246, subdivision 2; 124.247, subdivision 3, and by adding a subdivision; 124.26, subdivision 1; 124.271, subdivisions 2a, 6, and by adding subdivisions; 124.273, subdivision 4; 124.32, subdivisions 3a, 5, and 5a; 124.43, subdivision 1; 124.572, subdivision 2; 124.646, subdivision 1; 125.05, by adding a subdivision; 125.12, subdivisions 6a, 6b, and by adding a subdivision; 125.17, subdivisions 1 and 11; 125.60, subdivisions 2, 3, and 7; 125.611, subdivisions 8 and 9; 126.54, subdivision 1; 129B.01, subdivision 2; 129B.02; 129B.04; 129B.05; 129B.09, subdivisions 1 and 12; 134.07; 134.08; 134.09; 134.10; 134.11; 134.12; 134.13; 134.14; 134.15; 134.30; 134.32, subdivisions 1 and 7; 134.351, subdivisions 3 and 7; 134.353; 134.36; 136A.02, subdivision 1; 275.125, subdivisions 2d, 2e, 2i, 4, 5, 5b, 8, 9, 11a, 11b, and by adding subdivisions; 354.094, subdivisions 1, 1a, and by adding a subdivision; 354.66, subdivisions 4, 9, and by adding a subdivision; 354A.091, subdivisions 1, 1a, and by adding a subdivision; 354A.094, subdivisions 4, 9, and by adding a subdivision; 375.335; 466.06; 475.61, subdivision 3; and 648.39, subdivision 1; Laws 1967, chapter 822; Laws 1969, chapters 775, section 3, subdivision 2, as amended; and 1060; Laws 1974, chapter 237, section 1; Laws 1981, chapter 358, article VII, section 29, as amended; and Laws 1982, chapter 548,

article III, sections 27 and 28; proposing new law coded in Minnesota Statutes, chapters 3; 120; 121; 122; 124; 125; 126; 129B; and 134; proposing new law coded as Minnesota Statutes, chapter 124A; repealing Minnesota Statutes 1982, sections 122.542; 122.90; 124.11, subdivisions 1 and 2c; 124.2123; 124.2124; 124.2125; 124.2128; 124.24; 124.251; 124.26, subdivision 4; 124.271, subdivision 5; 124.273, subdivision 1 and 2; 124.32, subdivisions 1 and 9; 124.561; 124.562; 124.5621; 124.5622; 124.5623; 124.5624; 124.5625; 124.5626; 124.5627; 124.611; 129B.09, subdivision 5; 134.03; 134.06; 134.16; 134.19; 134.352; 275.125, subdivisions 6b, 6c, 6d, 7a, and 7c; and 375.33."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Ken Nelson, Bob McEachern, Richard Kostohryz, Connie Levi

Senate Conferees: (Signed) Tom A. Nelson, Gene Merriam, Randolph W. Peterson, James C. Pehler

CALL OF THE SENATE

Mr. Nelson imposed a call of the Senate for the balance of the proceedings on H.F. No. 92. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Nelson moved that the foregoing recommendations and Conference Committee Report on H.F. No. 92 be now adopted, and that the bill be repassed as amended by the Conference Committee.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 44 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Laidig	Pehler	Schmitz
Anderson	Dicklich	Langseth	Peterson, C.C.	Solon
Berg	Diessner	Lantry	Peterson, D.C.	Spear
Berglin	Hughes	Lessard	Peterson, R.W.	Stumpf
Bertram	Johnson, D.E.	Luther	Petty	Vega
Brataas	Johnson, D.J.	Merriam	Pogemiller	Waldorf
Chmielewski	Jude	Moe, D. M.	Purfeerst	Wegscheid
Dahl	Knaak	Moe, R. D.	Reichgott	Willet
Davis	Kroening	Nelson	Samuelson	

Those who voted in the negative were:

Belanger	Frederick	Knutson	Olson	Storm
Benson	Frederickson	Kronebusch	Peterson, D.L.	Taylor
Bernhagen	Freeman	McQuaid	Ramstad	
Dieterich	Isackson	Mehrkens	Renneke	
Frank	Kamrath	Novak	Steloff	

The motion prevailed. So the recommendations and Conference Committee report were adopted.

H.F. No. 92 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 51 and nays 16, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Lantry	Peterson, R. W.	Stumpf
Anderson	Dieterich	Lessard	Petty	Taylor
Berg	Frank	Luther	Pogemiller	Ulland
Berglin	Hughes	Merriam	Purfeerst	Vega
Bertram	Johnson, D. E.	Moe, D. M.	Ramstad	Waldorf
Brataas	Johnson, D. J.	Moe, R. D.	Reichgott	Wegscheid
Chmielewski	Jude	Nelson	Samuelson	Willet
Dahl	Knaak	Novak	Schmitz	
Davis	Kroening	Pehler	Sieloff	
DeCramer	Laidig	Peterson, C. C.	Solon	
Dicklich	Langseth	Peterson, D. C.	Spear	

Those who voted in the negative were:

Belanger	Frederickson	Kamrath	McQuaid	Peterson, D. L.
Benson	Freeman	Knutson	Mehrkens	Renneke
Bernhagen	Isackson	Kronebusch	Olson	Storm
Frederick				

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 7:30 p.m. The motion prevailed.

The hour of 7:30 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Pogemiller imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House and First Reading of House Bills. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 891 and 682.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1983

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 950: A bill for an act relating to agriculture; requiring pseudorabies testing and imposing quarantine and restricted movement requirements

for swine; appropriating money; proposing new law coded in Minnesota Statutes 1982, chapter 35.

Senate File No. 950 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1983

Mr. Davis moved that the Senate do not concur in the amendments by the House to S.F. No. 950, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 164, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 164: A bill for an act relating to state government; removing the requirement of senate confirmation for appointment to certain state agencies; limiting terms of certain holdover appointees; formulating a procedure for senate and house confirmations; changing a time requirement for filing a statement of economic interest in certain cases; amending Minnesota Statutes 1982, sections 1.33; 3.9223, subdivision 1; 10A.09, subdivisions 1 and 3; 14.48; 15.0575, subdivision 2; 15.0597, subdivision 6; 15.06, subdivisions 2 and 5; 15.50, subdivision 1; 40.03, subdivision 1; 85A.01, subdivision 1; 105.401, subdivision 1; 115A.05, subdivision 2; 116E.02, subdivision 1; 116J.04; 121.82, subdivision 1; 121.844, subdivision 1; 182.664, subdivision 1; 250.05, subdivision 2; 299B.05, subdivision 1; 414.01, subdivision 2; 473.123, subdivision 4; 473.141, subdivision 3; 490.15, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 15; repealing Minnesota Statutes 1982, section 11A.07, subdivision 3.

Senate File No. 164 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 297, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 297: A bill for an act relating to criminal justice; requiring peace officers to make arrests based on probable cause in cases of domestic assault; requiring peace officers to notify victims of domestic assault of the legal remedies available; amending Minnesota Statutes 1982, section 629.341; and Laws 1983, chapter 52, by adding a section.

Senate File No. 297 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 338, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 338: A bill for an act relating to motor vehicles; maintaining the maximum interest rate on certain loans under the Motor Vehicle Retail Installment Sales Act at the current rate; amending Minnesota Statutes 1982, section 168.72, subdivision 2.

Senate File No. 338 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 695, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 695: A bill for an act relating to public welfare; requiring new procedures for determining nursing home payment rates; requiring a moratorium on certification or welfare licensure of new beds with certain exceptions; providing for an interagency board for quality assurance; appropriating money; amending Minnesota Statutes 1982, sections 144A.10, subdivisions 4, 6, and by adding a subdivision; 256B.091, subdivisions 1, 2, 4, and 8; 256B.41; 256B.47; and 256B.48; proposing new law coded in Minnesota Statutes 1982, chapters 144A and 256B; repealing Minnesota Statutes 1982, sections 256B.42; 256B.43; 256B.44; 256B.45; and 256B.46; and 12 MCAR 2.049.

Senate File No. 695 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1012, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1012: A bill for an act relating to waste management; amending the Waste Management Act of 1980; providing for the evaluation of bedrock disposal of hazardous waste; providing for participation by private developers and operators of waste facilities in the evaluation of hazardous waste disposal sites; creating phases of environmental impact statements; expanding the definition of hazardous waste; extending the deadlines for the adoption of certain hazardous waste rules; extending certain deadlines of the metropolitan council; clarifying the contents of environmental impact

statements; providing reports to counties on permit conditions and permit application requirements for county sites; authorizing issuance of bonds by Washington and Ramsey counties for a solid waste facility; amending Minnesota Statutes 1982, sections 115.071, subdivision 3; 115A.03, subdivision 10; 115A.05, subdivisions 2 and 3; 115A.06, subdivision 4; 115A.08, subdivisions 4, 5, and 6; 115A.10; 115A.11, subdivisions 1 and 2; 115A.21; 115A.22, subdivisions 1, 3, 4, 6, and 7; 115A.24, subdivision 1; 115A.25, subdivisions 1, 2, 3, and by adding subdivisions; 115A.26; 115A.27, subdivision 2; 115A.28, subdivisions 1, 2, and 3; 115A.30; 115A.54, subdivision 2; 115A.67; 115A.70, subdivision 3; 116.06, subdivision 13, and by adding a subdivision; 116.07, subdivision 4; 116.41, subdivision 1a; 473.149, subdivisions 2b, 2c, 2d, 2e, and 4; 473.153, subdivisions 2, 5, 6, 6b, and by adding a subdivision; 473.803, subdivisions 1a and 1b; 473.823, subdivision 6; 473.831, subdivision 2; 473.833, subdivisions 2a, 3, 7, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 1982, sections 115A.23; 115A.27, subdivision 1; 116.07, subdivision 4c; and 116.41, subdivision 1.

Senate File No. 1012 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1983

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 405, 512 and 872.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1983

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 623.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 1983

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 405: A bill for an act relating to public welfare; authorizing grants to county boards to provide semi-independent living services for mentally retarded persons; proposing new law coded in Minnesota Statutes, chapter 252.

Mr. Moe, R.D. moved that H.F. No. 405 be laid on the table. The motion prevailed.

H.F. No. 512: A bill for an act relating to agriculture; requiring pseudorabies testing; proposing new law coded in Minnesota Statutes 1982, chapter 35.

Mr. Moe, R.D. moved that H.F. No. 512 be laid on the table. The motion prevailed.

H.F. No. 872: A bill for an act relating to agriculture; making certain changes in the law relating to establishing a fertilizer inspection fund; prescribing penalties; amending Minnesota Statutes 1982, sections 17.713, subdivision 7; 17.714, subdivision 1; 17.715, subdivision 1; 17.718, subdivision 1; 17.725, subdivisions 1 and 2; and 17.728, subdivision 4; repealing Minnesota Statutes 1982, section 17.717, subdivisions 3, 4, 5, and 6.

Mr. Moe, R.D moved that H.F. No. 872 be laid on the table. The motion prevailed.

H.F. No. 623: A bill for an act relating to commerce; permitting the sale of certain eye glasses by persons other than optometrists; amending Minnesota Statutes 1982, section 148.56.

Referred to the Committee on Health and Human Services.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 320: A bill for an act relating to agriculture; making certain changes in the law relating to a fertilizer inspection fund; prescribing penalties; amending Minnesota Statutes 1982, sections 17.713, subdivision 7; 17.714, subdivision 1; 17.715, subdivision 1; 17.717, subdivision 1; 17.718, subdivision 1; 17.725, subdivisions 1 and 2; and 17.728, subdivision 4; repealing Minnesota Statutes 1982, section 17.717, subdivisions 3, 4, and 5.

Senate File No. 320 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1983

Mr. Wegscheid moved that the Senate do not concur in the amendments by the House to S.F. No. 320, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 620: A bill for an act relating to public welfare; authorizing grants to county boards to provide semi-independent living services for mentally

retarded persons; proposing new law coded in Minnesota Statutes, chapter 252.

Senate File No. 620 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1983

CONCURRENCE AND REPASSAGE

Mr. Wegscheid moved that the Senate concur in the amendments by the House to S.F. No. 620 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 620 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 47 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knaak	Nelson	Sieloff
Anderson	Dicklich	Laidig	Olson	Storm
Belanger	Diessner	Lantry	Pehler	Taylor
Benson	Frank	Lessard	Peterson, D.L.	Ulland
Berg	Freeman	Luther	Peterson, R.W.	Vega
Bertram	Hughes	McQuaid	Petty	Wegscheid
Brataas	Isackson	Mehrkens	Pogemiller	Willet
Chmielewski	Johnson, D.E.	Merriam	Ramstad	
Dahl	Jude	Moe, D. M.	Renneke	
Davis	Kamrath	Moe, R. D.	Schmitz	

So the bill, as amended, was repassed and its title was agreed to.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 320: Messrs. Wegscheid, Stumpf and Bernhagen.

S.F. No. 950: Messrs. Davis, Frederickson and DeCramer.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 257, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 257 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 257

A bill for an act relating to motor vehicles; providing for special license plates for certain motor vehicles owned by certain members of the Minnesota national guard; imposing fees; appropriating money; amending Minnesota Statutes 1982, section 168.12, by adding a subdivision.

May 21, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 257, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 257 be further amended as follows:

Page 2, line 25, delete "\$50,000" and insert "\$25,000"

Page 2, line 26, after the period insert "*No increase in complement is authorized by this act.*"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Bob Anderson, Harry A. Sieben, Jr., Sally Olsen

Senate Conferees: (Signed) Betty A. Adkins, John Bernhagen, Tad Jude

Mrs. Adkins moved that the foregoing recommendations and Conference Committee Report on H.F. No. 257 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 257 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 52 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kronebusch	Pehler	Sieloff
Anderson	Diessner	Laidig	Peterson, D.C.	Solon
Belanger	Frank	Lantry	Peterson, D.L.	Storm
Benson	Frederickson	Lessard	Peterson, R.W.	Stumpf
Berg	Freeman	Luther	Petty	Taylor
Bertram	Hughes	McQuaid	Pogemiller	Vega
Brataas	Isackson	Mehrkens	Purfeerst	Wegscheid
Chmielewski	Johnson, D.E.	Merriam	Ramstad	Willet
Dahl	Jude	Moe, R. D.	Reichgott	
Davis	Kamrath	Nelson	Renneke	
DeCramer	Knaak	Olson	Schmitz	

Mr. Spear voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 435, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 435 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 435

A bill for an act relating to crimes; establishing degrees of burglary; prescribing penalties; providing mandatory terms of incarceration; proposing new law coded in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1982, section 609.58.

May 20, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 435, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 435 be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [609.581] [DEFINITIONS.]

Subdivision 1. [TERMS DEFINED.] For purpose of sections 2 to 4 the terms defined in this section have the meanings given them.

Subd. 2. [BUILDING.] ‘‘Building’’ means a structure suitable for affording shelter for human beings including any appurtenant or connected struc-

ture.

Subd. 3. [DWELLING.] "Dwelling" means a building used as a permanent or temporary residence.

Subd. 4. [ENTERS A BUILDING WITHOUT CONSENT.] "Enters a building without consent" means:

(a) to enter a building without the consent of the person in lawful possession;

(b) to enter a building by using artifice, trick, or misrepresentation to obtain consent to enter from the person in lawful possession; or

(c) to remain within a building without the consent of the person in lawful possession.

Whoever enters a building while open to the general public does so with consent except when consent was expressly withdrawn before entry.

Sec. 2. [609.582] [BURGLARY.]

Subdivision 1. [BURGLARY IN THE FIRST DEGREE.] Whoever enters a building without consent and with intent to commit a crime commits burglary in the first degree and may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than \$20,000, or both, if:

(a) the building is a dwelling and another person not an accomplice is present in it;

(b) the burglar possesses a dangerous weapon or explosive when entering or at any time while in the building; or

(c) the burglar assaults a person within the building.

Subd. 2. [BURGLARY IN THE SECOND DEGREE.] Whoever enters a building without consent and with intent to commit a crime commits burglary in the second degree and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$10,000, or both, if:

(a) the building is a dwelling;

(b) the portion of the building entered contains a banking business or other business of receiving securities or other valuable papers for deposit or safekeeping and the entry is with force or threat of force;

(c) the portion of the building entered contains a pharmacy or other lawful business or practice in which controlled substances are routinely held or stored, and the entry is forcible; or

(d) when entering or while in the building, the burglar possesses a tool to gain access to money or property.

Subd. 3. [BURGLARY IN THE THIRD DEGREE.] Whoever enters a building without consent and with intent to steal or commit any felony or gross misdemeanor commits burglary in the third degree and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$5,000, or both.

Subd. 4. [BURGLARY IN THE FOURTH DEGREE.] Whoever enters a building without consent and with intent to commit a misdemeanor other than

to steal commits burglary in the fourth degree and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$1,000, or both.

Sec. 3. [609.583] [SENTENCING; FIRST BURGLARY OF A DWELLING.]

In determining an appropriate sentence for a first offense of burglary of a dwelling, the court shall presume that a stay of execution with a 120-day period of incarceration as a condition of probation shall be imposed unless the defendant's criminal history score determined according to the sentencing guidelines indicates a presumptive executed sentence, in which case the presumptive executed sentence shall be imposed unless the court departs from the sentencing guidelines pursuant to section 244.10. A stay of imposition of sentence may be granted only if accompanied by a statement on the record of the reasons for it. The presumptive period of incarceration may be waived in whole or in part by the court if the defendant provides restitution or performs community work service.

Sec. 4. [REPEALER.]

Minnesota Statutes 1982, section 609.58, is repealed.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective August 1, 1983, and apply to all crimes committed on or after that date."

Amend the title as follows:

Page 1, line 3, delete "mandatory terms" and insert "a presumptive term"

Page 1, line 4, after "incarceration" insert "in certain instances"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Janet Clark, Art Seaberg, Randy Kelly, David Bishop, Randy Staten

Senate Conferees: (Signed) R.W. Peterson, Ember Reichgott, Allan Spear, Eric Petty, D.E. Johnson

Mr. Peterson, R.W. moved that the foregoing recommendations and Conference Committee Report on H.F. No. 435 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 435: A bill for an act relating to crimes; establishing degrees of burglary; prescribing penalties; providing a presumptive term of incarceration in certain instances; proposing new law coded in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1982, section 609.58.

Was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knaak	Nelson	Renneke
Anderson	Diessner	Kronebusch	Olson	Schmitz
Belanger	Dieterich	Laidig	Pehler	Sieloff
Benson	Frank	Lantry	Peterson, D. C.	Spear
Berg	Frederickson	Lessard	Peterson, D. L.	Storm
Berglin	Freeman	Luther	Peterson, R. W.	Stumpf
Bertram	Hughes	McQuaid	Petty	Taylor
Brataas	Isackson	Mehrkens	Pogemiller	Uliand
Chmielewski	Johnson, D. E.	Merriam	Purfeerst	Vega
Dahl	Jude	Moe, D. M.	Ramstad	Wegscheid
Davis	Kamrath	Moe, R. D.	Reichgott	Willet

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 473 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 473

A bill for an act relating to traffic regulations; removing restrictions on use at trial of an accused's refusal to take a chemical test; providing that a suspect be informed that refusal to take a chemical test will be used against him at trial; removing requirements for mandatory detoxification in certain instances; providing penalties; amending Minnesota Statutes 1982, sections 169.121, subdivisions 2, 3, 4, and 8; and 169.123, subdivisions 2, 3, and 4; repealing Minnesota Statutes 1982, section 169.1231.

May 20, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 473, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 473 be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 169.121, subdivision 1, is amended to read:

Subdivision 1. [CRIME.] It is a misdemeanor for any person to drive, operate or be in physical control of any motor vehicle within this state:

- (a) When the person is under the influence of alcohol;
- (b) When the person is under the influence of a controlled substance;
- (c) When the person is under the influence of a combination of any two or more of the elements named in clauses (a) and (b); or
- (d) When the person's alcohol concentration is 0.10 or more.

The provisions of this subdivision apply, but are not limited in application, to any person who drives, operates, or is in physical control of any motor vehicle in the manner prohibited by this subdivision upon the ice of any lake, stream, or river, including but not limited to the ice of any boundary water.

~~When an accident has occurred, a peace officer may lawfully arrest a person for violation of this section without a warrant upon probable cause, without regard to whether the violation was committed in the officer's presence.~~

Sec. 2. Minnesota Statutes 1982, section 169.121, is amended by adding a subdivision to read:

Subd. 1a. [ARREST.] When an accident has occurred, a peace officer may lawfully arrest a person for violation of subdivision 1 without a warrant upon probable cause, without regard to whether the violation was committed in the officer's presence.

When a peace officer has probable cause to believe that a person is driving or operating a motor vehicle in violation of subdivision 1, and before a stop or arrest can be made the person escapes from the geographical limits of the officer's jurisdiction, the officer in fresh pursuit of the person may stop or arrest the person in another jurisdiction within this state and may exercise the powers and perform the duties of a peace officer under sections 169.121 and 169.123. An officer acting in fresh pursuit pursuant to this subdivision is serving in his regular line of duty as fully as though he was within his jurisdiction.

The express grant of arrest powers in this subdivision does not limit the arrest powers of peace officers pursuant to sections 626.65 to 626.70 or section 629.40 in cases of arrests for violation of subdivision 1 or any other provision of law.

Sec. 3. Minnesota Statutes 1982, section 169.121, subdivision 2, is amended to read:

Subd. 2. [EVIDENCE.] Upon the trial of any prosecution arising out of acts alleged to have been committed by any person arrested for driving, operating, or being in physical control of a motor vehicle in violation of subdivision 1, the court may admit evidence of the amount of alcohol or a controlled substance in the person's blood, breath, or urine as shown by a medical or chemical analysis ~~thereof~~ of it, if the test is taken voluntarily or pursuant to section 169.123.

For the purposes of this subdivision:

(a) evidence that there was at the time an alcohol concentration of 0.05 or less is prima facie evidence that the person was not under the influence of alcohol;

(b) evidence that there was at the time an alcohol concentration of more than 0.05 and less than 0.10 is relevant evidence in indicating whether or not the person was under the influence of alcohol.

Evidence of the ~~absence of tests~~ refusal to take a test is admissible into evidence in a prosecution under this section ~~without any comment and with a jury instruction, where applicable, that there shall be no speculation as to the~~

reason for the absence and that no inference is to be drawn from the absence or an ordinance in conformity with it.

For purposes of this section and section 169.123, the result of an evidentiary test administered within two hours of the alleged violation is deemed to be the alcohol concentration at the time of the violation.

The foregoing provisions do not limit the introduction of any other competent evidence bearing upon the question whether or not the person was under the influence of alcohol or a controlled substance, including tests obtained more than two hours after the alleged violation.

Sec. 4. Minnesota Statutes 1982, section 169.121, subdivision 3, is amended to read:

Subd. 3. [CRIMINAL PENALTIES.] A person who violates this section or an ordinance in conformity ~~therewith~~ with it is guilty of a misdemeanor.

The following persons are guilty of a gross misdemeanor:

(a) A person who violates this section or an ordinance in conformity ~~therewith~~ with it within five years of a prior conviction under this section, section 169.129, or an ordinance or statute from another state in conformity ~~therewith~~ with it; and

(b) A person who violates this section or an ordinance in conformity ~~therewith~~ with it within ten years of two or more prior convictions under this section, section 169.129, or an ordinance or statute from another state in conformity ~~therewith~~ with it.

The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section shall also be responsible for prosecution of gross misdemeanor violations of this section.

Sec. 5. Minnesota Statutes 1982, section 169.123, subdivision 2, is amended to read:

Subd. 2. [IMPLIED CONSENT; CONDITIONS; ELECTION AS TO TYPE OF TEST.] (a) Any person who drives, operates, or is in physical control of a motor vehicle within this state consents, subject to the provisions of this section and section 169.121, to a chemical test of his blood, breath, or urine for the purpose of determining the presence of alcohol or a controlled substance. The test shall be administered at the direction of a peace officer. The test may be required of a person when an officer has reasonable and probable grounds to believe the person was driving, operating, or in physical control of a motor vehicle in violation of section 169.121 and one of the following conditions exist: (1) the person has been lawfully placed under arrest for violation of section 169.121, or an ordinance in conformity ~~therewith~~ with it; or (2) the person has been involved in a motor vehicle accident or collision resulting in property damage, personal injury, or death; or (3) the person has refused to take the screening test provided for by section 169.121, subdivision 6; or (4) the screening test was administered and recorded an alcohol concentration of 0.10 or more. No action may be taken against the person for declining to take a direct blood test, if offered, unless an alternative test was offered.

(b) At the time a chemical test specimen is requested, the person shall be

informed:

(1) that if testing is refused, the person's right to drive will be revoked for a *minimum* period of six months; ~~and~~

(2) that if a test is taken and the results indicate that the person is under the influence of alcohol or a controlled substance, the person will be subject to criminal penalties and the person's right to drive may be revoked for a *minimum* period of 90 days; ~~and~~

(3) that the person has a right to consult with an attorney but that this right is limited to the extent that it cannot unreasonably delay administration of the test or the person will be deemed to have refused the test; ~~and~~

(4) that after submitting to testing, the person has the right to have additional tests made by a person of his own choosing; *and*

(5) *that if he refuses to take a test, the refusal will be offered into evidence against him at trial.*

Sec. 6. Minnesota Statutes 1982, section 169.123, subdivision 3, is amended to read:

Subd. 3. [MANNER OF MAKING TEST; ADDITIONAL TESTS.] Only a physician, medical technician, physician's trained mobile intensive care paramedic, registered nurse, medical technologist or laboratory assistant acting at the request of a peace officer may withdraw blood for the purpose of determining the presence of alcohol or controlled substance. This limitation does not apply to the taking of a breath or urine specimen. The person tested has the right to have a person of his own choosing administer a chemical test or tests in addition to any administered at the direction of a peace officer; provided, that the additional test specimen on behalf of the person is obtained at the place where the person is in custody, after the test administered at the direction of a peace officer, and at no expense to the state. The failure or inability to obtain an additional test or tests by a person shall not preclude the admission in evidence of the test taken at the direction of a peace officer unless the additional test was prevented or denied by the peace officer. The physician, medical technician, physician's trained mobile intensive care paramedic, medical technologist, laboratory assistant or registered nurse drawing blood at the request of a peace officer for the purpose of determining alcohol concentration shall in no manner be liable in any civil or criminal action except for negligence in drawing the blood. The person administering a *breath* test ~~at the request and direction of a peace officer~~ shall be fully trained in the administration of ~~the breath~~ tests pursuant to ~~training standards promulgated by rule given~~ by the commissioner of public safety.

Sec. 7. [REPEALER.]

Minnesota Statutes 1982, section 169.1231, is repealed.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 5 are effective August 1, 1983. Sections 6 and 7 are effective the day following final enactment.

Delete the title and insert:

"A bill for an act relating to highway traffic regulations; permitting inter-

jurisdictional fresh pursuit of drivers suspected of driving under the influence of alcohol or a controlled substance; removing restrictions on use at trial of accused's refusal to take a chemical test; providing that a suspect be informed that refusal to take a chemical test will be used against him at trial; eliminating mandatory detoxification of intoxicated drivers; amending Minnesota Statutes 1982, sections 169.121, subdivisions 1, 2, 3, and by adding a subdivision; 169.123, subdivisions 2 and 3; repealing Minnesota Statutes 1982, section 169.1231."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Michael O. Freeman, Fritz Knaak, Jim Ramstad

House Conferees: (Signed) Kathleen Vellenga, Robert E. Vanasek, Janet Clark, Terry Dempsey, Bert J. McKasy

Mr. Freeman moved that the foregoing recommendations and Conference Committee Report on S.F. No. 473 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 473 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knaak	Nelson	Renneke
Anderson	Diessner	Kronebusch	Olson	Schmitz
Belanger	Dieterich	Laidig	Pehler	Sieloff
Benson	Frank	Lantry	Peterson, D.C.	Spear
Berg	Frederickson	Lessard	Peterson, D.L.	Storm
Berglin	Freeman	Luther	Peterson, R.W.	Taylor
Bertram	Hughes	McQuaid	Petty	Ulland
Brataas	Isackson	Mehrkens	Pogemiller	Wegscheid
Chmielewski	Johnson, D.E.	Merriam	Purfeerst	Willet
Dahl	Jude	Moe, D. M.	Ramstad	
Davis	Kamrath	Moe, R. D.	Reichgott	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 591 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 591

A bill for an act relating to insurance; health and accident; prohibiting provider discrimination in insurance policies covering mental health services; amending Minnesota Statutes 1982, section 62A.152, by adding a subdivision.

May 21, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 591, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 591 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 62A.152, is amended by adding a subdivision to read:

Subd. 3. [PROVIDER DISCRIMINATION PROHIBITED.] All group policies and group subscriber contracts that provide benefits for mental or nervous disorder treatments in a hospital must provide direct reimbursement for those services if performed by a licensed consulting psychologist to the extent that the services and treatment are within the scope of licensed consulting psychologist licensure. The order of the physician requesting the services of the licensed consulting psychologist may be required to be submitted with the claim for payment.

This subdivision is intended to provide payment of benefits for mental or nervous disorder treatments performed by a licensed consulting psychologist in a hospital and is not intended to change or add benefits for those services provided in policies or contracts to which this subdivision applies.

Sec. 2. [EFFECTIVE DATE; APPLICATION.]

Section 1 is effective July 1, 1983 and applies to all applicable policies and contracts issued, renewed, or delivered on or after that date.”

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Eric D. Petty, Marilyn M. Lantry, Earl W. Renneke

House Conferees: (Signed) Wes Skoglund, John Burger, Bob Ellingson

Mr. Petty moved that the foregoing recommendations and Conference Committee Report on S.F. No. 591 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 591 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 51 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Laidig	Pehler	Spear
Anderson	Frank	Lantry	Peterson, D.C.	Storm
Berg	Frederick	Lessard	Peterson, D.L.	Stumpf
Berglin	Frederickson	Luther	Peterson, R.W.	Taylor
Bertram	Freeman	McQuaid	Petty	Ulland
Brataas	Hughes	Mehrkens	Pogemiller	Vega
Chmielewski	Isackson	Merriam	Purfeerst	Willet
Dahl	Johnson, D.E.	Moe, D. M.	Ramstad	
Davis	Jude	Moe, R. D.	Reichgott	
DeCramer	Knutson	Nelson	Schmitz	
Diessner	Kronebusch	Olson	Sieloff	

Messrs. Benson, Kamrath and Knaak voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 545 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 545

A bill for an act relating to welfare; changing laws relating to child support enforcement; providing for determination of paternity; providing for determination and modification of child support; amending Minnesota Statutes 1982, sections 256.74, by adding a subdivision; 256.87; 257.55, subdivision 1; 257.58; 257.59, subdivision 1; 257.60; 257.62, subdivision 1, and by adding subdivisions; 257.64, subdivision 1; 257.66, subdivisions 3 and 4; 257.69, subdivision 2; 518.10; 518.17, by adding a subdivision; 518.551, subdivisions 1, 5, and 6, and by adding subdivisions; 518.611; 518.64, subdivisions 2 and 5, and by adding a subdivision; 518.645; 518B.01, subdivisions 2 and 6; 518C.17, subdivision 1; 518C.33, subdivision 1; and 548.09; proposing new law coded in Minnesota Statutes, chapters 257, 518, and 543; repealing Minnesota Statutes 1982, sections 256.87, subdivision 2; 256.872; 256.873; 256.876; and 518.551, subdivisions 2, 3, and 4.

May 21, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 545, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 545 be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 256.74, is amended by adding a subdivision to read:

Subd. 5. [ASSIGNMENT OF SUPPORT AND MAINTENANCE RIGHTS.] An applicant for assistance, or a recipient of assistance, under

sections 256.72 to 256.87 is considered to have assigned to the public agency responsible for child support enforcement at the time of application all rights to child support and maintenance from any other person the applicant may have in his own behalf or in the behalf of any other family member for whom application is made. The assignment:

(1) is effective as to both current and accrued child support and maintenance obligations;

(2) takes effect upon a determination that the applicant is eligible for assistance under sections 256.72 to 256.87;

(3) terminates when an applicant ceases to receive assistance under sections 256.72 to 256.87, except with respect to the amount of any unpaid support or maintenance obligation, or both, accrued under the assignment.

Sec. 2. Minnesota Statutes 1982, section 256.87, is amended to read:

256.87 [CONTRIBUTION BY PARENTS; ~~AMENDMENTS; REPEALS.~~]

Subdivision 1. [ACTIONS AGAINST PARENTS FOR ASSISTANCE FURNISHED.] At any time during the continuance of assistance to a child granted under sections 256.72 to 256.87 *except as set forth below*, a parent of a child is liable for the amount of assistance furnished during the two years immediately preceding the commencement of the action which the parent is reasonably able to pay. *Provided, however, that where child support has been previously ordered, the state or county agency providing the assistance, as assignee of the obligee, shall be entitled to judgments for child support payments accruing within ten years preceding the date of the commencement of the action to collect.* The action may be ordered by the state agency or county agency and shall be brought in the name of the county by the county attorney of the county in which the assistance was granted, or by the state agency against the parent for the recovery of the amount of assistance granted, together with the costs and disbursements of the action.

Subd. 1a. [CONTINUING SUPPORT CONTRIBUTIONS.] In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing *support* contributions by a parent found able to reimburse the county or state agency. *Except as provided in subdivision 4, the order shall be effective only for the period of time during which the recipient receives public assistance from the any county or state agency and for 90 days thereafter the order shall require support according to chapter 518.* An order for continuing contributions is reinstated without further hearing upon notice to the parent by ~~the any~~ county or state agency that assistance is again being provided for the child of the parent under sections 256.72 to 256.87. The notice shall be in writing and shall indicate that the parent may request a hearing for modification of the amount of support or maintenance ~~; the amount required to be paid; and the conditions under which income withholding can occur.~~ *In any order modifying the amount of support or maintenance, the court may, if appropriate, make the modification retroactive to the date of automatic reinstatement.*

Subd. 2. [NOT TO BE VESTED RIGHT.] All assistance granted under those sections shall be deemed to be granted and to be held subject to the provisions of any amending or repealing act that may hereafter be passed. No recipient shall have any claim for compensation, or otherwise, by reason

of his assistance being affected in any way by any amending or repealing act.

Subd. 3. [CONTINUING CONTRIBUTIONS TO FORMER RECIPIENT.] The order for continuing support contributions shall remain in effect following the 90 day period after public assistance granted under sections 256.72 to 256.87 is terminated if:

(a) the former recipient files an affidavit with the court within 90 days of the termination of assistance requesting that the support order remain in effect;

(b) the public authority serves written notice of the filing by mail on the parent responsible for making the support payments at that parent's last known address and notice that the parent may move the court under section 518.64 to modify the order respecting the amount of support or maintenance; and

(c) the former recipient makes an application to use the public authority's collection services.

Subd. 4. [ORDER FOR MODIFICATION.] In any order modifying the amount of support or maintenance under this section, the court may make the modification retroactive to the date public assistance was terminated or reinstated.

Subd. 5. [CHILD NOT RECEIVING ASSISTANCE.] A parent having custody of a dependent child not receiving assistance under sections 256.72 to 256.87 has a cause of action for child support against the child's absent parent. Upon an order to show cause and a motion served on the absent parent, the court shall order child support payments from the absent parent under chapter 518.

Sec. 3. [257.541] [CUSTODY AND VISITATION OF CHILDREN BORN OUTSIDE OF MARRIAGE.]

Subdivision 1. [MOTHER'S RIGHT TO CUSTODY.] The natural mother of a child born to a mother who was not married to the child's father neither when the child was born nor when the child was conceived has sole custody of the child until paternity has been established.

Subd. 2. [FATHER'S RIGHT TO VISITATION.] (a) If paternity has been acknowledged under section 257.34 and paternity has been established under sections 257.51 to 257.74, the father's rights of visitation or custody are determined under sections 518.17 and 518.175.

(b) If paternity has not been acknowledged under section 257.34 and paternity has been established under sections 257.51 to 257.74, the natural father may petition for rights of visitation or custody in a separate proceeding under section 518.156.

Sec. 4. Minnesota Statutes 1982, section 257.55, subdivision 1, is amended to read:

Subdivision 1. [PRESUMPTION.] A man is presumed to be the natural father of a child if:

(a) He and the child's natural mother are or have been married to each other and the child is born during the marriage, or within 280 days after the

marriage is terminated by death, annulment, declaration of invalidity, dissolution, or divorce, or after a decree of legal separation is entered by a court;

(b) Before the child's birth, he and the child's natural mother have attempted to marry each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared void, voidable, or otherwise invalid, and,

(1) if the attempted marriage could be declared invalid only by a court, the child is born during the attempted marriage, or within 280 days after its termination by death, annulment, declaration of invalidity, dissolution or divorce; or

(2) if the attempted marriage is invalid without a court order, the child is born within 280 days after the termination of cohabitation;

(c) After the child's birth, he and the child's natural mother have married, or attempted to marry, each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared void, voidable, or otherwise invalid, and,

(1) he has acknowledged his paternity of the child in writing filed with ~~the district court or~~ the state registrar of vital statistics;

(2) with his consent, he is named as the child's father on the child's birth certificate; or

(3) he is obligated to support the child under a written voluntary promise or by court order;

(d) While the child is under the age of majority, he receives the child into his home and openly holds out the child as his natural child; or

(e) He ~~acknowledges and the child's natural mother acknowledge~~ his paternity of the child in a writing *signed by both of them under section 257.34 and filed with the district court or the state registrar of vital statistics; which shall promptly inform the mother of the filing of the acknowledgment; and she does not within a reasonable time after being informed thereof dispute the acknowledgment in a writing filed with the district court or the state registrar of vital statistics.* If another man is presumed under this clause to be the child's father, acknowledgment may be effected only with the written consent of the presumed father or after the presumption has been rebutted.

Sec. 5. Minnesota Statutes 1982, section 257.58, is amended to read:

257.58 [LIMITATION OF ACTIONS; EXCEPTIONS.]

Subdivision 1. [ACTIONS FOR CHILDREN WITHOUT A PRESUMED FATHER.] Except for (a) an action brought by or on behalf of a child whose paternity has not been determined, and (b) an action brought by the public authority responsible for child support enforcement, if a child is over three years old when he or she first receives public assistance in the state of Minnesota, an action to determine the existence of the father and child relationship as to a child who has no presumed father under section 257.55 may not be brought later than three years after the birth of the child, or later than three years after August 1, 1980, whichever is later. An action brought by or on behalf of a child whose paternity has not been determined is not barred

until one year after the child reaches the age of majority. *If a child is over three years old when he or she first receives public assistance in the state of Minnesota, an action brought by the public authority responsible for child support enforcement is not barred until three years after the public assistance is first provided in this state.*

Subd. 2. [HEIRSHIP.] Section 257.57 and this section do not extend the time within which a right of inheritance or a right to a succession may be asserted beyond the time provided by law relating to distribution and closing of decedents' estates or to the determination of heirship, or otherwise.

Sec. 6. Minnesota Statutes 1982, section 257.59, subdivision 1, is amended to read:

Subdivision 1. [COURT JURISDICTION.] Except in Hennepin and Ramsey counties, the county court has jurisdiction of an action brought under sections 257.51 to 257.74. In Hennepin and Ramsey counties, the district court has jurisdiction of an action brought under sections 257.51 to 257.74. *The action may be joined with an action for dissolution, annulment, legal separation, custody under chapter 518, or reciprocal enforcement of support.*

Sec. 7. Minnesota Statutes 1982, section 257.60, is amended to read:

257.60 [PARTIES.]

The child may be made a party to the action. If the child is a minor and is made a party, a general guardian or a guardian ad litem shall be appointed by the court to represent the child. The child's mother or father may not represent the child as guardian or otherwise. ~~The court may appoint the commissioner of public welfare as guardian ad litem for the child.~~ If the child is a minor and the case involves a compromise under section 257.64, subdivision 1 or a lump sum payment under section 257.66, subdivision 4, the child *and the commissioner of public welfare shall each be made a party and the commissioner of public welfare shall be appointed as guardian ad litem* before the court approves a compromise or orders a lump sum payment. The natural mother, each man presumed to be the father under section 257.55, and each man alleged to be the natural father, shall be made parties or, if not subject to the jurisdiction of the court, shall be given notice of the action in a manner prescribed by the court and shall be given an opportunity to be heard. *A person who may bring an action under section 257.57 may be made a party to the action.* The court may align the parties.

Sec. 8. Minnesota Statutes 1982, section 257.62, subdivision 1, is amended to read:

Subdivision 1. [BLOOD TESTS REQUIRED.] The court may, and upon request of a party shall, require the child, mother, or alleged father to submit to blood tests ~~or genetic tests, or both.~~ *If the alleged father is dead, the court may, and upon request of a party shall, require the decedent's parents or brothers and sisters or both to submit to blood tests. However, in a case involving these relatives of an alleged father, who is deceased, the court may refuse to order blood tests if the court makes an express finding that submitting to the tests presents a danger to the health of one or more of these relatives that outweighs the child's interest in having the tests performed. Unless the person gives consent to the use, the results of any blood tests of*

the decedent's parents, brothers, or sisters may be used only to establish the right of the child to public assistance including but not limited to social security and veterans' benefits. The tests shall be performed by a qualified expert appointed by the court.

Sec. 9. Minnesota Statutes 1982, section 257.62, is amended by adding a subdivision to read:

Subd. 6. [POSITIVE TEST RESULTS.] If the results of the blood tests indicate that the likelihood of the alleged father's paternity is more than 92 percent, upon motion the court shall order the alleged father to pay temporary child support determined according to chapter 518. The alleged father shall pay the support money into court pursuant to the rules of civil procedure to await the results of the paternity proceedings.

Sec. 10. Minnesota Statutes 1982, section 257.64, subdivision 1, is amended to read:

257.64 [PRE-TRIAL ORDERS AND RECOMMENDATIONS.]

Subdivision 1. On the basis of the information produced at the pretrial hearing, ~~including information as to the financial status of the parties, the court may, and if requested by a party, shall evaluate the probability of determining the existence or nonexistence of the father and child relationship in a trial and whether a judicial declaration would be in the best interest of the child. On the basis of the evaluation, an appropriate recommendation for settlement shall be made to the parties, which may include any of the following:~~

(a) ~~That the action be dismissed with or without prejudice;~~

(b) ~~recommend that the alleged father voluntarily acknowledge his paternity of the child if the parties have agreed on a financial settlement; or~~

(c) ~~(b) recommend that the matter be compromised by an agreement among the alleged father, the mother, and the child, in which the father and child relationship is not determined but in which a defined economic obligation is undertaken by the alleged father in favor of the child and, if appropriate, in favor of the mother, subject to approval by the court. In reviewing the obligation undertaken by the alleged father in a compromise agreement, the court shall consider the best interest of the child, in the light of the applicable factors enumerated in section 518.17, subdivision 3, discounted by the improbability, as it appears to the court, of establishing the alleged father's paternity or nonpaternity of the child in a trial of the action. In the best interest of the child, the court may order that the alleged father's identity be kept confidential. In that case, the court may designate a person or agency to receive from the alleged father and disburse on behalf of the child all amounts paid by the alleged father in fulfillment of obligations imposed on him. When the child reaches 21 years of age or older he may petition the court to disclose the alleged father's identity. The court shall grant the petition if after considering the interests of all known persons involved, the court determines that disclosure of the information would be of greater benefit than nondisclosure.~~

Sec. 11. Minnesota Statutes 1982, section 257.66, subdivision 3, is amended to read:

Subd. 3. [JUDGMENT; ORDER.] The judgment or order shall contain

provisions concerning the duty of support, the custody and guardianship of the child, the name of the child, visitation privileges with the child, the furnishing of bond or other security for the payment of the judgment, or any other matter in the best interest of the child. *Custody and visitation and all subsequent motions related to them shall proceed and be determined under section 3.* ~~These~~ *The remaining matters and all subsequent motions related to them shall proceed and be determined in accordance with chapter 518. The judgment or order may direct the appropriate party to pay all or a proportion of the reasonable expenses of the mother's pregnancy and confinement, after consideration of the relevant facts, including the relative financial means of the parents; the earning ability of each parent; and any health insurance policies held by either parent, or by a spouse or parent of the parent, which would provide benefits for the expenses incurred by the mother during her pregnancy and confinement.*

Sec. 12. Minnesota Statutes 1982, section 257.66, subdivision 4, is amended to read:

Subd. 4. [STATUTE OF LIMITATIONS.] Support judgments or orders ordinarily shall be for periodic payments which may vary in amount. In the best interest of the child, a lump sum payment may be ordered in lieu of periodic payments of support. The court shall limit the parent's liability for past support of the child to the proportion of the expenses that the court deems just, which were incurred in the ~~immediate preceding~~ *two years immediately preceding the commencement of the action.*

Sec. 13. Minnesota Statutes 1982, section 257.69, subdivision 2, is amended to read:

Subd. 2. [GUARDIAN; LEGAL FEES.] The court may order ~~reasonable counsel, expert witnesses, witness~~ and guardian ad litem fees, and other costs of the trial and pre-trial proceedings, including appropriate tests, to be paid by the parties in proportions and at times determined by the court. The court shall require a party to pay part of the fees of court-appointed counsel according to the party's ability to pay, but if counsel has been appointed the appropriate agency shall pay the party's proportion of all other fees and costs. *The agency responsible for child support enforcement shall pay the fees and costs for blood tests in a proceeding in which it is a party, is the real party in interest, or is acting on behalf of the child. However, at the close of a proceeding in which paternity has been established under sections 257.51 to 257.74, the court shall order the adjudicated father to reimburse the public agency, if the court finds he has sufficient resources to pay the costs of the blood tests.* When a party bringing an action is represented by the county attorney, no filing fee shall be paid to the clerk of court.

Sec. 14. Minnesota Statutes 1982, section 518.10, is amended to read:

518.10 [REQUISITES OF PETITION.]

The petition for dissolution of marriage or legal separation shall state and allege:

- (a) The name and address of the petitioner;
- (b) The name and, if known, the address of the respondent;
- (c) The place and date of the marriage of the parties;

(d) In the case of a petition for dissolution, that either the petitioner or the respondent or both:

(1) Has resided in this state for not less than 180 days immediately preceding the commencement of the proceeding, or

(2) Has been a member of the armed services and has been stationed in this state for not less than 180 days immediately preceding the commencement of the proceeding, or

(3) Has been a domiciliary of this state for not less than 180 days immediately preceding the commencement of the proceeding;

(e) The name, age and date of birth of each *living* minor or dependent child of the parties *born before the marriage or born or adopted during the marriage and a reference to, and the expected date of birth of, a child of the parties conceived during the marriage but not born;*

(f) Whether or not a separate proceeding for dissolution, legal separation, or custody is pending in a court in this state or elsewhere;

(g) In the case of a petition for dissolution, that there has been an irretrievable breakdown of the marriage relationship;

(h) In the case of a petition for legal separation, that there is a need for a decree of legal separation; and

(i) Any temporary or permanent maintenance, child support, child custody, disposition of property, attorneys' fees, costs and disbursements applied for without setting forth the amounts.

The petition shall be verified by the petitioner or petitioners, and its allegations established by competent evidence.

Sec. 15. Minnesota Statutes 1982, section 518.17, is amended by adding a subdivision to read:

Subd. 5. [DEVIATION FROM GUIDELINES.] The court shall not order the noncustodial parent to pay support in an amount below the appropriate amount determined from the guidelines in section 17 for use in public assistance cases unless the court makes express findings of fact as to the reason for the lower order.

Sec. 16. Minnesota Statutes 1982, section 518.551, subdivision 1, is amended to read:

~~Subdivision 1. [ORDER PAYMENT TO PUBLIC AGENCY.] Whenever an obligation for support of a dependent child or maintenance of a spouse, or both, in a proceeding for dissolution or legal separation or determination of parentage, has been determined and ordered by a court of this state, that court shall order the withholding of the amount of child support or maintenance as determined by court order, from the income, regardless of source, of the person obligated to pay the support or maintenance. When an order for withholding has not previously been secured, the obligee may or the public agency responsible for child support enforcement shall move the court, and the court shall grant the order.~~

Each order shall provide that the obligor's employer, trustee, or other payor of funds shall withhold from the obligor's income, regardless of source, an

amount equal to the court's order for support or maintenance.

The court shall direct that all payments ordered for maintenance and support be made to the public agency responsible for child support enforcement so long as the obligee is receiving or has applied for public assistance. Amounts received by the public agency responsible for child support enforcement greater than the amount granted to the obligee shall be remitted to the obligee.

Sec. 17. Minnesota Statutes 1982, section 518.551, subdivision 5, is amended to read:

Subd. 5. [NOTICE TO PUBLIC AUTHORITY; GUIDELINES.] The petitioner shall notify the public authority of all proceedings for dissolution, legal separation, determination of parentage or for the custody of a child, if either party is receiving aid to families of ~~with~~ dependent children or applies for it subsequent to the commencement of the proceeding. After receipt of the notice, ~~the public authority shall recommend to the court the support that is proper and adequate for the care and support of the child or children before the issuance of the order for judgment and decree in the proceeding. shall set child support by multiplying the obligor's net income by the percentage indicated by the following guidelines:~~

Net Income Per Month of Obligor	Number of Children						
	1	2	3	4	5	6	7 or more
<i>\$400 and Below</i>	<i>Order based on the ability of the obligor to provide support at these income levels, or at higher levels, if the obligor has the earning ability.</i>						
\$401 - 500	14%	17%	20%	22%	24%	26%	28%
\$501 - 550	15%	18%	21%	24%	26%	28%	30%
\$551 - 600	16%	19%	22%	25%	28%	30%	32%
\$601 - 650	17%	21%	24%	27%	29%	32%	34%
\$651 - 700	18%	22%	25%	28%	31%	34%	36%
\$701 - 750	19%	23%	27%	30%	33%	36%	38%
\$751 - 800	20%	24%	28%	31%	35%	38%	40%
\$801 - 850	21%	25%	29%	33%	36%	40%	42%
\$851 - 900	22%	27%	31%	34%	38%	41%	44%
\$901 - 950	23%	28%	32%	36%	40%	43%	46%
\$951 - 1000	24%	29%	34%	38%	41%	45%	48%
\$1001 and over	25%	30%	35%	39%	43%	47%	50%

Net Income defined as:

Total monthly
income less

- *(1) Federal Income Tax
- *(2) State Income Tax
- (3) Social Security Deductions
- (4) Mandatory Pension
Deductions
- (5) Union Dues

*Standard
Deductions apply-

*use of tax tables
recommended*

- (6) *Dependent Health Insurance Coverage*
(7) *Individual Health/Hospitalization Coverage or Medical Expense Deductions not to exceed \$25 a month.*

(a) The child support payment guidelines take into consideration the following criteria:

(1) all earnings, income, and resources of the obligor including real and personal property;

(2) the basic living needs of the obligor;

(3) the financial needs of the child or children to be supported; and

(4) the amount of the aid to families with dependent children grant for the child or children.

(b) Debts owed to private creditors are not to be considered in establishing a support obligation.

(c) Previous support orders and maintenance orders may be considered if the obligor is paying them.

(d) Nothing shall preclude the court from receiving evidence on the above factors to determine if the guidelines should be exceeded or modified in a particular case.

(e) The above guidelines are binding in each case unless the court makes express findings of fact as to the reason for departure below the guidelines in that case in which the court orders support that so deviates from the guidelines. It may also increase the amount of child support by more than the guidelines without making express findings by agreement of the parties or by making further findings.

Sec. 18. Minnesota Statutes 1982, section 518.551, subdivision 6, is amended to read:

Subd. 6. [FAILURE OF NOTICE.] If the court in a dissolution, legal separation or determination of parentage proceeding, finds before issuing the order for judgment and decree, that notification has not been given to the public authority, the court shall ~~order that notification be made and shall not issue its order for judgment and decree until the public authority has made its recommendations~~ *set child support according to the guidelines in section 17.* In those proceedings in which no notification has been made pursuant to this section and in which the public authority determines that the judgment is ~~not proper and adequate for the care and support of the child or children lower than the child support required by the guidelines in section 17,~~ *it may shall* move the court for a redetermination of the support payments ordered *so that the support payments comply with the guidelines.*

Sec. 19. Minnesota Statutes 1982, section 518.551, is amended by adding a subdivision to read:

Subd. 8. [HEALTH INSURANCE OR PLAN.] *The court shall also include in the requirements for each child support order a provision naming the child*

as a beneficiary on whatever medical, hospitalization or dental insurance or plan is available to the obligor on a group basis through his or her employer or union.

Sec. 20. Minnesota Statutes 1982, section 518.551, is amended by adding a subdivision to read:

Subd. 9. [ASSIGNMENT OF RIGHTS; JUDGMENT.] The public agency responsible for child support enforcement is joined as a party in each case in which rights are assigned under section 1. When arrearages are reduced to judgment, the court shall grant judgment in favor of, and in the name of, the public agency to the extent that the arrearages are assigned. The public agency may enforce a judgment entered before the assignment of rights as if the judgment were granted to it, and in its name, to the extent that the arrearages in that judgment are assigned.

Sec. 21. Minnesota Statutes 1982, section 518.611, is amended to read:

518.611 [ASSIGNMENTS INCOME WITHHOLDING.]

Subdivision 1. [ORDER.] Whenever an obligation for support of a dependent child or maintenance of a spouse, or both, ~~in a proceeding for dissolution or legal separation or determination of parentage, has been~~ is determined and ordered by a court of this state, that court shall order the withholding of the amount of child support or maintenance as determined by court order, from the income, regardless of source, of the person obligated to pay the support or maintenance. When an order for withholding has not previously been secured, the obligee may or the public agency responsible for child support enforcement shall move the court, and the court shall grant the order.

Subd. 2. [NOTICE TO OBLIGOR OF CONDITIONS.] Each order for withholding shall provide for a conspicuous notice to the obligor that withholding may result if the obligor fails to make the maintenance or support payments, and that no withholding shall be made until the following conditions are met:

(a) The obligee or the public authority determines that the obligor is at least 30 days in arrears;

(b) The obligee or the public authority serves written notice of its determination of arrearage on the obligor at least 15 days before service of the determination and a copy of the court's order for withholding on the payor of funds;

(c) Within the 15 day period, the obligor has either failed to pay all arrearages or to move the court, under section 518.64, to modify the order respecting the amount of maintenance or support and, ex parte, to stay service on the payor of funds until the motion to modify is heard; and

(d) The obligee or the public authority serves a copy of the determination of arrearage and a copy of the court's withholding order on the payor of funds.

(e) The obligee shall also serve on the public authority a copy of the determination of arrearage, a copy of the court's withholding order and an application to use the public authority's collection services.

Subd. 3. [MODIFICATION ORDERS.] An order modifying the amount of maintenance or support, issued after the hearing on the motion to modify, shall provide that payments be made *outright* by withholding. *The provisions of subdivision 2 do not apply.*

Subd. 4. [EFFECT OF ORDER.] *Notwithstanding any law to the contrary, the order is binding on the employer, trustee, or other payor of the funds upon service upon him of notice that it has been made. The payor shall withhold from the income payable to the obligor the amount specified in the order and shall monthly or more frequently remit the amounts withheld to the public authority. Amounts received by the public authority which are in excess of public assistance expended for the party or for a child shall be remitted to the party. An employer shall not discharge or otherwise discipline an employee as a result of a wage or salary assignment withholding authorized by this section.*

Subd. 5. [ARREARAGE ORDER.] *Nothing in this section shall prevent the court from ordering the payor of funds to withhold amounts to satisfy the obligor's previous arrearage in child support or maintenance payments, the obligor's liability for pregnancy and confinement expenses and for blood test costs, and any service fees that may be imposed under section 518.551.*

Subd. 6. [PRIORITY.] *An order for withholding under this section or execution or garnishment upon a judgment for child support arrearages or preadjudicated expenses shall have priority over an attachment, execution, garnishment, or wage assignment unless otherwise ordered by the court and shall not be subject to the statutory limitations on amounts levied against the income of the obligor.*

Subd. 7. [EMPLOYER EXPENSES.] *An employer may deduct one dollar from the obligor-employee's remaining salary for each payment made pursuant to a withholding order under this section to cover the employer's expenses involved in the withholding.*

Subd. 8. [EMPLOYER OR PAYOR NOTICE.] *When a withholding order is in effect and the obligor's employment is terminated or the periodic payment terminates, the obligor's employer or the payor of funds shall notify the public agency responsible for child support enforcement of the termination within 30 days of the termination date. The notice shall include the obligor's home address and the name and address of the obligor's new employer or payor of funds, if known.*

Sec. 22. Minnesota Statutes 1982, section 518.64, subdivision 2, is amended to read:

Subd. 2. [MODIFICATION.] *The terms of a decree respecting maintenance or support may be modified upon a showing of one or more of the following: (1) substantially increased or decreased earnings of a party or; (2) substantially increased or decreased need of a party; (3) receipt of assistance under sections 256.72 to 256.87; or (4) a change in the cost-of-living for either party as measured by the federal bureau of statistics, any of which makes the terms unreasonable and unfair. On a motion for modification of support, the court shall take into consideration the needs of the children and the financial circumstances of the custodial parent's spouse, if any. A modification which decreases support or maintenance may be made retroactive*

only upon a showing that any failure to pay in accord with the terms of the original order was not willful. A modification which increases support or maintenance shall not be made retroactive if the obligor has substantially complied with the previous order. Except for an award of the right of occupancy of the homestead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state. The court may impose a lien or charge on the divided property at any time while the property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518.24.

Sec. 23. Minnesota Statutes 1982, section 518.64, subdivision 5, is amended to read:

Subd. 5. [FORM.] The department of public welfare shall prepare and make available to courts ~~and~~, obligors *and persons to whom child support is owed* a form to be submitted by the obligor *or the person to whom child support is owed* in support of a motion for a modification of an order pursuant to this section or section 256.87. ~~The rule-making~~ *rulemaking* provisions of chapter 14 shall not apply to the preparation of the form.

Sec. 24. [518.64] [COST-OF-LIVING ADJUSTMENTS IN CHILD SUPPORT ORDER.]

Subdivision 1. [REQUIREMENT.] An order for child support shall provide for a biennial adjustment in the amount to be paid based on a change in the cost-of-living. The order shall specify the cost-of-living index to be applied. The court may use the consumer price index for all urban consumers, Minneapolis-St. Paul (CPI-U), the consumer price index for wage earners and clerical, Minneapolis-St. Paul (CPI-W), or another cost-of-living index published by the department of labor which it specifically finds is more appropriate. The court may specify that the housing component be excluded from the cost-of-living adjustment. Cost-of-living increases under this section shall be compounded. It may also increase the amount by more than the cost-of-living adjustment by agreement of the parties or by making further findings. The adjustment becomes effective on the first of May of the year in which it is made. A court may waive the requirement of the cost-of-living clause if it expressly finds that the obligor's occupation or income, or both, does not provide for cost-of-living adjustment or that the order for child support has a provision such as a step increase that has the effect of a cost-of-living clause. The commissioner of public welfare may promulgate rules under this section in accordance with the rulemaking provisions of chapter 14.

Subd. 2. [CONDITIONS.] No adjustment under this section may be made unless the order provides for it and until the following conditions are met:

(a) the obligee or public authority serves notice of its application for adjustment by mail on the obligor at the obligor's last known address at least 20 days before the effective date of the adjustment;

(b) the notice to the obligor shall inform the obligor that an adjustment in payments shall become effective on the first of May; and

(c) after receipt of notice and before the effective day of the adjustment, the obligor fails to request a hearing on the issue of whether the adjustment should take effect, and ex parte, to stay imposition of the adjustment pending outcome of the hearing.

Subd. 3. [RESULT OF HEARING.] If, at a hearing pursuant to this section, the obligor establishes an insufficient cost of living or other increase in income that prevents fulfillment of the adjusted child support obligation, the court may direct that all or part of the adjustment not take effect. If, at the hearing, the obligor does not establish this insufficient increase in income, the adjustment shall take effect as of the date it would have become effective had no hearing been requested.

Subd. 4. [FORM.] The department of public welfare shall prepare and make available to the court and obligors a form to be submitted to the department by the obligor in support of a request for hearing under this section. The rulemaking provisions of chapter 14 shall not apply to the preparation of the form.

Subd. 5. [REQUEST FOR COST-OF-LIVING CLAUSE.] A motion for enforcement or modification of an existing child support order shall include a request for a cost-of-living clause. The court may deny the request only upon an express finding that the obligor's occupation, income, or both, does not provide for a cost-of-living adjustment or that the existing child support order either has a cost-of-living clause or sets forth a step increase which has the effect of a cost-of-living adjustment.

Sec. 25. Minnesota Statutes 1982, section 518.645, is amended to read:

518.645 [FORM OF ORDER.]

Unless otherwise ordered by the court, an order for withholding of support or maintenance payments issued pursuant to sections 256.872, subdivision 1, 518.551, subdivision 1, or 518.611, subdivision 1, under this chapter shall be substantially in the following form:

IT IS ORDERED THAT:

1. ~~That~~ The sum of per, representing child support and/or spousal maintenance, ordered by the Court, shall be withheld from the (Husband/Wife Respondent/Petitioner)'s income on by (his/her) present employer or other payor of funds,, and any future employer or other payor of funds, and shall be remitted at least monthly to:, monthly or more frequently, in accordance with the provisions of Minnesota Statutes, Chapter 518. The file number above and the ~~employee's~~ Obligor's name shall be included with each remittance.

2. ~~That~~ The parties are notified that CHILD SUPPORT AND/OR MAINTENANCE WILL BE WITHHELD FROM INCOME ONLY AFTER ALL OF THE FOLLOWING CONDITIONS HAVE BEEN MET:

(a) or the Obligee determines that the Obligor is at least thirty days in arrears in the payment of child support and/or spousal maintenance;

(b) or the Obligee serves written notice on the Obligor of its determination that child support and/or maintenance payments are thirty days in arrears;

(c) Within fifteen days after service of the notice, the Obligor either fails to pay all past due payments or to move the Court, Minnesota Statutes, Section 518.64, to modify the order respecting the amount of child support and/or spousal maintenance and, ex parte, to stay service of withholding on the employer or other payor of funds until the motion to modify is heard; and

(d) Not sooner than fifteen days after service of written notice in paragraph (b) on the Obligor, or the Obligee serves a copy of its determination of a thirty-day delinquency and a copy of the Court's withholding order on the employer or other payor of funds, who will then be obligated to withhold payments from income and forward the amount withheld to

3. ~~That~~ The parties and the employer or other payor of funds are further notified that NO EMPLOYER MAY DISCHARGE, SUSPEND, OR OTHERWISE PENALIZE OR DISCIPLINE AN EMPLOYEE BECAUSE THE EMPLOYER MUST WITHHOLD SUPPORT OR MAINTENANCE MONEY. Minnesota Statutes, Sections 256.873 and 518.611, Subdivision 4. A VIOLATION OF THIS PROVISION IS A MISDEMEANOR. Minnesota Statutes, section 256.878 518.611.

4. ~~That, in the event~~ If the Obligee performs service on serves the employer or other payor of funds under paragraph 2 (d), the Obligee shall also serve the determination and order shall also be served on, together with an application to use collection services.

5. ~~That~~ Service of this Order shall be.....

Sec. 26. Minnesota Statutes 1982, section 518B.01, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms shall have the meanings given them:

(a) "Domestic abuse" means: (i) physical harm, bodily injury, assault, or the infliction of fear of imminent physical harm, bodily injury or assault, between family or household members; or (ii) criminal sexual conduct, within the meaning of sections 609.342, 609.343, 609.344, or 609.345, committed against a minor family or household member by an adult family or household member;

(b) "Family or household members" means spouses, parents and children, persons related by consanguinity, persons who have a child in common regardless of whether they have been married or have lived together at any time, and persons jointly residing in the same dwelling unit.

Sec. 27. Minnesota Statutes 1982, section 518B.01, subdivision 6, is amended to read:

Subd. 6. [RELIEF BY THE COURT.] Upon notice and hearing, the court may provide relief as follows:

(a) Restrain any party from committing acts of domestic abuse;

(b) Exclude the abusing party from the dwelling which the parties share or from the residence of the petitioner;

(c) On the same basis as is provided in chapter 518, award temporary custody or establish temporary visitation with regard to minor children of the parties;

(d) On the same basis as is provided in chapter 518, establish temporary support for minor children or a spouse, *and order the withholding of support from the income of the person obligated to pay the support according to chapter 518;*

(e) Provide counseling or other social services for the parties, if married, or if there are minor children;

(f) Order the abusing party to participate in treatment or counseling services;

(g) Order, in its discretion, other relief as it deems necessary for the protection of a family or household member, including orders or directives to the sheriff or constable, as provided by this section.

Any relief granted by the order for protection shall be for a fixed period not to exceed one year.

Sec. 28. Minnesota Statutes 1982, section 518C.17, subdivision 1, is amended to read:

Subdivision 1. [ISSUANCE OF ORDER.] If the responding court finds a duty of support, it may order the obligor to furnish support or reimbursement therefor and subject the property of the obligor to the order. Support orders made under sections 518C.01 to 518C.36 shall require that payments be made as the responding court directs *and the responding court shall order support payments under chapter 518.* The court and the prosecuting attorney of a county in which the obligor is present or has property have the same powers and duties to enforce the order as have those of the county in which it was first issued. If enforcement is impossible, or cannot be completed in the county in which the order was issued, the prosecuting attorney shall send a certified copy of the order to the prosecuting attorney of a county in which it appears that the proceedings to enforce the order would be effective. The prosecuting attorney to whom the certified copy of the order is forwarded shall proceed with enforcement and report the results of the proceedings to the court first issuing the order.

Sec. 29. Minnesota Statutes 1982, section 518C.33, subdivision 1, is amended to read:

Subdivision 1. [OBLIGEE AND OBLIGOR IN DIFFERENT COUNTIES BOTH IN THIS STATE.] Sections 518C.01 to 518C.36 apply if both the obligee and the obligor are in this state ~~but in different counties.~~

Sec. 30. Minnesota Statutes 1982, section 548.09, is amended to read:

548.09 [LIEN OF JUDGMENT.]

Subdivision 1. [DOCKETING; SURVIVAL OF JUDGMENT.] Every judgment requiring the payment of money, *including a judgment or decree of dissolution or separate maintenance, a determination of parentage, an*

order under the reciprocal enforcement of support act, or an order under section 256.87, any of which provide for installment or periodic payments of child support, spousal maintenance, or both, shall be docketed by the clerk upon the its entry thereof, and, . Upon a transcript of such the docket being filed with the clerk in any other county, such the clerk shall also docket the same it. From the time of such docketing the judgment shall be is a lien, to in the amount unpaid thereon, upon all real property in the county then or thereafter owned by the judgment debtor. Such The judgment shall survive survives, and the lien thereof continue continues, for the period of ten years next after its entry, and no longer.

Subd. 2. [JUDGMENT CREDITOR'S AFFIDAVIT.] No judgment, except for taxes, shall be docketed until the judgment creditor, or his agent or attorney, shall have has filed with the clerk an affidavit, stating the full name, occupation, place of residence, and post office address of the judgment debtor, to the best of affiant's information and belief; and, . If such the residence be is within an incorporated place having more than 5,000 inhabitants, the street number of both his place of residence and place of business, if he have has one, shall be stated.

Subd. 3. [VIOLATIONS BY CLERK.] If the clerk shall violate violates this provision, neither the judgment nor the docketing thereof shall be is invalid; but he shall be liable to any person damaged thereby in the sum of \$5.

Sec. 31. [543.20] [PERSONAL JURISDICTION IN SUPPORT ENFORCEMENT CASES AND PATERNITY SUITS.]

Subdivision 1. [SERVICE.] In addition to the methods of service of process provided in the rules of civil procedure, service of a summons, an order to show cause, or an order or judgment within this state may also be made upon an individual by delivering a copy to him or her personally at his or her place of employment. The employer shall make the individual available for the purpose of delivering a copy. No employer shall deny a process server admittance to the employer's premises for the purpose of making service under this section.

No service shall be allowed under this section unless such service is made personally on the individual.

Subd. 2. [APPLICABILITY.] Service at a place of employment applies only to: (a) summons in an action for dissolution, amendment, legal separation, or under the parentage act and under section 256.87; (b) orders to show cause under both section 256.87 and the revised uniform reciprocal enforcement of support act as well as for contempt of court for failure to pay child support; (c) petitions under the domestic abuse act; and (d) motions, orders and judgments for the payment of child support when the court orders personal service.

Subd. 3. [RETALIATION PROHIBITED.] An employer shall not discharge or otherwise discipline an employee as a result of service under this section.

Sec. 32. [REPEALER.]

Minnesota Statutes 1982, sections 256.87, subdivision 2; 256.872; 256.873; 256.876; and 518.551, subdivisions 2, 3, and 4 are repealed.

Sec. 33. [EFFECTIVE DATE.]

Sections 17, 18, and 24 are effective August 1, 1983. The rest of this act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to welfare; changing laws relating to child support enforcement; providing for determination of paternity; providing for determination and modification of child support; amending Minnesota Statutes 1982, sections 256.74, by adding a subdivision; 256.87, and by adding subdivisions; 257.55, subdivision 1; 257.58; 257.59, subdivision 1; 257.60; 257.62, subdivision 1, and by adding a subdivision; 257.64, subdivision 1; 257.66, subdivisions 3 and 4; 257.69, subdivision 2; 518.10; 518.17, by adding a subdivision; 518.551, subdivisions 1, 5, and 6, and by adding subdivisions; 518.611; 518.64, subdivisions 2 and 5; 518.645; 518B.01, subdivisions 2 and 6; 518C.17, subdivision 1; 518C.33, subdivision 1; and 548.09; proposing new law coded in Minnesota Statutes, chapters 257, 518, and 543; repealing Minnesota Statutes 1982, sections 256.87, subdivision 2; 256.872; 256.873; 256.876; and 518.551, subdivisions 2, 3, and 4."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Linda Berglin, Donald A. Storm, Ember D. Reichgott

House Conferees: (Signed) John E. Brandl, Allen Quist, Peter Rodosovich

Ms. Berglin moved that the foregoing recommendations and Conference Committee Report on S.F. No. 545 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 545 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knutson	Olson	Solon
Anderson	Dieterich	Kronebusch	Pehler	Spear
Benson	Frank	Lantry	Peterson, D.C.	Storm
Berg	Frederick	Lessard	Peterson, R.W.	Stumpf
Berglin	Frederickson	Luther	Petty	Taylor
Bertram	Freeman	McQuaid	Pogemiller	Ulland
Brataas	Hughes	Mehrkens	Purfeerst	Vega
Chmielewski	Isackson	Merriam	Ramstad	Willet
Dahl	Johnson, D.E.	Moe, D. M.	Reichgott	
Davis	Jude	Moe, R. D.	Renneke	
DeCramer	Kamrath	Nelson	Schmitz	
Dicklich	Knaak	Novak	Sieloff	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 201: Messrs. Spear, Sieloff and Freeman.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Special Orders Calendar. The motion prevailed.

SPECIAL ORDER

H.F. No. 253: A bill for an act relating to the operation of state government; clarifying certain provisions regarding the term and duties of the legislative auditor; amending Minnesota Statutes 1982, sections 3.97, subdivision 4; 3.972; and 462A.22, subdivision 10.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Moe, R. D.	Reichgott
Anderson	Diessner	Knaak	Olson	Renneke
Belanger	Dieterich	Knutson	Pehler	Sieloff
Benson	Frank	Kronebusch	Peterson, C.C.	Spear
Berglin	Frederick	Laidig	Peterson, D.C.	Storm
Bertram	Frederickson	Lantry	Peterson, D.L.	Stumpf
Brataas	Freeman	Lessard	Peterson, R.W.	Taylor
Chmielewski	Hughes	McQuaid	Petty	Ulland
Dahl	Isackson	Mehrkens	Pogemiller	Vega
Davis	Johnson, D.E.	Merriam	Purfeerst	
DeCramer	Jude	Moe, D. M.	Ramstad	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1224: A bill for an act relating to occupations and professions; regulating the period of time between professional boxing contests, matches, or exhibitions; amending Minnesota Statutes 1982, section 341.115.

Mr. Chmielewski moved that the amendment made to H.F. No. 1224 by the Committee on Rules and Administration in the report adopted May 12, 1983, pursuant to Rule 49, be stricken. The motion did not prevail.

Mr. Merriam moved to amend H.F. No. 1224, as amended pursuant to Rule 49, adopted by the Senate May 12, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 952.)

Page 2 of S.F. No. 952, the unofficial engrossment, lines 17 and 18,

delete the new language

Page 2, line 19, delete everything before "and"

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski moved to amend H.F. No. 1224, as amended pursuant to Rule 49, adopted by the Senate May 12, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 952.)

Page 2 of S.F. No. 952, the unofficial engrossment, line 7, strike "90" and insert "60"

The motion prevailed. So the amendment was adopted.

H.F. No. 1224 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 48 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kronebusch	Pehler	Sieloff
Anderson	Diessner	Laidig	Peterson, D.C.	Solon
Belanger	Dieterich	Lantry	Peterson, D.L.	Storm
Benson	Frank	Lessard	Peterson, R.W.	Stumpf
Berglin	Freeman	Luther	Petty	Ulland
Bertram	Hughes	McQuaid	Pogemiller	Vega
Chmielewski	Isackson	Merriam	Purfeerst	Wegscheid
Dahl	Jude	Moe, D. M.	Ramstad	Willet
Davis	Kamrath	Moe, R. D.	Renneke	
DeCramer	Knaak	Olson	Schmitz	

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1149: A bill for an act relating to liens; right of possession and liens on fabrication molds and patterns; amending Minnesota Statutes 1982, section 514.19.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 45 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Kronebusch	Pehler	Schmitz
Anderson	Frank	Lantry	Peterson, C.C.	Sieloff
Belanger	Freeman	Lessard	Peterson, D.C.	Solon
Bertram	Hughes	Luther	Peterson, D.L.	Storm
Brataas	Isackson	Merriam	Peterson, R.W.	Stumpf
Chmielewski	Johnson, D.J.	Moe, R. D.	Petty	Taylor
Dahl	Jude	Nelson	Purfeerst	Ulland
DeCramer	Kamrath	Novak	Ramstad	Vega
Diessner	Knaak	Olson	Renneke	Willet

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 559: A bill for an act relating to courts; providing for interest

rates on judgments; amending Minnesota Statutes 1982, section 549.09, subdivision 1.

Mr. Luther moved that the amendment made to H.F. No. 559 by the Committee on Rules and Administration in the report adopted May 16, 1983, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

Mr. Luther then moved to amend H. F. No. 559 as follows:

Page 1, line 9, after "1." insert "[WHEN OWED; RATE.] (a)"

Page 1, line 12, strike "this"

Page 1, line 13, strike "section" and insert "clause (c)" and after the period, insert "(b)"

Page 1, line 14, after "or" insert "allowed"

Page 1, line 14, before "interest" insert "pre-verdict or pre-report"

Page 1, line 15, after "computed" insert "as provided in clause (c)"

Page 1, line 21, after "or" insert "as to special damages"

Page 1, line 22, delete "any items of" and insert "when"

Page 1, line 22, delete "damage" and insert "damages"

Page 1, line 22, delete "after the" and insert ", if later than"

Page 1, line 23, after "action" insert a comma

Page 1, line 23, delete "judgment is entered" and insert "time of the verdict or report"

Page 2, line 5, after "or" insert "as to special damages from when" and delete "whichever is" and insert ", if"

Page 2, line 6, after "later" insert "than commencement of the action," and after the period, insert "(c)"

The motion prevailed. So the amendment was adopted.

Mr. Diessner moved to amend H.F. No. 559 as follows:

Page 2, line 10, after the period, insert "*The interest shall not be included in determining the contingency fee.*"

The motion prevailed. So the amendment was adopted.

Mr. Sieloff moved to amend H.F. No. 559, adopted by the Senate May 21, 1983, as follows:

Page 1, line 13, after "Except" insert "for awards and benefits under workers' compensation and"

The motion prevailed. So the amendment was adopted.

Mr. Luther moved to amend the Diessner amendment to H.F. No. 559, adopted by the Senate May 21, 1983, as follows:

Page 1, line 1, delete "The" and insert "Pre-verdict or pre-report"

Page 1, line 2, delete "the" and insert "a"

The motion prevailed. So the amendment to the Diessner amendment was

adopted.

Mr. Sieloff moved to amend H.F. No. 559 as follows:

Page 1, line 14, after "damages" insert "*for personal injury in excess of \$10,000*"

The motion prevailed. So the amendment was adopted.

H.F. No. 559 was then progressed.

SPECIAL ORDER

H.F. No. 769: A bill for an act relating to metropolitan government; extending the time for design selection for noise suppression equipment at the international airport; amending Minnesota Statutes 1982, section 473.608, subdivision 20.

Mr. Jude moved to amend H.F. No. 769 as follows:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 1982, section 473.121, subdivision 2, is amended to read:

Subd. 2. "Metropolitan area" or "area" means the area over which the metropolitan council has jurisdiction, including only the counties of Anoka, Carver, Dakota excluding the city of Northfield, Hennepin *excluding the city of Hanover*, Ramsey, Scott excluding the city of New Prague, and Washington."

Page 1, line 23, delete "*This act is*" and insert "*Section 1 is effective upon compliance by the governing body of the city of Hanover with section 645.021. Sections 2 and 3 are*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "excluding the city of Hanover from the metropolitan area;"

Page 1, line 5, delete "section" and insert "sections 473.121, subdivision 2; and"

The motion prevailed. So the amendment was adopted.

H.F. No. 769 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 47 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knaak	Olson	Schmitz
Anderson	Dieterich	Kronebusch	Peterson, D.C.	Sieloff
Belanger	Frank	Laidig	Peterson, D.L.	Spear
Berg	Frederick	Lantry	Peterson, R.W.	Stumpf
Brataas	Frederickson	Lessard	Petty	Ulland
Chmielewski	Freeman	Luther	Pogemiller	Vega
Dahl	Hughes	McQuaid	Purfeerst	Wegscheid
Davis	Isackson	Mehrkens	Ramstad	
DeCramer	Jude	Moe, R. D.	Reichgott	
Dicklich	Kamrath	Novak	Renneke	

Messrs. Benson and Knutson voted in the negative.

So the bill, as amended, passed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 300, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 300 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 300

A bill for an act relating to energy; creating the Minnesota energy authority; establishing a program of loans and financial assistance for households and municipalities; authorizing the issuance of bonds; appropriating money; transferring powers; amending Minnesota Statutes 1982, sections 116C.03, subdivision 2; 116J.03, subdivision 1; 116J.09; 116J.10; 216B.16, by adding a subdivision; 462A.02, subdivision 10; 462A.05, by adding subdivisions; 462A.21, by adding a subdivision; and 474.01, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 116H; 216B; and 462A.

May 21, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 300, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No.300 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 15.039, is amended to read:

15.039 [EFFECT OF TRANSFER OF POWERS AMONG AGENCIES.]

Subdivision 1. [APPLICATION OF SECTION.] The provisions of this section apply whenever the responsibilities of an agency are transferred by law to another agency unless the act directing the transfer provides otherwise. The term “responsibilities” includes powers, duties, rights, obligations, and other authority imposed by law on an agency. The term “new agency” means the agency to which responsibilities have been transferred from another agency.

Subd. 2. [IN GENERAL.] The new agency is a continuation of the former

agency as to those matters within the jurisdiction of the former agency ~~which~~ that are transferred to the new agency. Following a transfer the new agency shall carry out the assigned responsibilities as though the responsibilities of the former agency had not been transferred. ~~No~~ A transfer ~~constitutes~~ is not a new authority for the purpose of succession to all responsibilities of the former agency as constituted at the time of the transfer.

Subd. 3. [RULES.] All rules adopted pursuant to responsibilities ~~which~~ that are transferred to another agency remain effective and shall be enforced *until amended or repealed in accordance with law* by the new agency. Any rulemaking authority ~~which~~ that existed to implement the responsibilities ~~which~~ that are transferred is transferred to the new agency.

Subd. 4. [COURT ACTIONS.] Any proceeding, court action, prosecution, or other business or matter ~~which~~ is pending on the effective date of a transfer of responsibilities may be conducted *and completed* by the new agency in the same manner *under the same terms and conditions, and with the same effect*, as though it *involved or were commenced and* conducted or completed by the former agency prior to the transfer.

Subd. 5. [CONTRACTS; RECORDS.] The agency whose responsibilities are transferred shall give all contracts, books, maps, plans, papers, records, and property of every description relating to the transferred responsibilities and within its jurisdiction or control to the new agency. The new agency shall accept the material presented. *The transfer shall be made in accordance with the directions of the new agency.*

Subd. 6. [UNEXPENDED FUNDS.] ~~All~~ *The* unexpended funds ~~originally appropriated~~ *balance of any appropriation* to an agency for the purposes of any responsibilities ~~which~~ that are transferred to another agency are reappropriated under the same conditions as the original appropriation to the new agency effective on the date of the transfer of responsibilities. If the responsibilities are transferred to more than one agency, the commissioner of finance shall allocate any unexpended appropriation to the agencies affected. *The new agencies shall pay all valid claims presented against those appropriations.*

Subd. 7. [PERSONNEL.] ~~The~~ *All* classified and unclassified positions associated with the responsibilities being transferred are ~~abolished in~~ *transferred with their incumbents* to the new agency ~~whose responsibilities are transferred~~. The approved staff complement for ~~that the agency whose responsibilities are being transferred~~ is decreased accordingly. ~~The employees who fill the abolished positions are employees of the agency receiving the new responsibilities.~~ The approved staff complement for ~~that the new agency~~ is increased accordingly. Personnel changes are effective on the date of transfer of responsibilities. *Nothing in this subdivision shall be construed as abrogating or modifying any rights now enjoyed by affected employees under the managerial or commissioner's plan under section 43A.18 or the terms of an agreement between an exclusive representative of public employees and the state or one of its appointing authorities.*

Sec. 2. Minnesota Statutes 1982, section 15.06, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] This section applies to the following

departments or agencies: the departments of administration, agriculture, ~~commerce~~, corrections, ~~economic development~~, economic security, education, ~~employee relations~~, ~~energy and economic development~~, finance, health, human rights, labor and industry, natural resources, ~~personnel~~, public safety, public welfare, revenue, transportation, and veterans affairs; ~~the banking, insurance and securities divisions and the consumer services section of the department of commerce~~; the energy, housing finance, ~~state planning~~, and pollution control agencies; the office of commissioner of iron range resources and rehabilitation; the bureau of mediation services; and their successor departments and agencies. The heads of the foregoing departments or agencies are referred to in this section as "commissioners."

Sec. 3. Minnesota Statutes 1982, section 15.06, subdivision 8, is amended to read:

Subd. 8. [NUMBER OF DEPUTY COMMISSIONERS.] Unless specifically authorized by statute, other than section 43A.08, subdivision 2, no department or agency specified in subdivision 1 shall have more than one deputy commissioner. ~~Notwithstanding any other law to the contrary, none of the departments or agencies shall have more than two deputy commissioners.~~

Sec. 4. Minnesota Statutes 1982, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. The following salaries or salary ranges are provided for the below listed employees in the executive branch of government:

	Salary or Range		
	Effective July 1, 1979	Effective July 1, 1980	Effective July 1, 1981
Administration, department of commissioner	\$44,000	\$47,000	
Administrative hearings office chief hearing examiner	38,000	40,000	
Agriculture, department of commissioner	38,000	40,000	
Commerce, department of commissioner of banks	34,000	36,500	\$47,000
commissioner of insurance	34,000	36,500	
commissioner of securities and real estate	34,000	36,500	
director of consumer services	28,000	30,000	
Community college system chancellor	44,000	46,000	
Corrections, department of commissioner	42,000	45,000	
ombudsman	33,000	35,000	
Economic security, department of commissioner	43,000	45,000	
Education, department of			

commissioner	43,000	45,000	
Energy, planning and development department of commissioner			46,000
Finance, department of commissioner	48,000	50,000	
Health, department of commissioner	47,000	49,000	
Higher education coordinating board executive director	40,000	42,000	
Housing finance agency executive director	39,000	41,000	
Human rights, department of commissioner	31,000	33,000	
Indian affairs board executive director	27,000	29,000	
Iron range resources and rehabilitation board commissioner	30,000	31,000	
Labor and industry, department of commissioner	38,000	40,000	
judge of the workers' compensation court of appeals	38,000	40,000	
Mediation services, bureau of director	36,000	38,000	
Natural resources, department of commissioner	44,000	47,000	
Personnel, department of commissioner	44,000	47,000	
Pollution control agency director	38,000	40,000	
Public safety, department of commissioner	38,000	41,000	
Public service, department of commissioner, public utilities commission director	34,000	36,000	
Public welfare, department of commissioner	44,000	48,000	
Revenue, department of commissioner	44,000	47,000	
State university system chancellor	44,000	46,000	
Transportation, department of commissioner	44,000	48,000	
Transportation, regulation board, board member			32,000
Veterans affairs, department of commissioner	31,000	33,000	

Sec. 5. [16A.80] [OFFICE OF DEBT AND LOAN MANAGEMENT.]

Subdivision 1. [CREATION.] The office of debt and loan management is created in the department of finance. Administrative employees of the office shall have at least five years of experience in commercial lending or a related field. These employees shall receive compensation comparable to that re-

ceived by employees with similar backgrounds in the private sector, but not greater than the commissioner or deputy commissioner of finance.

Subd. 2. [DUTIES.] Notwithstanding any law to the contrary, an agency of state government which is authorized (1) to make, participate in, or guarantee loans to private sector businesses, or (2) to invest directly or indirectly in a private sector business shall submit each loan, loan participation, loan guarantee, or investment proposal to the office of debt and loan management before making a commitment to make the loan, loan participation, loan guarantee, or investment. No loan, loan participation, loan guarantee, or investment covered by this section shall be made without the approval of the office of loan management. This section does not apply to the housing finance agency, the state board of investment, the iron range resources and rehabilitation board, the higher education coordinating board, the higher education facilities authority, or the energy and economic development authority.

Subd. 3. [CRITERIA.] In deciding whether to approve proposals submitted to it, the office of debt and loan management shall consider the likelihood of the state suffering financial loss as a result of the project, the magnitude of potential losses, and the intent of the legislation authorizing the loans, loan participation, loan guarantees, and investments.

Subd. 4. [DELEGATION.] The office of debt and loan management may delegate its approval responsibilities under this section to an agency which is authorized to make loans, loan participation agreements, loan guarantees, or investments involving private businesses if the office determines that the agency has the internal capability to make the judgments required by subdivision 3.

Sec. 6. [17.103] [TRADE AND EXPORT DEVELOPMENT.]

The commissioner of agriculture shall encourage and develop commerce with other states and foreign countries and devise ways and means of removing trade barriers hampering the free flow of commerce between this and other states.

Sec. 7. [17.104] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of section 8, the following terms have the meanings given them.

Subd. 2. [FINANCE AUTHORITY.] "Finance authority" means the export finance authority.

Subd. 3. [PRE-EXPORT.] "Pre-export" means that period of time between the formation of a sale and the actual shipment of the goods.

Sec. 8. [17.105] [EXPORT FINANCE AUTHORITY.]

Subdivision 1. [CREATION; PURPOSE.] The export finance authority is created to aid and facilitate the financing of exports from this state. The finance authority powers shall be used exclusively to meet the pre-export credit needs of Minnesota exporters.

Subd. 2. [BOARD OF DIRECTORS.] The governor shall appoint six members to the authority's board of directors. The six members shall be knowledgeable in international finance, exporting, or international law. The commissioner of agriculture shall be chairman of the board. Membership,

terms, compensation and removals are governed by section 15.0575. Board members shall perform their duties in a nonselfserving manner and in compliance with section 10A.07.

Subd. 3. [POWERS.] The finance authority has the power and authority to perform the following functions and may:

(1) insure, co-insure, and guarantee against commercial pre-export credit risks;

(2) sue and be sued;

(3) enter into agreements and transactions with any person, partnership, or corporation, both foreign and domestic, state, federal, and foreign governments and governmental agencies;

(4) acquire and hold personal and real property pursuant to the provisions of insurance and the granting of guarantees;

(5) pledge and appropriate collateral;

(6) charge premiums, interest, and fees;

(7) provide administrative, consultative, and technical services to assist in the financing of exports;

(8) prepare and receive reports regarding credit, insurance, and guarantees with respect to export finance;

(9) perform all necessary and appropriate operations, administration, processing, and marketing functions related to the authority's functions; and

(10) adopt rules necessary to carry out responsibilities under this section.

Subd. 4. [WORKING CAPITAL ACCOUNT.] An export finance authority working capital account is created as a special account in the state treasury. Money in the account is appropriated to the finance authority for the purposes of this section.

Subd. 5. [ANNUAL REPORT.] The chairman and board of directors shall submit to the governor an annual report on the activities of the finance authority.

Subd. 6. [LIABILITY LIMITATION.] The finance authority may not have at any one time net liabilities greater than four times its capital and reserves.

Subd. 7. [INSURANCE AND GUARANTEES.] The finance authority may provide insurance and guarantees to the following extent:

(1) the finance authority may not provide to any one person insurance or guarantees in excess of \$250,000;

(2) the policy of the finance authority is to provide insurance and guarantees for export credits that would otherwise not be made and that the chairman and the board deem to represent a reasonable risk and have a sufficient likelihood of repayment;

(3) the finance authority shall contract with, among others, the Foreign Credit Insurance Association, the U.S. Export-Import Bank, and private insurers to secure reinsurance for country and commercial risks for the finance authority's insurance program;

(4) losses incurred by the finance authority that relate to its insurance or guarantee activities shall be solely borne by the finance authority to the extent of its capital and reserves.

Subd. 8. [STAFFING.] *The commissioner of agriculture shall provide staff to work for the finance authority.*

Sec. 9. [17.106] [EXPORT INFORMATION OFFICE.]

Subdivision 1. [CREATION; DIRECTOR.] *An export information office is created in the department of agriculture. The commissioner of agriculture shall appoint a director of the export information office in the unclassified service.*

Subd. 2. [PURPOSE; DUTIES.] *The export information office shall:*

(1) *create a worldwide foreign communication network to coordinate foreign trade information and activities;*

(2) *compile foreign trade information available from, among other places, the United States Department of Commerce and private sources, and produce readily consumable marketing information;*

(3) *create a program to assess the potential of international investment in Minnesota and promote international investment which results in the infusion of new capital and the creation of new jobs to the benefit of the state;*

(4) *disseminate to Minnesota businesses collected market information that relates to potential exporting, and to export trading companies, export management companies, and other interested persons;*

(5) *prepare a list of firms that provide export support services and disseminate the list to potential exporters to assist their endeavors;*

(6) *assist public and private universities or colleges to develop undergraduate or graduate level education programs to train persons in the knowledge of export trading; and*

(7) *coordinate the current international trading activities of various state and local agencies and organizations.*

Sec. 10. Minnesota Statutes 1982, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. [ADDITIONAL UNCLASSIFIED POSITIONS.] *Appointing authorities for the following agencies may designate additional unclassified positions pursuant according to this subdivision: the departments of administration; agriculture; commerce; corrections; economic security; education; employee relations; energy; ~~planning~~ and economic development; finance; health; human rights; labor and industry; natural resources; public safety; public service; public welfare; revenue; transportation; and veterans affairs; ~~the banking, securities and real estate, insurance and consumer services divisions of the department of commerce;~~ the housing finance, state planning, and pollution control agencies; the state board of investment; and the offices of the secretary of state, state auditor, and state treasurer.*

A position designated by an appointing authority pursuant according to this subdivision must meet the following standards and criteria:

(a) the designation of the position would not be contrary to the provisions

of other law relating specifically to that agency;

(b) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;

(c) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;

(d) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;

(e) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with the governor and the agency head, or the employing constitutional officer;

(f) the position would be at the level of division or bureau director or assistant to the agency head; and

(g) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

Sec. 11. [45.011] [DEFINITIONS.]

Subdivision 1. [SCOPE.] As used in chapters 45 to 83, unless the context indicates otherwise, the terms defined in this section have the meanings given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.

Subd. 3. [DEPARTMENT.] "Department" means the department of commerce.

Sec. 12. [45.012] [COMMISSIONER.]

The department of commerce is under the supervision and control of the commissioner of commerce. The commissioner is appointed by the governor in the manner provided by section 15.06.

Sec. 13. [45.013] [DEPUTY COMMISSIONERS; ASSISTANT COMMISSIONERS; ASSISTANT TO THE COMMISSIONER.]

The commissioner of commerce may appoint four deputy commissioners, four assistant commissioners, and an assistant to the commissioner. Those positions, as well as that of a confidential secretary, are unclassified. The commissioner may appoint other employees necessary to carry out the duties and responsibilities entrusted to the commissioner.

Sec. 14. [45.023] [RULES.]

The commissioner of commerce may adopt, amend, suspend, or repeal rules, including temporary rules, in accordance with chapter 14, and as otherwise provided by law, whenever necessary or proper in discharging the commissioner's official responsibilities.

Sec. 15. [45.024] [HEARINGS.]

Subdivision 1. [GENERAL.] In any case in which the commissioner of

commerce is required by law to conduct a hearing, the hearing must be conducted in accordance with chapter 14 and other applicable laws.

Subd. 2. [DELEGATION.] The commissioner of commerce may delegate to one or more of the deputy commissioners the exercise of the commissioner's statutory powers and duties, including the authority to decide and issue final orders in contested cases, rulemaking proceedings, and other hearings held under chapter 14.

Sec. 16. Minnesota Statutes 1982, section 45.04, is amended to read:

45.04 [BANK APPLICATIONS.]

Subdivision 1. [FILING; FEE; HEARING.] The incorporators of ~~any~~ a bank proposed to be organized under the laws of this state shall execute and acknowledge ~~an~~ a written application, ~~in writing~~, in the form prescribed by the ~~department~~ commissioner of commerce, and shall file ~~the same~~ it in ~~its~~ the commissioner's office, ~~which~~. The application shall ~~must~~ be signed by two or more of the incorporators, ~~requesting and request~~ a certificate authorizing the proposed bank to transact business at the place and in the name stated in the application. At the time of filing the application, the applicant shall pay a \$1,000 filing fee of \$1,000, ~~which shall be paid into the state treasury and credited to the general fund and shall pay to the commissioner of banks the sum of and a \$500 as an investigation fee for investigating the application, which shall be turned over by him the commissioner to the state treasurer and credited by the treasurer to the general fund of the state.~~ Thereupon the ~~commission~~ commissioner shall fix a time, within 60 days after the filing of the application, for a hearing ~~at its office at the state capitol, at which hearing it shall to~~ decide whether or not the application shall ~~will~~ be granted. A notice of the hearing shall ~~must~~ be published in the form prescribed by the ~~commission~~ commissioner in some newspaper published in the municipality in which the proposed bank is to be located, and if there be no such newspaper, then at the county seat of the county in which the bank is proposed to be located. The notice shall ~~must~~ be published once, at the expense of the applicants, not less than 30 days prior to the date of the hearing. At the hearing the ~~commission~~ commissioner shall consider the application and hear the applicants and ~~such~~ witnesses ~~as may~~ that appear in favor of or against the granting of the application of the proposed bank.

Subd. 2. [APPROVAL, DISAPPROVAL.] If, upon the hearing, it ~~shall~~ ~~appear~~ appears to the ~~commission~~ commissioner that the application should be granted, ~~it he~~ shall, not later than 90 days after the hearing, and after the applicants have otherwise complied with the provisions of law applicable to the organization of a bank, including the provisions herein contained, make and file in ~~the his~~ his office of the ~~commissioner of banks~~ its a written order, ~~in writing~~, directing ~~him~~ to issue the ~~issuance of~~ a certificate of authorization as provided by law. If the certificate of authorization is not activated within a period of 12 months from date of ~~directive to the commissioner of banks~~ issuance, the ~~department of commerce~~ commissioner may upon written notice ~~in writing~~ to the applicants request a new hearing. If the ~~commission~~ commissioner ~~shall decide~~ decides that the application should not be granted, ~~it he~~ shall deny the application and make ~~its a written order, in writing~~, to that effect, and file ~~the same~~ it in ~~the his~~ his office of the ~~commissioner of banks~~, and forthwith give notice thereof by certified mail to one of the incorporators named in the application for the proposed bank, addressed to the incorporator at the address stated in the application, and. Thereupon the commissioner of banks shall refuse to issue the certificate of authorization, ~~which~~

is prescribed by law, to the proposed bank.

Sec. 17. Minnesota Statutes 1982, section 45.05, is amended to read:

45.05 [NOTICE AND HEARING, WHEN NOT GIVEN.]

The ~~department~~ commissioner of commerce may, at ~~its~~ his discretion, dispense with the notice and hearing provided for by section 45.04 ~~in cases where~~ if application is made for the incorporation of a new bank to take over the assets of one or more existing banks; or ~~where~~ if the application contemplates the reorganization of a national bank into a state bank in the same locality; ~~provided, this act shall not increase the number of banks in the community affected.~~

Sec. 18. Minnesota Statutes 1982, section 45.06, is amended to read:

45.06 [EXPENSES OF ORGANIZATION AND INCORPORATION OF BANKS LIMITED.]

The expenses of organization and incorporation to be paid by ~~any such banks shall~~ a bank may not exceed the statutory fees for filing applications as provided in section 45.04 and the necessary legal expenses incurred incident to drawing articles of incorporation, publication, and recording thereof, and. The incorporators shall, prior to the issuance of the certificate of authorization ~~provided for by law,~~ file with the commissioner of banks a verified statement showing the total amount of expense incurred in the organization of the bank and to be paid by it after commencing operation.

Sec. 19. Minnesota Statutes 1982, section 45.07, is amended to read:

45.07 [CHARTERS ISSUED, CONDITIONS.]

If the applicants are of good moral character and financial integrity, if there is a reasonable public demand for this bank in this location, if the organization expenses being paid by the subscribing shareholders do not exceed the necessary legal expenses incurred in drawing incorporation papers and the publication and the recording thereof, as required by law, if the probable volume of business in this location is sufficient to insure and maintain the solvency of the new bank and the solvency of the then existing bank or banks in the locality without endangering the safety of any bank in the locality as a place of deposit of public and private money, and if the ~~department~~ commissioner of commerce is satisfied that the proposed bank will be properly and safely managed, the application ~~shall~~ must be granted; otherwise it ~~shall~~ must be denied. In case of the denial of the application, the ~~department~~ commissioner of commerce shall specify the grounds for the denial and the supreme court, upon petition of ~~any~~ a person aggrieved, may review by certiorari ~~any such order or the determination of the department of commerce.~~

Sec. 20. Minnesota Statutes 1982, section 45.071, subdivision 2, is amended to read:

Subd. 2. [APPLICATION FOR INSURANCE; UNINSURED BANKS.] Notwithstanding the provisions of subdivision 1, a bank which does not have insurance of its deposits or a commitment for insurance of its deposits by the federal deposit insurance corporation, an agency of this state, or a federal agency established for the purpose of insuring deposits in banks or collateral

security deposited under section 48.74 upon the effective date of Laws 1982, chapter 473, sections 1 to 29 on March 19, 1982, must apply for insurance of deposits not later than July 1, 1983. A bank subject to this subdivision which has been denied a commitment for insurance of its deposits shall either dissolve, merge, or consolidate with another bank which is insured or apply in writing within 30 days of denial to the commissioner of banks commerce for additional time to obtain an insurance commitment. The commissioner of banks shall grant additional time to obtain the insurance commitment upon satisfactory evidence that the bank has made or is making a substantial effort to achieve the conditions precedent to issuance of the commitment. Additional time shall not extend later than July 1, 1984.

Sec. 21. Minnesota Statutes 1982, section 45.08, subdivision 3, is amended to read:

Subd. 3. [DEPARTMENT.] The word "Department" means the department of commerce of the state of Minnesota.

Sec. 22. Minnesota Statutes 1982, section 45.08, is amended by adding a subdivision to read:

Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.

Sec. 23. Minnesota Statutes 1982, section 45.16, subdivision 1, is amended to read:

45.16 [CONSUMER SERVICES SECTION, RESPONSIBILITIES AND DUTIES AFFAIRS.]

Subdivision 1. [GENERALLY.] The section of consumer services shall have attorney general has the responsibilities and duties prescribed by this section and section 45.17 and such other authority as may be conferred by the commissioner of commerce.

Sec. 24. Minnesota Statutes 1982, section 45.16, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] *The attorney general shall:*

(a) Act as the representative of the governor in all matters affecting consumer affairs;

(b) Enforce the provisions of law relating to consumer fraud and unlawful practices in connection therewith as set forth in sections 325F.68 and 325F.69, and the attorney general shall act for the division in pursuing the remedies set forth in section 325F.70;

(c) (b) Make recommendations to the chairman of the commerce commission for transmission to the governor and the legislature for such statutory needs as may that exist in adequately protecting the consumer;

(d) Receive registration statements and annual reports of persons soliciting charitable funds in accordance with the requirements of sections 309.50 to 309.61, in lieu of the duties of the secretary of state in connection therewith. The duties of the secretary of state under such sections are hereby abolished and the activity assigned to the department of commerce, division of licensing and consumer services as provided herein; adopt, pursuant to the administrative

procedures act, rules and regulations to implement the provisions of this section.

Sec. 25. Minnesota Statutes 1982, section 45.17, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms defined in this subdivision shall apply have the meanings given them:

(1) "Public utility" means a publicly or privately owned entity engaged in supplying utility services to residential utility consumers in this state or to another public utility for ultimate distribution to residential utility consumers in this state and whose rates or charges are subject to approval by the public utilities commission or any an agency of the federal government provided that. No municipal or cooperative utility shall be considered a "public utility" for the purposes of this clause.

(2) ~~"Consumer services section"~~ means the consumer services section of the department of commerce.

(3) "Residential utility consumer" or "consumer" means a person who uses utility services at his residence in this state and who is billed by or pays a public utility for these services.

(4) (3) "Utility services" means electricity, natural gas, or telephone services distributed to residential utility consumers by a public utility.

Sec. 26. Minnesota Statutes 1982, section 45.17, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] ~~The consumer services section shall be attorney general~~ is responsible for representing and furthering the interests of residential utility consumers through participation in matters before the public utilities commission involving utility rates and adequacy of utility services to residential utility consumers. ~~The consumer services section attorney general~~ shall expend a reasonable portion of ~~its~~ his efforts among all three kinds of utility services and shall identify and promote the needs of each class of residential consumers with respect to each of the utility services.

Sec. 27. Minnesota Statutes 1982, section 45.17, subdivision 3, is amended to read:

Subd. 3. [RIGHT OF INTERVENTION.] Subject to the limitations of subdivision 2, ~~the consumer services section attorney general~~ may intervene as of right or participate as an interested party in matters pending before the public utilities commission which affect the distribution by a public utility of utility services to residential utility consumers. ~~The right of the consumer services section attorney general to participate or intervene shall in no way does not~~ affect the obligation of the public utilities commission to protect the public interest.

Sec. 28. Minnesota Statutes 1982, section 45.17, subdivision 4, is amended to read:

Subd. 4. [NOTICE; PROCEDURES.] The public utilities commission shall give reasonable notice to the ~~consumer services section attorney general~~ of any matter scheduled to come before the commission affecting a public

utility's rates or adequacy of services to residential utility consumers. Rules of the commission governing procedures before the commission shall apply to the ~~consumer services section attorney general~~ and ~~its~~ his employees or representatives. The ~~consumer services section~~ shall have *attorney general* has the same rights and privileges accorded other intervenors or participants in matters pending before the commission.

Sec. 29. Minnesota Statutes 1982, section 45.17, subdivision 5, is amended to read:

Subd. 5. [APPEALS.] The ~~consumer services section attorney general~~ shall be deemed to have an interest sufficient to maintain, intervene as of right in, or otherwise participate in any civil action in the trial courts or supreme court of this state for the review or enforcement of any public utilities commission action which affects a public utility's rates or adequacy of service to residential utility consumers.

Sec. 30. Minnesota Statutes 1982, section 45.17, subdivision 7, is amended to read:

Subd. 7. [INTERVENTION IN FEDERAL PROCEEDINGS.] The ~~consumer services section attorney general~~ shall represent and further the interests of residential utility consumers through participation as an intervenor or interested party in federal proceedings relating to the regulation of: (a) wholesale rates for energy delivered through interstate facilities; or (b) fuel used in generation of electricity or the manufacture of gas. The ~~consumer services section attorney general~~ may maintain, intervene in, or otherwise participate in any civil actions relating to the federal proceedings. ~~In performing its duties pursuant to this subdivision, the section shall follow the guidelines established pursuant to subdivision 6, clause (1).~~

Sec. 31. Minnesota Statutes 1982, section 45.17, is amended by adding a subdivision to read:

Subd. 8. [ADDITIONAL POWERS.] The power granted by this section is in addition to powers otherwise provided by law to the attorney general.

Sec. 32. Minnesota Statutes 1982, section 46.22, is amended to read:

46.22 [RURAL CREDIT RECORDS.]

The commissioner of ~~banks~~ *natural resources* shall have charge of the records of the former department of rural credit. He shall provide the public with appropriate access to and copies of the records.

Sec. 33. Minnesota Statutes 1982, section 46.221, is amended to read:

46.221 [ISSUANCE OF QUITCLAIM DEEDS.]

The commissioner of ~~banks~~ *natural resources* is empowered to issue quitclaim deeds in connection with loans made by the now defunct department of rural credit, a former state agency. The commissioner shall issue the quitclaim deeds upon reasonable evidence the state of Minnesota no longer has a valid claim of title to the property involved. No fee shall be charged for the issuance of a quitclaim deed.

Sec. 34. Minnesota Statutes 1982, section 116C.24, is amended by adding a subdivision to read:

Subd. 2a. "Commissioner" means the commissioner of energy and economic development.

Sec. 35. Minnesota Statutes 1982, section 116C.24, subdivision 3, is amended to read:

Subd. 3. "Coordination unit" means the ~~environmental coordination unit~~ *bureau of business licenses* established pursuant to ~~section 116C.25~~ *sections 116J.73 to 116J.76.*

Sec. 36. Minnesota Statutes 1982, section 116C.25, is amended to read:

116C.25 [ENVIRONMENTAL PERMITS COORDINATION UNIT.]

The ~~board shall establish an environmental permits~~ *commissioner of energy and economic development shall direct the bureau of business licenses to act as the coordination unit to implement and administer the provisions of sections 116C.22 to 116C.34 and.* The ~~chairman of the board~~ *commissioner* shall employ necessary staff to work for the coordination unit on a continuous basis.

Sec. 37. Minnesota Statutes 1982, section 116C.32, is amended to read:

116C.32 [RULES; COOPERATION.]

The ~~board~~ *commissioner* shall as soon as practicable adopt rules, not inconsistent with rules of procedure established by the office of administrative hearings, to implement the provisions of sections 116C.22 to 116C.34, including master application procedures, notice procedures, and public hearing procedures and costs.

Sec. 38. Minnesota Statutes 1982, section 116C.33, subdivision 2, is amended to read:

Subd. 2. The ~~board~~ *commissioner*, to the limited extent necessary to comply with procedural requirements of federal statutes relating to permit systems operated by the state, may modify the notice, timing, hearing, and related procedural matters provided in sections 116C.22 to 116C.34.

Sec. 39. Minnesota Statutes 1982, section 116C.34, is amended to read:

116C.34 [~~PERMIT INFORMATION CENTERS BUREAU OF BUSINESS LICENSES.~~]

Subdivision 1. The ~~board shall establish a permit information center in its office at St. Paul; which center~~ *bureau of business licenses shall establish and maintain an information and referral system to assist the public in the understanding and compliance with the requirements of state and local governmental regulations concerning the use of natural resources and protection of the environment. The system shall provide a telephone information service and disseminate printed materials. The board* ~~bureau~~ shall provide assistance to regional development commissions desiring to create a permit information center.

Subd. 2. The ~~permit information center in St. Paul~~ *bureau* shall:

(a) Identify all existing state licenses, permit certifications, approvals, compliance schedules, or other programs which pertain to the use of natural resources and to protection of the environment.

(b) Standardize permit titles and assign designation codes to all such permits which would thereafter be imprinted on all permit forms.

(c) Develop permit profiles including applicable rules and regulations, copies of all appropriate permit forms, statutory mandate and legislative history, names of individuals administering the program, permit processing procedures, documentation of the magnitude of the program and of geographic and seasonal distribution of the workload, and estimated application processing time.

(d) Identify the public information procedures currently associated with each permit program.

(e) Identify the data monitored or acquired through each permit and ascertain current users of that data.

(f) Recommend revisions to the list of natural resource management and development permits contained in Minnesota Statutes 1974, Section 116D.04, Subdivision 5.

(g) Recommend legislative or administrative modifications of existing permit programs to increase their efficiency and utility.

Subd. 3. The auditor of each county shall post in a conspicuous place in his office the telephone numbers of the ~~permit information centers established in St. Paul and~~ bureau of business licenses and the permit information center in the office of the applicable regional development commission; copies of any master applications or permit applications forwarded to the auditor pursuant to section 116C.27, subdivision 1; and copies of any information published by ~~any permit the bureau or an~~ information center pursuant to subdivision 1.

Sec. 40. Minnesota Statutes 1982, section 116J.01, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT.] The department of energy, ~~planning~~ and economic development shall be supervised and controlled by the commissioner of energy, ~~planning~~ and economic development, who shall be appointed by the governor and serve under the provisions of section 15.06.

Sec. 41. Minnesota Statutes 1982, section 116J.01, subdivision 2, is amended to read:

Subd. 2. [~~UNCLASSIFIED POSITIONS~~ CONFIDENTIAL SECRETARY.] The commissioner may appoint a ~~deputy commissioner and a personal confidential~~ secretary in the unclassified service.

Sec. 42. Minnesota Statutes 1982, section 116J.01, subdivision 3, is amended to read:

Subd. 3. [DEPARTMENTAL ORGANIZATION.] The commissioner shall organize the department as provided in section 15.06. *The department shall be organized into three divisions, which shall be designated the energy division, the economic development division, and the financial management division; and the office of tourism. Each division and office is responsible for administering the duties and functions assigned to it by law. When the duties of the divisions or office are not allocated by law, the commissioner may establish and revise the assignments of each division and office. Each divi-*

sion shall be under the direction of a deputy commissioner in the unclassified service. The office of tourism is under the direction of a director of tourism in the unclassified service. The governor shall appoint the director of tourism.

Sec. 43. Minnesota Statutes 1982, section 116J.03, is amended to read:

116J.03 [DEFINITIONS.]

Subdivision 1. [SCOPE.] As used in sections ~~116J.05 to 116J.35; 116J.41 to 116J.54; 116J.58 to 116J.91; 299A.03; and 299A.04~~ chapter 116J, the terms defined in this section have the meaning given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of energy, ~~planning~~ and economic development.

Subd. 3. [DEPARTMENT.] "Department" means the department of energy, ~~planning~~ and economic development.

Sec. 44. Minnesota Statutes 1982, section 116J.09, is amended to read:

116J.09 [DUTIES.]

The commissioner shall:

(a) Manage the department as the central repository within the state government for the collection of data on energy;

(b) Prepare and adopt an emergency allocation plan specifying actions to be taken in the event of an impending serious shortage of energy, or a threat to public health, safety, or welfare;

(c) Undertake a continuing assessment of trends in the consumption of all forms of energy and analyze the social, economic, and environmental consequences of these trends;

(d) Carry out energy conservation measures as specified by the legislature and recommend to the governor and the legislature additional energy policies and conservation measures as required to meet the objectives of sections 116J.05 to 116J.30;

(e) Collect and analyze data relating to present and future demands and resources for all sources of energy, and specify energy needs for the state and various service areas as a basis for planning large energy facilities;

(f) ~~Require certificate of need for construction of large energy facilities;~~

(g) Evaluate policies governing the establishment of rates and prices for energy as related to energy conservation, and other goals and policies of sections 116J.05 to 116J.30, and make recommendations for changes in energy pricing policies and rate schedules;

(h) (g) Study the impact and relationship of the state energy policies to international, national, and regional energy policies;

(i) (h) Design and implement a state program for the conservation of energy; this program shall include but not be limited to, general commercial, industrial, and residential, and transportation areas; such program shall also provide for the evaluation of energy systems as they relate to lighting, heating, refrigeration, air conditioning, building design and operation, and appliance manufacturing and operation;

⊕ (i) Inform and educate the public about the sources and uses of energy and the ways in which persons can conserve energy;

⊕ (j) Dispense funds made available for the purpose of research studies and projects of professional and civic orientation, which are related to either energy conservation, *resource recovery*, or the development of alternative energy technologies which conserve nonrenewable energy resources while creating minimum environmental impact;

⊕ (k) Charge other governmental departments and agencies involved in energy related activities with specific information gathering goals and require that those goals be met;

(l) Report to the legislature by February 1 of each year both the processes and results of efforts to communicate the statutory requirements concerning energy efficiency standards under section 116J.27 and the extent of compliance with the requirements.

Sec. 45. Minnesota Statutes 1982, section 116J.10, is amended to read:

116J.10 [POWERS.]

The commissioner may:

(a) Adopt rules pursuant to chapter 14 as necessary to carry out the purposes of sections 116J.05 to 116J.30 and, when necessary for the purposes of section 116J.15, adopt temporary rules pursuant to sections 14.29 to 14.36;

(b) Make all contracts pursuant to sections 116J.05 to 116J.30 and do all things necessary to cooperate with the United States government, and to qualify for, accept and disburse any grant intended for the administration of sections 116J.05 to 116J.30. Notwithstanding any other law the commissioner is designated the state agent to apply for, receive and accept federal or other funds made available to the state for the purposes of sections 116J.05 to 116J.30.

(c) Contract for professional services if such work or services cannot be satisfactorily performed by employees of the department or by any other state agency;

(d) Enter into interstate compacts to jointly carry out such research and planning with other states or the federal government where appropriate;

(e) Distribute informational material at no cost to the public upon reasonable request;

(f) Provide on-site technical assistance to units of local government in order to enhance local capabilities for dealing with energy problems;

(g) Administer for the state, energy programs pursuant to federal law, regulations or guidelines, except for the crisis fuel assistance and low income weatherization programs administered by the department of economic security, and coordinate the programs and activities with other state agencies, units of local government and educational institutions;

(h) Design and administer a statewide program for the energy and economic development authority and actively involve major organizations and community leaders in its work and shall solicit funds from all sources;

(i) *Develop a state energy investment plan with yearly energy conservation and alternative energy development goals, investment targets, and marketing strategies;*

(j) *Perform market analysis studies relating to conservation, alternative and renewable energy resources, and energy recovery;*

(k) *Assist with the preparation of proposals for innovative conservation, renewable, alternative, or energy recovery projects;*

(l) *Manage and disburse funds made available for the purpose of research studies or demonstration projects related to energy conservation or other activities deemed appropriate by the commissioner; and*

(m) *Intervene in certificate of need proceedings before the public utilities commission.*

Sec. 46. Minnesota Statutes 1982, section 116J.28, is amended to read:

116J.28 [CERTIFICATE OF NEED.]

Subdivision 1. The ~~commissioner~~ *commission* shall, pursuant to chapter 14 and sections 116J.05 to 116J.30, adopt assessment of need criteria to be used in the determination of need for large energy facilities pursuant to this section.

Subd. 2. No large energy facility shall be sited or constructed in Minnesota without the issuance of a certificate of need by the ~~commissioner~~ *commission* pursuant to sections 116J.05 to 116J.30 or other federal or state legislation on long term energy demand;

(3) The relationship of the proposed facility to overall state energy needs, as described in the most recent state energy policy and conservation report prepared pursuant to section 116J.18;

(4) Promotional activities which may have given rise to the demand for this facility;

(5) Socially beneficial uses of the output of this facility, including its uses to protect or enhance environmental quality;

(6) The effects of the facility in inducing future development;

(7) Possible alternatives for satisfying the energy demand including but not limited to potential for increased efficiency of existing energy generation facilities;

(8) The policies, rules, and regulations of other state and federal agencies and local governments; and

(9) Any feasible combination of energy conservation improvements, required by the ~~public utilities~~ *commission* pursuant to section 216B.241, that can (a) replace part or all of the energy to be provided by the proposed facility, and (b) compete with it economically.

Subd. 4. Any person proposing to construct a large energy facility shall apply for a certificate of need prior to construction of the facility. The application shall be on forms and in a manner established by the ~~commissioner~~ *commission*. In reviewing each application the ~~commissioner~~ *commission* shall hold at least one public hearing pursuant to chapter 14. The public

hearing shall be held at a location and hour reasonably calculated to be convenient for the public. An objective of the public hearing shall be to obtain public opinion on the necessity of granting a certificate of need. The ~~commissioner~~ *commission* shall designate a ~~department~~ *commission* employee whose duty shall be to facilitate citizen participation in the hearing process.

Subd. 5. Within six months of the submission of an application, the ~~commissioner~~ *commission* shall approve or deny a certificate of need for the facility. Approval or denial of the certificate shall be accompanied by a statement of the reasons for the decision. Issuance of the certificate may be made contingent upon modifications required by the ~~commissioner~~ *commission*.

Subd. 6. Any application for a certificate of need shall be accompanied by the fee required pursuant to this subdivision. The maximum fee shall be \$50,000, except for an application for an electric power generating plant as defined in section 116J.06, subdivision 3, clause (a), or a high voltage transmission line as defined in section 116J.06, subdivision 3, clause (b), for which the maximum fee shall be \$100,000. The ~~commissioner~~ *commission* may require an additional fee to recover the costs of any rehearing. The fee for a rehearing shall not be greater than the actual cost of the rehearing or the maximum fee specified above, whichever is less. The ~~commissioner~~ *commission* shall establish by rule pursuant to chapter 14 and sections 116J.05 to 116J.30, a schedule of fees based on the output or capacity of the facility and the difficulty of assessment of need. Money collected in this manner shall be credited to the general fund of the state treasury.

Subd. 7. Other state agencies authorized to issue permits for siting, construction or operation of large energy facilities, and those state agencies authorized to participate in matters before the Minnesota public utilities commission involving utility rates and adequacy of utility services, shall present their position regarding need and participate in the public hearing process prior to the issuance or denial of a certificate of need. Issuance or denial of certificates of need shall be the sole and exclusive prerogative of the ~~commissioner~~ *commission* and ~~said these~~ determinations and certificates shall be binding upon other state departments and agencies, regional, county, and local governments and special purpose government districts except as provided in sections 116C.01 to 116C.08 and 116D.04, subdivision 9.

Subd. 8. This section ~~shall~~ *does* not apply to plants or facilities for the production of ethanol or fuel alcohol nor in any case where the ~~commissioner~~ *commission* shall determine after being advised by the attorney general that its application has been preempted by federal law.

Sec. 47. Minnesota Statutes 1982, section 116J.31, is amended to read:

116J.31 [ENERGY AUDITS.]

The commissioner, ~~in cooperation with the director of consumer services,~~ shall develop the state plan for the program of energy audits of residential and commercial buildings required by 42 United States Code, ~~Section title 42, section 8211, et seq.~~ The ~~consumer services division and the attorney general~~ *are authorized to* may release information on consumer complaints

about the operation of the program to the commissioner.

Sec. 48. Minnesota Statutes 1982, section 116J.42, subdivision 1, is amended to read:

Subdivision 1. [POWERS AND DUTIES.] The ~~commissioner~~ *director* shall:

(1) Prepare comprehensive, long range recommendations for the orderly and coordinated growth of the state including detailed recommendations ~~for long range plans of operating state departments and agencies on major public investment proposals and programs in the state.~~

(2) ~~The state, in the development of long range planning, shall take into consideration its relationship to local units of government and the planning to be accomplished on such levels. Develop and maintain a statewide long range policy planning process involving local units of government, regional development commissions, the metropolitan council, and state agencies.~~

(3) *Develop and analyze information and forecasts relating to the state's population, economy, natural resources and human services, including but not limited to: (a) collection and analysis of information necessary to enable him to report annually to the governor and the legislature on the status of the state's economy and on forecasts of medium and long-term economic prospects for the state; (b) analysis and reporting on the comparability of economic data, assumptions and analyses used by other planning entities, state agencies, and levels of government as he deems appropriate; (c) assessment of the implications of demographic, economic, and programmatic trends on state and local policies and institutions for providing health, education, and other human services; and (d) assessment of the availability and quality of data for long range planning and policy development.*

(4) *Assist the governor in developing and evaluating alternative long-range policies and strategies.*

(5) *Act in coordination with the commissioner of finance and affected state agencies in the planning and financing of major public programs, including but not limited to capital improvements.*

(6) *Initiate studies of major policy issues having long-range implications.*

(7) *Provide planning assistance to local, regional, and state agencies, and coordinate these levels of planning with the state long-range policy planning process.*

Sec. 49. Minnesota Statutes 1982, section 116J.42, subdivision 2, is amended to read:

Subd. 2. The ~~commissioner~~ *director* shall:

(1) Review ~~current programming and future planning plans, studies and proposed studies,~~ of all state departments and agencies.

(2) Report regularly and on or before November 15 of each even numbered year to the legislature, reviewing in each report the state planning program, and the progress and development thereof. Thereafter, as soon as practicable, he shall make recommendations for desirable legislation and necessary appropriations.

(3) To the extent practicable coordinate with state budgets the items therein relating to and reflecting statewide planning as authorized by the legislature and as recommended for the consideration of the legislature.

(4) Require each state department and agency having planning programs to regularly file copies thereof with him for review.

(5) Make available to the legislature or any authorized committee or commission thereof information concerning statewide development plans and basic research from which the plans have been developed.

(6) Act as the coordinating agency for the planning activities of all state departments and agencies and local levels of government.

(7) Review all plans filed with the federal government by state departments and agencies pursuant to section 16A.30, or any other law as a part of his duties prescribed by this section. The commissioner of finance shall furnish the commissioner the information required by this clause.

(8) Encourage the development of planning programs by state departments and agencies and local levels of government.

(9) Act as the coordinating agency for submission of the environmental impact statements required by the National Environmental Policy Act and the state's comments thereon to the appropriate federal agencies.

(4) Develop and maintain, in consultation with local government elected officials, a process and procedures for the review of federal grant applications, and the coordination of planning activities including state and local responsibilities as existed on January 1, 1983, in federal Office of Management and Budget Circular A-95, Parts I, II, III, and IV; and the federal Executive Order 12372.

(5) Assist the governor and the commissioner of finance in the review of biennial budget proposals and in the analysis of major public investments.

(6) Promote awareness by citizens and public officials of major long-range trends and policy issues.

Sec. 50. Minnesota Statutes 1982, section 116J.42, subdivision 4, is amended to read:

Subd. 4. The commissioner director shall:

(1) Undertake studies to obtain information and data on urban and rural needs, assistance programs, and activities. The commissioner shall provide technical assistance and advice in the solution of such problems. The duties of the commissioner shall include, but are not limited to, the assembly, the correlation, and dissemination of physical, social, and economic development data to inform local governmental units and interested persons and organizations of the availability and status of federal, state, and local programs and other resources for the solution of urban and rural problems;

(2) Make available to the governor and the legislature pertinent information relating to federal grants in aid to local governmental units and an analysis thereof;

(3) Inform local governmental units about federal programs of social or economic aid or assistance for which they are eligible, together with the criteria;

~~standards, and conditions upon which the aid is based~~ Conduct research and make recommendations to the governor and the legislature concerning relationships among federal, state, and local governments; and review and report on changes in federal policies and budgets as they affect the state and state and local government programs;

(3) Provide regional development commissions, the metropolitan council, and units of local government with information, technical assistance, training, and advice in utilizing federal and state programs;

(4) Receive and administer the small cities community development block grant program authorized by the Congress under the Housing and Development Act of 1974, as amended; and

(5) Receive and administer other state and federal grants and grant programs for planning, community affairs, community development purposes, and other state and federal programs assigned to the agency by law or by the governor in accordance with section 4.07.

Sec. 51. Minnesota Statutes 1982, section 116J.42, subdivision 7, is amended to read:

Subd. 7. The ~~commissioner~~ director shall:

(1) Appoint the state demographer, who shall be compensated in accordance with section 43A.18, subdivision 3. The state demographer shall be professionally competent in the field of demography and shall possess demonstrated ability, based upon past performance;

~~(1) Shall~~ (2) Continuously gather and develop demographic data within the state;

~~(2) Shall~~ (3) Design and test methods of research and data collection;

~~(3) Shall have the power to call upon any agency of the state or political subdivision for data as may be available, and the agencies and political subdivisions shall cooperate to the fullest extent possible;~~

(4) ~~Shall~~ Periodically prepare population projections for designated regions and for the state and may periodically prepare projections for each county, or other political or geographic division *as necessary to carry out the purposes of this section*;

(5) ~~Shall~~ Review, comment, and prepare analysis of population estimates and projections made by state agencies, political subdivisions, other states, federal agencies or nongovernmental persons, institutions or commissions;

(6) ~~Shall~~ Serve as the state liaison with the federal bureau of census, ~~shall~~ and coordinate his activities with federal demographic activities to the fullest extent possible, and shall aid the legislature in preparing a census data plan and form for each decennial census;

(7) ~~Shall~~ Compile an annual study of population estimates on the basis of county, regional or other political or geographic divisions as necessary to carry out the purposes of this subdivision and section 116J.43;

(8) ~~Shall~~, On or before January 1 of each year, issue a report to the legislature containing an analysis of the demographic implications of the annual population study and population projections;

(9) ~~Shall~~ Cause to be prepared maps of all counties in the state, all municipalities with a population of 10,000 or more, and any other municipalities as deemed necessary for census purposes, according to scale and detail recommended by the federal bureau of the census, with the maps of cities showing boundaries of precincts; and

(10) ~~Shall annually~~ Prepare a population estimate for each governmental subdivision for which the metropolitan council does not prepare an annual population estimate, and shall communicate the estimate to the governing body of each governmental subdivision by May 1 of each year.

Sec. 52. Minnesota Statutes 1982, section 116J.42, subdivision 8, is amended to read:

Subd. 8. (1) *The land management information center is established to foster integration of environmental information and provide services in computer mapping and graphics, environmental analysis, and small systems development.*

(2) *The director shall periodically compile studies of land use and natural resources on the basis of county, regional, and other political subdivisions.*

(3) ~~The commissioner~~ *director may charge a fee fees to each user of the Minnesota land management clients for information system products and services.*

Sec. 53. Minnesota Statutes 1982, section 116J.42, subdivision 9, is amended to read:

Subd. 9. [JUVENILE JUSTICE.] The governor shall designate the ~~department of energy, state planning, and development~~ *agency* as the sole agency responsible for supervising the preparation and administration of the state plan for juvenile justice required by the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

The governor shall designate the Juvenile Justice Advisory Committee as the supervisory board for the ~~department of energy, state planning and development~~ *agency* with respect to preparation and administration of the state plan and award of grants.

The governor shall appoint members to the Juvenile Justice Advisory Committee in accordance with the membership requirements of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

Sec. 54. Minnesota Statutes 1982, section 116J.58, subdivision 1, is amended to read:

Subdivision 1. [ENUMERATION.] The commissioner shall:

(1) Investigate, study, and undertake ways and means of promoting and encouraging the prosperous development and protection of the legitimate interest and welfare of Minnesota business, industry, and commerce, within and outside the state;

(2) Locate markets for manufacturers and processors and aid merchants in locating and contacting markets;

(3) Investigate and study conditions affecting Minnesota business, industry, and commerce and collect and disseminate information, and engage

in technical studies, scientific investigations, and statistical research and educational activities necessary or useful for the proper execution of the powers and duties of the commissioner in promoting and developing Minnesota business, industry, and commerce, both within and outside the state;

(4) Plan and develop an effective business information service both for the direct assistance of business and industry of the state and for the encouragement of business and industry outside the state to use economic facilities within the state;

(5) Compile, collect, and develop periodically, or otherwise make available, information relating to current business conditions;

(6) Conduct or encourage research designed to further new and more extensive uses of the natural and other resources of the state and designed to develop new products and industrial processes;

(7) Study trends and developments in the industries of the state and analyze the reasons underlying the trends; study costs and other factors affecting successful operation of businesses within the state; and make recommendations regarding circumstances promoting or hampering business and industrial development;

(8) Serve as a clearing house for business and industrial problems of the state; and advise small business enterprises regarding improved methods of accounting and bookkeeping;

~~(9) Encourage and develop commerce with other states and foreign countries and devise ways and means of removing trade barriers hampering the free flow of commerce between this and other states;~~

~~(10) Cooperate with interstate commissions engaged in formulating and promoting the adoption of interstate compacts and agreements helpful to business, industry, and commerce;~~

~~(11) (10) Cooperate with other state departments, and with boards, commissions, and other state agencies, in the preparation and coordination of plans and policies for the development of the state and for the use and conservation of its resources insofar as the use, conservation, and development may be appropriately directed or influenced by a state agency;~~

~~(12) (11) Assemble and coordinate information relative to the status, scope, cost, and employment possibilities and the availability of materials, equipment, and labor in connection with public works projects, state, county, and municipal; recommend limitations on the public works; gather current progress information with reference to public and private works projects of the state and its political subdivisions with reference to conditions of employment; inquire into and report to the governor, when requested by him, with respect to any program of public state improvements and the financing thereof; and request and obtain information from other state departments or agencies as may be needed properly to report thereon;~~

~~(13) (12) Study changes in population and current trends and prepare plans and suggest policies for the development and conservation of the resources of the state;~~

~~(14) (13) Confer and cooperate with the executive, legislative, or planning~~

authorities of the United States and neighboring states and of the counties and municipalities of such neighboring states, for the purpose of bringing about a coordination between the development of such neighboring states, counties, and municipalities and the development of this state;

(15) (14) Generally, gather, compile, and make available statistical information relating to business, trade, commerce, industry, transportation, communication, natural resources, and other like subjects in this state, with authority to call upon other departments of the state for statistical data and results obtained by them and to arrange and compile that statistical information in a manner that seems wise.

Sec. 55. Minnesota Statutes 1982, section 116J.60, is amended to read:

116J.60 [PROMOTIONAL EXPENSES.]

In the promotion of tourism and economic development of the state of Minnesota, the state commissioner of energy, ~~planning~~ and *economic* development may expend ~~from moneys money~~ appropriated by the legislature for ~~such these~~ purposes in the same manner as private persons, firms, corporations, and associations make expenditures for ~~such these~~ purposes. ~~For purposes of allotment, encumbrance and disbursement all transactions for promotional purposes shall be coded under the commissioner of finance's object of expenditure code for advertising. The encumbrance shall be made on a miscellaneous encumbrance requisition. Any such expenditures~~ An expenditure for food, lodging, or travel ~~shall~~ is not be governed by the travel ~~regulations~~ rules of the commissioner of ~~administration~~ *employee relations*. *No money shall be expended for the appearance in radio or television broadcasts by an elected public official.*

Sec 56. Minnesota Statutes 1982, section 116J.61, is amended to read:

116J.61 [ADDITIONAL POWERS AND DUTIES.]

The commissioner shall:

(1) Have control of the work of carrying on a continuous program of education for businessmen;

(2) Publish, disseminate, and distribute information and statistics;

(3) Promote and encourage the expansion and development of markets for Minnesota products;

(4) Promote and encourage the location and development of new business in the state as well as the maintenance and expansion of existing business and for that purpose cooperate with state and local agencies and individuals, both within and outside the state;

(5) Advertise and disseminate information as to natural resources, desirable locations, and other advantages for the purpose of attracting business to locate in this state;

(6) Aid the various communities in this state in getting business to locate therein;

(7) Advise and cooperate with municipal, county, regional, and other planning agencies and planning groups within the state for the purpose of promoting coordination between the state and localities as to plans and de-

velopment in order to maintain a high level of gainful employment in private profitable production and achieve commensurate advancement in social and cultural welfare; coordinate the activities of state-wide and local planning agencies, correlate information secured from them and from state departments and disseminate information and suggestions to the planning agencies; and encourage and assist in the organization and functioning of local planning agencies where none exist; and may provide at the request of any governmental subdivision hereinafter mentioned planning assistance, which includes but is not limited to surveys, land use studies, urban renewal plans, technical services and other planning work to any city or other municipality in the state or perform similar planning work in any county, metropolitan or regional area in the state. The commissioner shall not perform the planning work with respect to a metropolitan or regional area which is under the jurisdiction for planning purposes of a county, metropolitan, regional or joint planning body, except at the request or with the consent of the respective county, metropolitan, regional or joint planning body. The commissioner is authorized to receive and expend money from municipal, county, regional and other planning agencies; and may accept and disburse grants and other aids for planning purposes from the federal government and from other public or private sources, and may utilize moneys so received for the employment of consultants and other temporary personnel to assist in the supervision or performance of planning work supported by money other than state appropriated money, and may enter into contracts with agencies of the federal government, units of local government or combinations thereof, and with private persons that are necessary in the performance of the planning assistance function of the commissioner. In furtherance of their planning functions, any city or town, however organized, may expend money and contract with agencies of the federal government, appropriate departments of state government, other local units of government and with private persons;

(8) Adopt measures calculated to promote public interest in and understanding of the problems of planning and, to that end, may publish and distribute copies of any plan or any report and may employ other means of publicity and education that will give full effect to the provisions of sections 116J.58 to 116J.63;

~~(9) Plan and conduct programs of information and publicity designed to attract tourists, visitors, and other interested persons from outside the state to this state, and in that connection encourage and coordinate the efforts of other public and private organizations or groups of citizens to publicize the facilities and attractions of the state and work with representatives of the tourist and resort industry in carrying out its programs.~~

Sec. 57. [116J.615] [OFFICE OF TOURISM.]

Subdivision 1. [DUTIES OF DIRECTOR.] The director of tourism shall:

(1) publish, disseminate, and distribute informational and promotional literature;

(2) promote and encourage the expansion and development of international tourism marketing;

(3) advertise and disseminate information about travel opportunities in the

state of Minnesota;

(4) aid various local communities to improve their tourism marketing programs;

(5) coordinate and implement a comprehensive state tourism marketing program that takes into consideration all public and private businesses and attractions;

(6) conduct market research and analysis to improve marketing techniques in the area of tourism;

(7) investigate and study conditions affecting Minnesota's tourism industry, collect and disseminate information, and engage in technical studies, scientific investigations, and statistical research and educational activities necessary or useful for the proper execution of the powers and duties of the director in promoting and developing Minnesota's tourism industry, both within and outside the state;

(8) apply for, accept, receive, and expend any funds for the promotion of tourism in Minnesota. All money received by the director under this subdivision shall be deposited in the state treasury and is appropriated to the director for the purposes for which the money has been received. The money does not cancel and is available until expended; and

(9) plan and conduct information and publicity programs to attract tourists, visitors, and other interested persons from outside the state to this state; encourage and coordinate efforts of other public and private organizations or groups of citizens to publicize facilities and attractions in this state; and work with representatives of the hospitality and tourism industry to carry out its programs.

Subd. 2. [ART AND HISTORICAL EXHIBITIONS.] In order to promote tourism, trade, and cultural enrichment, the director of tourism may arrange for the exhibition of art collections and historical displays from other nations in the state capitol and in other public buildings throughout the state of Minnesota. The director of tourism shall cooperate with the state historical society in implementing this cultural exchange program and may enter into any contracts or joint ventures that are necessary to achieve the objectives of this section.

Sec. 58. Minnesota Statutes 1982, section 116J.65, is amended by adding a subdivision to read:

Subd. 4a. "Authority" means the energy and economic development authority, formerly known as the small business finance agency.

Sec. 59. Minnesota Statutes 1982, section 116J.65, subdivision 5, is amended to read:

Subd. 5. The ~~commissioner~~ authority shall administer this section and shall enforce the rules related to the community development corporations promulgated by the ~~commissioner~~ authority. The ~~commissioner~~ authority may amend, suspend, repeal or otherwise modify these rules as provided for in chapter 14.

Sec. 60. Minnesota Statutes 1982, section 116J.65, is amended by adding a subdivision to read:

Subd. 8a. The energy and economic development authority shall be named as an assignee of the rights of a state funded community development corporation on any loan or other evidence of debt provided by a community development corporation to a private enterprise. The assignment of rights shall provide that it will be effective upon the dormancy or cessation of existence of the community development corporation. "Dormancy" for the purpose of this section means the continuation of the corporation in name only without any functioning officers or activities. Upon the cessation of the activities of a state funded community development corporation, any assigned moneys paid to the energy and economic development authority shall be deposited into the community development corporation fund to be used for the purposes as set out in chapter 116J.

Sec. 61. Minnesota Statutes 1982, section 116J.67, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE; OBJECTIVES.] ~~The commissioner of energy, planning and development~~ *energy and economic development authority* may create, promote, and assist a state development company, also known as a "503" certified development company, ~~which~~ *that* will qualify as a certified development company for the purposes of ~~45~~ United States Code, *title 15*, section 697, and Code of Federal Regulations, title 13, section 108.503.

The ~~commissioner~~ *authority* shall utilize the development company program to stimulate the state's economic activity.

The development company and its directors and officers shall comply with the organizational, operational, regulatory, and reporting requirements as promulgated by the United States small business administration and the guidelines contained in the bylaws, articles of incorporation, and standard operating procedure prescribed by the small business administration.

Sec. 62. [116J.875] [ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY; PURPOSES.]

The legislature finds that certain public needs can best be met by the public and private sectors working in close cooperation. Two of the specific areas in which this cooperation is most needed are small business development and energy program management and financing. The energy and economic development authority created by section 116J.89 is the mechanism for cooperation in these two areas. By providing an efficient arrangement to pool financing, personnel, information, and technological knowledge, the authority, as a partnership between the public and private sectors, will promote job creation, business development, and energy policies more effectively than would be the case if these sectors acted independently.

Sec. 63. Minnesota Statutes 1982, section 116J.88, subdivision 2, is amended to read:

Subd. 2. [AUTHORITY.] ~~"Agency"~~ *"Authority"* means the ~~small business finance agency~~ *energy and economic development authority* created in section 116J.89.

Sec. 64. Minnesota Statutes 1982, section 116J.88, subdivision 4, is amended to read:

Subd. 4. [ELIGIBLE SMALL BUSINESS.] *"Eligible small business"*

means an enterprise determined by the agency authority to constitute a small business concern as defined in regulations of the United States small business administration pursuant to 45 U. S. Code *United States Code, title 15*, sections 631 to 647, as in effect March 1, 1980, which is engaged in any industrial or commercial activity except:

- (a) banking or other financial service;
- (b) real estate brokerage, management, sale, ownership, or leasing;
- (c) legal, medical, dental, accounting, engineering, or any other professional or consulting service;
- (d) furnishing recreational or athletic facilities; and
- (e) serving food or beverages to be consumed on or adjacent to the premises where they are sold amended from time to time.

Sec. 65. Minnesota Statutes 1982, section 116J.88, subdivision 5, is amended to read:

Subd. 5. [TARGETED SMALL BUSINESS.] "Eligible Targeted small business" for the purpose of section 116J.90, subdivision 5, means a business entity organized for profit, including but not limited to any individual, partnership, corporation, joint venture, association, or cooperative, which entity:

- (a) has 20 or fewer full time employees or not more than the equivalent of \$1,000,000 in annual gross revenues in the preceding fiscal year; and
- (b) is not at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in its field of operation. For the purpose of this subdivision, "dominant in its field of operation" means having more than 20 full time employees and more than \$1,000,000 in annual gross revenues.

"Farm business" means a business entity "Targeted small business" includes a farm business engaged in farming, agricultural production or processing, or storage of agricultural products, which otherwise qualifies as a small business.

Sec. 66. Minnesota Statutes 1982, section 116J.88, subdivision 6, is amended to read:

Subd. 6. [FINANCIAL INSTITUTION.] "Financial institution" means any a bank or other financial corporation described in chapter 47, any insurance company licensed to do business under chapter 60A, and any securities broker-dealer licensed under chapter 80A, bank or trust company, trust company, mortgage company, mortgage banker, national banking association, savings bank, savings and loan association, building and loan association, insurance company, securities broker-dealer, financial organizations relating to commercial credit or venture capital or any other financial or lending institution, whether organized under federal law or the laws of any state of the United States, and whether located within or without this state.

Sec. 67. Minnesota Statutes 1982, section 116J.88, subdivision 7, is amended to read:

Subd. 7. [BUSINESS LOAN.] "Business loan" means a loan, other than a pollution control loan, to the owner of ~~a~~ *an eligible* small business for the ~~interim or long term~~ financing of (a) capital expenditures, *on an interim or long-term basis*, for the acquisition or improvement of land, acquisition, construction, removal, or improvement of buildings, or acquisition and installation of fixtures and equipment useful for the conduct of the business; or (b) *short-term costs of conducting an eligible small business.*

Subd. 7a. [FARM LOAN.] "Farm loan" means a loan to a farm business for the acquisition, installation, improvement, construction or removal of buildings, or acquisition and installation of fixtures or equipment, useful for the conduct of a farm business.

Sec. 68. Minnesota Statutes 1982, section 116J.88, subdivision 8, is amended to read:

Subd. 8. [POLLUTION CONTROL LOAN.] "Pollution control loan" means a loan to ~~the owner of a~~ *an eligible* small business for the acquisition, construction, or improvement of pollution control facilities *or operations*. Pollution control facilities *or operations* may include real and personal property likely to help prevent, reduce, abate, or control noise, air, or water pollution or contamination by removing, altering, disposing, or storing pollutants, contaminants, wastes, or heat, and real and personal property to be used for the collection, storage, treatment, utilization, processing, or final disposal of solid or liquid waste.

Sec. 69. Minnesota Statutes 1982, section 116J.88, is amended by adding a subdivision to read:

Subd. 9. [FUND.] "Fund" means the economic development fund created by section 73.

Sec. 70. Minnesota Statutes 1982, section 116J.89, subdivision 1, is amended to read:

Subdivision 1. [ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY; CREATION; SUCCESSOR STATUS.] *A The small business finance agency created by Laws 1980, chapter 547, is renamed the energy and economic development authority is hereby created and is constituted as an authority to and may act on behalf of the state within the scope of the powers granted to it in sections ~~116J.63 and~~ 116J.88 to 116J.91 to implement a loan program loan programs and to provide financial assistance under the economic development fund by which, the authority alone or in cooperation with cities, towns, counties, and private or public lenders, may provide adequate funds may be provided or incentives to financing such as guarantees or insurance on sufficiently favorable terms to assist and encourage the establishment, maintenance, and growth of eligible small business businesses and employment opportunities in Minnesota and to reduce to a manageable level the cost of the control of pollution and disposal of waste resulting from the operations of eligible small business businesses.*

The authority so named is the legal successor in all respects of the small business finance agency as originally named and constituted and all bonds, resolutions, contracts, and liabilities of that original agency are the bonds, resolutions, contracts, and liabilities of the authority as so renamed and reconstituted.

Because of its ability to pool or combine loans to be funded from one or more issues of bonds, whether or not the interest on the bonds is exempt from federal income taxes, the ~~agency~~ authority will be able to spread its financing costs among the *eligible* small businesses to which the ~~agency makes loans~~ authority provides financing, thereby reducing costs incurred by each *eligible* small business.

Sec. 71. Minnesota Statutes 1982, section 116J.89, is amended by adding a subdivision to read:

Subd. 1a. [USE OF ECONOMIC DEVELOPMENT FUND.] In addition, the authority may use the economic development fund to provide financial assistance to eligible small businesses as follows:

(a) to provide loan guarantees or insurance, in whole or in part, to eligible small businesses in connection with business loans or pollution control loans;

(b) to provide direct loans to eligible small businesses in connection with business loans or pollution control loans;

(c) to participate in other investment programs as appropriate under the terms of sections 116J.65, 116J.67, 116J.88 to 116J.91, and chapters 472 and 474;

(d) to purchase loan packages made to eligible small businesses by financial institutions in the state in connection with business loans or pollution control loans;

(e) to enter into or to pay fees on insurance contracts, letters of credit, municipal bond insurance, surety bonds, or similar obligations and other agreements or contracts with financial institutions;

(f) to guarantee or insure bonds and notes issued by the authority, in whole or in part;

(g) the authority may create separate accounts within the fund for use in accordance with the separate purposes listed in this section and may irrevocably pledge and allocate moneys on deposit in the fund to the accounts for the purposes. The authority may make contracts with note and bond holders, trustees for them, financial institutions, or other persons interested in the disposition of moneys in the fund or its accounts with respect to the conditions upon which money in the fund or its accounts is to be held, invested, applied, and disposed of and the use of the fund and its accounts and the termination of accounts. The authority may determine to leverage amounts in accounts to be used to guarantee or insure bonds and notes of the authority or loans to eligible small businesses and may covenant as to the rate of leveraging with holders of the authority's bonds and notes or any trustee for them, financial institutions, or other persons. Money in the fund and its accounts shall, consistent with contracts with holders of the authority's bonds and notes or any trustee for them, financial institutions, or other interested persons, be invested in accordance with section 116J.91, subdivision 15, and the investment income from them, absent contractual provisions to the contrary, shall be added to and retained in the fund or its accounts if provided by the authority. The repayments to the authority of any direct loans made by the authority from money in the fund or its accounts shall be paid by

the authority into the fund or, as provided by the authority, into an account. The authority may collect fees, initially or from time to time, or both, with respect to any direct loan it extends or any insurance or guarantee it grants. The authority may enter into contracts and security instruments with eligible small businesses, with bond and note holders or any trustee for them, or financial institutions or other persons to provide for and secure the repayment to the authority of money provided by the authority from the fund or its accounts for direct loans or which have been paid by the authority from the fund or accounts pursuant to an authority guarantee or insurance.

The state covenants with all holders of the authority's bonds and notes, financial institutions, and other persons interested in the disposition of money in the fund or its accounts, which money the authority has irrevocably pledged and allocated for any authorized purpose described in this subdivision, that the state will not take any action to limit the effect of the pledge and allocation and will not take any action to limit the effect of contracts entered into as authorized in this subdivision with respect to the pledge and allocation and will not limit or alter the rights vested in the authority or the state to administer the application of money pursuant to the pledge and allocation and to perform its obligations under the contracts. The authority may include and recite this covenant of the state in any of its bonds or notes benefitting from the pledge and allocation or contracts or related documents or resolutions;

(h) to enter into contract with note and bond holders or other persons interested in the disposition of the fund; and

(i) for any legal purpose or program of the authority, including without limitation the payment of the cost of issuing authority bonds and notes and authority administrative costs and expenses.

Sec. 72. Minnesota Statutes 1982, section 116J.89, is amended by adding a subdivision to read:

Subd. 1b. [PREFERENCES.] (a) The following eligible small businesses have preference among business applicants:

(1) businesses located in areas of the state that are experiencing the most severe unemployment rates in the state;

(2) eligible small businesses that are likely to expand and provide additional permanent employment;

(3) businesses located in border communities that experience a competitive disadvantage due to location;

(4) businesses that have been unable to obtain traditional financial assistance due to a disadvantageous location, minority ownership, or other factors rather than due to the business having been considered a poor financial risk;

(5) businesses that utilize state resources, thereby reducing state dependence on outside resources, and that produce products or services consistent with the long-term social and economic needs of the state;

(6) businesses located in designated enterprise zones, as described in section 273.1312, subdivision 4; and

(7) *business located in federally-designated economically distressed areas.*

(b) *Except in the issuance of agency bonds or notes, the agency may not invest the fund in a program that does not have financial participation from the private sector, as determined by the authority.*

Sec. 73. Minnesota Statutes 1982, section 116J.89, is amended by adding a subdivision to read:

Subd. 1c. [CREATION OF ECONOMIC DEVELOPMENT FUND.] There is created the economic development fund to be administered by the authority. All money in the fund is appropriated to the authority to accomplish the authority's business development purposes.

Sec. 74. Minnesota Statutes 1982, section 116J.89, subdivision 2, is amended to read:

Subd. 2. [PUBLIC PURPOSES.] Sections ~~116J.63~~ and 116J.88 to 116J.91 and sections 90 to 95 are enacted to promote the welfare and prosperity of the state by maintaining and increasing the career and job opportunities of its citizens; by reducing, controlling, and preventing environmental pollution and waste of resources; and by protecting and enhancing the tax base on which state and local governments depend for the financing of public services.

Sec. 75. Minnesota Statutes 1982, section 116J.89, subdivision 7, is amended to read:

Subd. 7. [TAXATION OF AUTHORITY NOTES AND BONDS.] The state covenants with the purchasers and all subsequent holders and transferees of notes and bonds issued by the ~~agency~~ authority in consideration of the acceptance of and payment for the notes and bonds, that the notes and bonds of the ~~agency~~ authority issued pursuant to sections 116J.65, 116J.67, 116J.88 to 116J.91, sections 90 to 95, and chapters 472 and 474, and the income therefrom and all its fees, charges, gifts, grants, revenues, receipts, and other moneys received or to be received, pledges to pay or secure the payment of such notes or bonds shall at all times be free and exempt from all state, city, county or other taxation provided by the laws of the state, except for estate and gift taxes and taxes on transfers, and except for the Minnesota corporate franchise tax measured by income, so long as the interest on federal bonds is included in the income by which such tax is measured.

Sec. 76. Minnesota Statutes 1982, section 116J.89, subdivision 8, is amended to read:

Subd. 8. [MEMBERSHIP.] The members and governing body of the ~~agency~~ authority shall be the commissioner and ~~six~~ ten other members holding no other elective or appointive office of the state or any local government, appointed by the governor with advice and consent of the senate. The ~~commissioner shall be vice chairman,~~ and The governor shall designate the chairman from among the other members; to serve as chairman at the pleasure of the ~~governor.~~ The board shall elect a secretary from among its members. On the effective date of this act, the governor shall have authority to appoint new members. The terms of the current members shall expire, respectively, when they are replaced and new members are appointed by the governor and

qualified. Section 15.0575⁷ governs the terms, compensation, removal and filling of vacancies in the offices of members other than the commissioner.

Sec. 77. Minnesota Statutes 1982, section 116J.89, subdivision 9, is amended to read:

Subd. 9. [EXERCISE OF POWERS.] ~~The members shall be responsible for management and control of the agency powers of the authority are vested in the members.~~ A majority of the members, excluding vacant memberships, is a quorum. When a quorum is present at any meeting of which notice has been given to or waived by all absent members in the manner provided in bylaws adopted by the vote of a majority of all members, any action of the ~~agency authority~~ may be taken by the vote of a majority of the members present. Fewer than a quorum may hear reports and adjourn from time to time.

Sec. 78. Minnesota Statutes 1982, section 116J.89, subdivision 10, is amended to read:

Subd. 10. [STAFFING.] ~~The commissioner shall designate an employee as executive director of the agency and may appoint permanent and temporary employees necessary for the administration of the agency authority. The governing body of the agency may enter into agreements under which the department will provide administrative support for the agency. The commissioner may enter into agreements under which staff from private corporations, agencies, or other organizations are loaned to the authority for the purpose of performing its duties.~~

Sec. 79. Minnesota Statutes 1982, section 116J.90, is amended to read:

116J.90 [LOANS.]

Subdivision 1. [GENERALLY.] ~~The agency authority may make or purchase or participate with financial institutions in making or purchasing business loans and, pollution control loans, and farm loans upon the conditions described in this section, and may enter into commitments therefor.~~

Subd. 2. [BUSINESS LOANS; LIMITATIONS.] ~~The agency authority may make or purchase or participate with financial institutions in making or purchasing business loans not exceeding \$1,000,000 in principal amount; to be serviced by such institutions; provided that:~~

(a) ~~The agency's share shall not exceed 90 percent of the total principal amount, and shall be payable with interest at the same times but not necessarily at the same interest rate as the share of the financial institution; and both shares shall be equally and ratably secured by a valid mortgage on or security interest in real or personal property or by any other security satisfactory to the agency to secure payment of the loan provided; that the agency's share may equal 100 percent of the total principal amount of the business loan if the financial institution participating in the making or purchasing of the business loan by servicing the loan; purchases 100 percent of the total amount of the bonds issued by the agency in connection with the loan;~~

(b) ~~The total principal amount shall not exceed 90 percent of the value of the property securing the loan, unless the amount in excess of 90 percent is:~~

(1) ~~Loaned from available funds which are not proceeds received directly~~

from the sale of the agency's bonds or notes and are not restricted under the terms of any resolution or indenture securing bonds or notes; or

(2) Insured or guaranteed by a federal agency or by a private insurer qualified to write such insurance in the state, insuring a percentage of any claim for loss at least equal to that percentage of the value by which the loan exceeds 90 percent thereof;

(c) The value of the property securing the loan shall be certified by the participating financial institution; on the basis of such appraisals, bids, purchase orders, and engineers' certificates as the agency may require; provided that the value of items purchased and constructed from the proceeds of the loan shall not be deemed to exceed the contract price of purchase or construction;

(d) The agency shall not disburse funds under a commitment to participate in a loan for the construction or substantial improvement of property until the construction or improvement has been completed, unless a financial institution furnishes an irrevocable letter of credit or a qualified corporate surety furnishes payment and performance bonds, satisfactory to the agency and in an aggregate amount equal to the amount payable under the construction contract; and

(e) No other indebtedness may be secured by a mortgage or security interest in property securing a business loan made or purchased pursuant to this subdivision without the prior express written authorization of the agency with respect to business loans made or purchased by the authority and not exceeding \$1,000,000 principal amount with respect to the authority's share thereof when the authority participates in making or purchasing business loans.

With respect to business loans that the authority makes or purchases or participates with, the authority may determine or provide for their servicing, the percentage of authority participation, if any, the times the loans or participations shall be payable and the amounts of payment, their amount and interest rates, their security, if any, and other terms, conditions, and provisions necessary or convenient in connection with them and may enter into all necessary contracts and security instruments in connection with them. The authority may provide for or require the insurance or guaranteeing of the business loans or authority participations in whole or in part by the federal government or a department, agency, or instrumentality of it, by an appropriate account created with respect to the economic development fund, or by a private insurer. In connection with making or purchasing business loans or participations in them, the authority may enter into commitments to purchase or participate with financial institutions upon the terms, conditions, and provisions determined by it. Business loans or participations may be serviced by financial institutions or other persons designated by the authority. The dollar limitations contained in this subdivision do not apply to energy loans and loans insured under sections 93 and 94.

Subd. 3. [DIRECT BUSINESS AND FARM LOANS; LIMITATIONS.] The agency authority may make business loans or farm loans not exceeding \$100,000 in principal amount, at interest rates and subject to terms determined by the authority, provided that each loan shall be made only from the proceeds of a bond or note sold and issued to a financial institution, payable exclusively in whole or part from the repayments of principal and interest on the loan, which shall be assigned to and serviced by the financial institution.

The loans may also be guaranteed or insured by money on deposit in the economic development fund or any special account of it, and may be secured by reserve funds and other collateral and available money as determined by the authority. The authority may enter into all necessary contracts and security instruments in connection with them. The limitation on loan amounts in this subdivision does not apply to energy loans and loans insured under sections 93 and 94.

Subd. 4. [POLLUTION CONTROL LOANS.] ~~The agency authority may make or purchase or participate in making or purchasing pollution control loans which are fully secured by the guarantee or insurance of any agency or instrumentality of the United States or by a private insurer qualified to write the insurance in the state, or by reserves provided by the agency or any combination of the foregoing in any amount, which may be secured in whole or part by the guarantee or insurance of the federal government or any federal department, agency, or instrumentality, by a private insurer, from guarantees or insurance provided by the economic development fund or any special account of it, by reserves, moneys, funds, or other collateral required by the authority or any combination of the foregoing. To the extent consistent with this subdivision, the authority may make or purchase or participate in the making or purchasing of pollution control loans in the manner provided in subdivision 2 or 3 with respect to business loans.~~

Subd. 5. [TARGETED LOANS.] ~~The agency authority shall make every effort to assure that at least 50 percent of the principal amount of the loans made or purchased by the agency authority in each fiscal year consists of loans with a principal amount of \$100,000 or less to eligible targeted small businesses as defined in section 116J.88, subdivision 5, and the financial management division shall provide technical assistance needed by eligible targeted small business owners businesses to complete applications and meet other requirements for those loans. The agency authority shall report to the legislature annually on or before October February 1 as to its compliance with the requirements of this subdivision during the preceding fiscal year. Noncompliance with this subdivision does not affect the validity of bonds and notes heretofore or hereafter issued.~~

Subd. 6. [REPORTS.] (a) Each financial institution ~~which that~~ participates in a pollution control or business loan with the ~~agency authority~~ shall annually on or before March 1 submit a report for the prior calendar year to the ~~agency authority~~ on a form prescribed by the state auditor. The report shall include a listing of each new and outstanding loan in which the financial institution is a participant, the amount and terms of the loan, the purpose of the loan, and any other information as the state auditor may reasonably require.

(b) ~~The agency authority~~ shall annually on or before May 1 submit a report on a form prescribed by the state auditor for the prior calendar year to the state auditor on all loans ~~which that~~ it makes, purchases, or participates in. The report shall include a listing of each new and outstanding loan in which the financial institution is a participant, the amount and terms of the loan, the purpose of the loan, and any other information as the state auditor may reasonably require.

(c) The state auditor shall annually on or before July 1 submit a report for

the prior calendar year to the governor and the legislature summarizing thereport submitted pursuant to clause (b).

(d) The cost of preparing and submitting the reports required by this subdivision shall be borne by the party submitting it. Any financial institution ~~which~~ *that* fails to comply with the requirements of this subdivision shall be prohibited from participating in future loans until it complies.

Sec. 80. Minnesota Statutes 1982, section 116J.91, subdivision 1, is amended to read:

Subdivision 1. In implementing ~~its corporate~~ *the* purposes and the programs described in sections ~~116J.63 and~~ 116J.88 to 116J.91, the ~~agency~~ *authority* shall have the powers and duties set forth in this section.

Sec. 81. Minnesota Statutes 1982, section 116J.91, subdivision 4, is amended to read:

Subd. 4. It may adopt, amend, and repeal rules not inconsistent with the provisions of sections ~~116J.63 and~~ 116J.88 to 116J.91 as necessary to effectuate its ~~corporate~~ purposes.

Sec. 82. Minnesota Statutes 1982, section 116J.91, subdivision 9, is amended to read:

Subd. 9. It may procure insurance against any loss in connection with its property in ~~such~~ *the* amounts, and from ~~such~~ *the* insurers, as may be necessary or desirable. *It may obtain municipal bond insurance, letters of credit, surety obligations, or equivalent security for its bonds and notes.*

Sec. 83. Minnesota Statutes 1982, section 116J.91, subdivision 10, is amended to read:

Subd. 10. It may consent, whenever it deems it necessary or desirable in the fulfillment of its ~~corporate~~ purpose, to the modification of the rate of interest, time of payment, or any installment of principal or interest, or ~~any~~ other term, of ~~any mortgage loan, mortgage loan commitment, construction loan, temporary loan,~~ a contract or agreement of any kind to which the ~~agency~~ *authority* is a party.

Sec. 84. Minnesota Statutes 1982, section 116J.91, subdivision 11, is amended to read:

Subd. 11. It may borrow money to carry out and effectuate its ~~corporate~~ ~~purpose~~ *purposes* and may issue its negotiable bonds or notes as evidence of any such borrowing in accordance with sections 462A.08 to 462A.13, 462A.16 and 462A.17, all with the force and effect stated and the incidental powers granted and duties imposed in those sections. *The bonds and notes may be issued pursuant to a trust indenture that is substantially identical to a resolution pursuant to which the authority issues bonds and notes as provided in sections 462A.08 to 462A.13, 462A.16, and 462A.17, except that the authority may pledge money and securities to a trustee for the security of the holders of bonds and notes. The authority may refund bonds and notes and may guarantee or insure its bonds and notes in whole or in part with money from the economic development fund or an account created by the authority for that purpose.* The aggregate principal amount of the ~~agency's~~ *authority's* bonds and notes outstanding at any one time, excluding the amount satisfied

and discharged by payment or provision for payment in accordance with their terms, and deducting amounts held in debt service reserve funds therefor and amounts used to make loans guaranteed or insured by *the federal government or a department, an agency or instrumentality of the federal government or by a private insurer or guarantor authorized to do business in the state of Minnesota and acceptable to the authority*, shall not exceed \$30,000,000 unless authorized by another law.

Sec. 85. Minnesota Statutes 1982, section 116J.91, subdivision 12, is amended to read:

Subd. 12. It may issue and sell bonds, notes, and other obligations payable solely from particular moneys, assets, or revenues derived from its programs, *or any business loan, farm loan, or pollution control loan*, notwithstanding section 462A.08, subdivision 3. Obligations issued to participate in making or purchasing business loans pursuant to ~~section 116J.90, subdivision 2; or pollution control loans~~ shall be payable solely from revenues derived by the ~~agency authority~~ from repayments of ~~such~~ these loans and from enforcement of the security therefor, or from a debt service reserve fund or funds, or from a general reserve fund or from a segregated portion thereof, *or from other funds or security specifically pledged by the authority*, irrevocably pledged and appropriated to pay principal and interest due, for which other funds are not available. A general reserve fund is ~~hereby~~ created and is eligible to receive direct appropriations from the state treasury *or a transfer from the economic development fund as the authority may provide by resolution*. The ~~agency authority~~ may irrevocably pledge and appropriate all or a segregated portion of the general reserve fund to pay principal and interest due on all or one or more series of its obligations for which other funds are not available, pursuant to the terms and conditions that the ~~agency authority~~ shall determine. Until so pledged and appropriated by the ~~agency authority~~ the general reserve fund shall not be available to pay principal and interest on the ~~agency's authority's~~ obligations. ~~No obligations shall be issued to participate in making or purchasing business loans pursuant to section 116J.90, subdivision 2, unless the obligations are secured at the time of issuance by a debt service reserve fund; a portion of the general reserve fund segregated to secure one or more series of bonds; or the portion of the general reserve fund not segregated to secure one or more series of bonds; and unless the amount then held or then deposited in the fund or segregated portion is at least equal to ten percent of the aggregate principal amount of all obligations secured by the fund or segregated portion thereof~~ *The authority may at its option provide by resolution that obligations issued to participate in making or purchasing business loans or pollution control loans be secured at the time of issuance in whole or in part by a debt service reserve fund or funds, a portion of the general reserve fund segregated to secure one or more series of bonds, or the portion of the general reserve fund not segregated to secure one or more series of bonds. The operation of the debt service reserve fund or funds or a segregated portion of the general reserve fund and other relevant terms or provisions shall be determined by resolution or indenture of the authority. Obligations issued to make or purchase business loans, farm loans, or pollution control loans may be issued pursuant to an indenture of trust or a resolution of the authority. It may pledge to holders of obligations, or to a trustee, repayments from the loans, any security or collateral for them, contract rights with respect to them, and any other funds or security specifically pledged by the authority for them.*

Sec. 86. Minnesota Statutes 1982, section 116J.91, subdivision 14, is

amended to read:

Subd. 14. It may establish and collect reasonable interest and amortization payments on loans, and in connection therewith may establish and collect or authorize the collection of reasonable fees and charges or require funds to be placed in escrow, sufficient to provide for the payment and security of its bonds, notes, commitments and other obligations and for the servicing thereof, to provide reasonable allowances for or insurance against losses which may be incurred and to cover the cost of issuance of obligations and technical, consultative, and project assistance services. ~~It shall require the payment of all processing, administrative and guarantee fees and the deposit in escrow of all funds required by the small business administration or other federal agency or instrumentality guaranteeing any loan and shall comply and enforce compliance with all terms and conditions of each guarantee, and the prompt filing of all claims which may arise thereunder.~~

Sec. 87. Minnesota Statutes 1982, section 116J.91, subdivision 16, is amended to read:

Subd. 16. It may provide general consultative and technical services to assist in financing small business facilities for which loans may be made ~~pursuant to section 116J.90~~. It may enter into agreements or other transactions concerning the receipt or provision of those services.

Sec. 88. Minnesota Statutes 1982, section 116J.91, subdivision 19, is amended to read:

Subd. 19. ~~All~~ Proceeds of the ~~agency's authority's~~ bonds, notes, and other obligations, ~~any~~; amounts granted or appropriated to the agency for the making or purchase or the insurance or guaranty of loans or for bond reserves, ~~all~~; income from ~~their~~ investment; *money in the economic development fund*; and all revenues from loans, fees, and charges of the ~~agency authority~~ are annually appropriated to the agency for the accomplishment of its corporate purposes and shall be expended, administered, and accounted for in accordance with the applicable provisions of all bond and note resolutions, indentures, and other instruments, contracts, and agreements of the agency. Notwithstanding section 16A.28, these appropriations are available until expended.

Sec. 89. Minnesota Statutes 1982, section 116J.91, is amended by adding a subdivision to read:

Subd. 20. The authority may do all things necessary and proper to fulfill its purpose and the purposes of the economic development fund as provided in sections 116J.65, 116J.67, 116J.88 to 116J.91, sections 90 to 95, and chapters 472 and 474.

Sec. 90. [116J.921] [ENERGY FINANCING POLICIES.]

A reliable, economic supply of energy is essential for the state's households, business establishments, and municipalities. Imported supplies are increasingly costly, unreliable, and environmentally disadvantageous. As a result, a partnership of the private and public sectors is needed to provide leadership, cooperation, and aid for the purposes of planning, developing, and managing economically viable energy conservation programs.

Sec. 91. [116J.922] [DEFINITIONS.]

Subdivision 1. [GENERAL.] For purposes of sections 90 to 95, the terms defined in this section have the meanings given them, unless the context in which they are used clearly indicates otherwise or another meaning is specifically provided.

Subd. 2. [AUTHORITY.] "Authority" means the energy and economic development authority, formerly known as the small business finance agency.

Subd. 3. [PERSON.] "Person" includes an individual, firm, partnership, corporation, or association.

Subd. 4. [CONSERVATION.] "Conservation" means a product or system designed to reduce the amount of energy needed for an energy-consuming activity or process. Conservation includes but is not limited to thermal insulation and air infiltration control in buildings, products or methods that reduce energy consumption for transportation or soil tillage practices, improvements in combustion efficiency or heat transfer efficiency in boilers, furnaces or direct-fired process heaters, and changes to industrial production equipment that result in lower energy use per unit of output.

Subd. 5. [MUNICIPALITY.] "Municipality" means a city, town, county, school district, special taxing district, or a municipal power agency governed by chapter 453, or a group or combination of those units operating under an agreement to jointly undertake projects authorized by sections 90 to 95.

Subd. 6. [ALTERNATIVE ENERGY RESOURCE.] "Alternative energy resource" means a source of energy available from indigenous Minnesota resources including but not limited to peat, biomass, solar energy, wind, municipal wastes, agricultural or forestry wastes, hydro-power, and agricultural crops suitable for conversion to an energy fuel.

Subd. 7. [RENEWABLE ENERGY RESOURCE.] "Renewable energy resource" means a source of energy occurring in Minnesota which, when consumed for energy purposes, is replaced within a matter of days, months, or years by new or additional supplies of the energy source. Renewable energy resources include, but are not limited to, forestry products and forest harvest residues, solar energy, wind energy, water-power, and agricultural wastes.

Subd. 8. [ENERGY RECOVERY.] "Energy recovery" means the extraction of energy from materials, components, or processes which would normally represent wasted energy resources. Municipal solid wastes, volatile sewer gases, and power plant waste heat, among others, offer the potential for energy recovery.

Subd. 9. [BUSINESS.] "Business" means any commercial, industrial, or nonprofit enterprise.

Sec. 92. [116J.923] [POWERS AND DUTIES OF COMMISSIONER AND AUTHORITY RELATING TO ENERGY PROGRAMS.]

Subdivision 1. [SERVICES.] The authority shall identify general consultative and technical services to assist in financing and marketing household and municipal energy conservation or alternative energy development. It may enter into agreements or other transactions concerning the receipt or

provisions of those services.

Subd. 2. [DATA PRIVACY.] Financial information, including but not limited to credit reports, financial statements and net worth calculations, received or prepared by the authority regarding any loan or loan insurance issued by the authority is private data on individuals, as defined in section 13.02, subdivision 12, or, if not relating to individuals, is nonpublic data as defined in section 13.02, subdivision 9.

Subd. 3. [BROAD INTERPRETATION.] The authority through the commissioner shall perform, direct, or closely oversee the functions and programs delegated to it. The powers granted to the authority shall be broadly interpreted to facilitate innovative leadership in all areas of energy including policy setting, goal definition, strategy planning, conservation, development of renewable and alternative energy resources, energy recovery, and monitoring.

Subd. 4. [CAMPAIGN FOR ENERGY EFFICIENCY.] The authority shall promote a campaign for energy efficiency. The authority shall actively promote public awareness of the potentials and benefits of energy efficiency.

Subd. 5. [JOB CREATION, LOW INCOME.] The authority shall assure that programs under its control and direction make accommodation wherever possible for job creation and the needs of low income families and persons.

Subd. 6. [FINANCING PROGRAMS.] The authority shall initiate and operate programs to assist the financing of qualified energy projects by:

(a) insuring private loans to businesses; and

(b) issuing its revenue bonds, notes, or other obligations for the purpose of making or purchasing or participating with financial institutions in making or purchasing loans to businesses.

Subd. 7. [LOANS TO MUNICIPALITIES.] The authority shall receive applications from municipalities for loans to finance improvements to public buildings for the purpose of energy conservation, reduction of the use of conventional energy sources, or the use of alternative energy resources, and make recommendations thereon to the commissioner of finance, in the event of the authorization and issuance of bonds of the state for this purpose. Financial and technical support for this program shall be provided by the financial management division. This program shall include the district heating loan program established in section 116J.36 and the program of energy improvement loans to schools created by the concepts in a bill styled as H. F. No. 549 of the 1983 legislative session.

Subd. 8. [RULES.] The authority may adopt temporary and permanent rules for the purpose of implementing subdivisions 6 and 7. The temporary rules need not be adopted in compliance with chapter 14 and shall be effective for 360 days or until the permanent rules are adopted, whichever occurs first. The temporary rules shall be effective upon adoption by the authority and shall be published in the state register as soon thereafter as possible.

Subd. 9. [PLANNING AND REPORTS.] (a) The authority shall adopt a plan to use as the basis for its investment decisions.

(b) By the start of the 1984 legislative session, the authority shall have (1)

identified various nongovernmental funding sources; (2) provided for the efficient administration of its affairs; (3) solicited public comment on its plans; and (4) prepared recommendations as to appropriate reserve and guarantee fund levels required by sections 90 to 95.

(c) *The authority shall annually report not later than February 1 to the legislature. The report should contain recommendations for legislation as necessary to better coordinate its activities and the energy activities of state government.*

Subd. 10. [CONSERVATION EQUIPMENT.] The authority may assist in the financing of the development and operation of conservation or alternative or renewable energy system equipment.

Subd. 11. [SERVICES TO BUSINESSES.] The authority shall provide direct assistance to businesses that plan to begin or expand their operations into the area of energy. The assistance shall include:

(a) providing data currently collected by the state that relates to resources, markets, economics, demographics, loans, and business planning;

(b) performing a limited technical review of prototypes or processes;

(c) conducting a limited number of feasibility studies to assist business development;

(d) conducting workshops, seminars, and other educational opportunities that relate to starting energy businesses or specific technical subjects, when appropriate, working in cooperation with the department of education and appropriate educational institutions in the state; and

(e) sharing information or networking among energy developers by use of newsletters, conferences, or the like.

Subd. 12. [APPROPRIATIONS, GIFTS, GRANTS.] The authority may accept appropriations, gifts, grants, bequests, and devises and utilize or dispose of the same to carry out any provision of sections 90 to 95. All gifts, grants, bequests, and revenues from those sources are appropriated to the authority for the purposes of sections 90 to 95. The funding may include, but is not limited to, public utility investments and expenditures ordered by the public utilities commission pursuant to the provisions of section 216B.241.

Sec. 93. [116J.924] [ENERGY LOAN INSURANCE PROGRAM.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given:

(a) "Fund" means the energy loan insurance fund created by subdivision 2.

(b) "Lender" means any state or federally chartered bank, credit union, savings bank, savings and loan association, savings association, trust company or a lender certified by the secretary of housing and urban development or the administrator of veterans affairs or approved or certified by the administrator of the farmers home administration.

(c) "Energy loan" means a loan or advance of credit, with security as may be required by the authority.

(d) "Qualified energy project" means acquiring, installing or construct-

ing land, buildings, capital improvements, or equipment for (1) conservation of energy or use of alternative or renewable energy resources in the operation of a business, (2) recovery or production from alternative or renewable resources of energy to be sold in the course of business, or (3) production for sale in the course of business of equipment for the conservation or recovery of energy or for the use of energy from alternative or renewable resources.

Subd. 2. [ENERGY LOAN INSURANCE FUND.] An energy loan insurance fund is created. The fund shall be used by the authority as a revolving fund, and all money in the fund is appropriated to the authority, for carrying out the provisions of this section with respect to loans insured under subdivision 3.

Subd. 3. [INSURANCE OF LOANS.] (a) [AUTHORIZATION.] The authority is authorized, upon application by a lender, to insure loans for qualified energy projects as provided in this section; and under terms as the authority may prescribe by rule, to make commitments for the insuring of loans prior to the date of their execution or disbursement.

(b) [ELIGIBILITY REQUIREMENTS.] The authority may by rule establish requirements for energy loans to be eligible for insurance under this section, relating to:

(1) maximum principal amount, amortization schedule, interest rate, delinquency charges, and other terms;

(2) the portion of the loan to be insured;

(3) acceleration and other remedies;

(4) covenants regarding insurance, repairs, and maintenance of the project;

(5) conditions regarding subordination of the loan security, if any, of the project to other liens against the property;

(6) the aggregate principal amount of loans to be insured in relation to the reserves from time to time on hand in the insurance fund, and priorities as to the loans to be insured; and

(7) any other matters determined by the authority.

(c) [CONCLUSIVE EVIDENCE OF INSURABILITY.] Any contract of insurance executed by the authority under this section shall be conclusive evidence of the eligibility of the loan for insurance, and the validity of any contract of insurance properly executed and in the hands of any approved lender shall not be contestable, except for fraud or misrepresentation on the part of the lender.

(d) [PREMIUMS.] The authority is authorized to fix premium charges for the insurance of loans under this section at levels which in its judgment, taking into account other amounts available in the fund, will be sufficient to cover and maintain a reserve for loan losses.

(e) [PROCEDURES UPON DEFAULT.] The authority may establish procedures to be followed by lenders and to be taken by the authority in the event of default upon an energy loan, including:

(1) time for filing claims;

(2) *rights and interests to be assigned and documents to be furnished by the lender;*

(3) *principal and interest to be included in the claim; and*

(4) *conditions, if any, upon which the authority will pay the entire principal amount in default, after foreclosure and receipt of marketable title to the property.*

Subd. 4. [INVESTMENT INTEREST.] All interest and profits accruing from investment of the fund's money shall be credited to and be a part of the fund, and any loss incurred in the principal of the investments of the fund shall be borne by the fund.

Subd. 5. [MAXIMUM AUTHORIZED INSURANCE.] The authority may not at any time issue insurance under this section aggregating in excess of an amount equal to the current balance contained in the fund multiplied by ten.

Sec. 94. [116J.925] [ENERGY LOAN PROGRAM.]

Subdivision 1. [AUTHORITY TO MAKE LOANS.] The authority may make loans to individuals, partnerships, corporations, or other entities for the financing of capital improvements to be used in connection with a trade or business if the principal purpose of improvement is energy conservation, to reduce the usage of conventional fuels as a source of energy, or to develop Minnesota's alternative energy resources as provided by the authority's rules.

Subd. 2. [REVENUE BONDS.] The authority may borrow money and may issue bonds, notes, or other obligations as evidence of the borrowing in accordance with sections 462A.08 to 462A.17, all with the force and effect stated and the incidental powers granted and duties imposed in those sections. The authority may sell any of its obligations at public or private sale, at the price or prices as the authority determines are appropriate, notwithstanding the limitations on sale price in section 462A.09. These obligations may be issued and loans made from the proceeds in excess of the limitations contained in section 116J.90, subdivisions 2 and 3, and section 116J.91, subdivision 11.

Subd. 3. [ENERGY DEVELOPMENT FUND.] An energy development fund is created and is eligible to receive appropriations. The authority may irrevocably pledge and appropriate all or a segregated portion of the energy development fund to make principal and interest payments when due on all or one or more series of its obligations for which other funds are not available, pursuant to the terms and conditions the authority shall prescribe. Unless the energy development fund has been pledged and appropriated to secure the obligations, the energy development fund shall not be available to make principal or interest payments on the obligations.

Subd. 4. [INVESTMENT INCOME.] All interest and profits accruing from investment of the energy development fund's moneys shall be credited to and be part of the energy development fund, and any loss incurred in the principal of the investment of the reserve fund shall be borne by the fund. Assets of the energy development fund shall be invested only in direct obligations or obligations of agencies of the United States or in insured depository accounts, up to the amount of the insurance, in any institution insured by an

agency of the United States government, or in other obligations or depository accounts referred to in section 11A.24, subdivision 4, except clause (d) of that subdivision. Other funds and revenues of the authority shall be invested or deposited in the manner and with the security provided in bond or note resolutions or indentures under which obligations of the authority are issued for the program.

Subd. 5. [ADDITIONAL POWERS.] In addition to the powers specifically enumerated, the authority shall have any corporate powers necessary to effectuate or appropriate to the efficient implementation and operation of the revenue bond loan program authorized by this section, except to the extent explicitly limited by this section.

Subd. 6. [FUNDING.] All proceeds of the authority's bonds, notes, and other obligations, any amounts granted or appropriated to the authority to make, purchase, or insure loans, or for bond reserves, all income from the investment thereof, and all revenues from loans, fees, and charges of the authority are annually appropriated to the authority to accomplish its purposes and shall be expended, administered, and accounted for in accordance with the applicable provisions of all bond and note resolutions, indentures, and other instruments, contracts, and agreements of the authority.

Sec. 95. [116J.926] [LOANS TO MUNICIPALITIES.]

Subdivision 1. [QUALIFIED ENERGY IMPROVEMENTS.] For the purposes of this section, "qualified energy improvements" means any capital improvements to public land or buildings, including the installation of equipment, undertaken by a municipality for the principal purpose of energy conservation or to reduce usage of conventional energy sources, as provided by rules adopted by the authority.

Subd. 2. [APPLICATIONS.] The authority shall establish procedures, form, and the required contents of applications to be made by municipalities for loans to finance the acquisition or construction of qualified energy improvements when state bonds are authorized and issued for this purpose.

Subd. 3. [MUNICIPAL OBLIGATION.] A loan shall not be made to a municipality until it has entered into an agreement with the state providing that the municipality shall make payments of principal and interest at least equal in the aggregate to the principal amount of the loan plus interest at the rate payable on the state bonds. The annual amounts of the payments shall be determined by the commissioner of finance, and need not coincide with the principal and interest payments on the bonds. However, the amounts due each year shall be payable prior to the times transfers are required to be made pursuant to section 16A.65. The agreement shall obligate the municipality to levy an ad valorem property tax equal to the amounts necessary to make the payments. The amount required to be levied may be reduced by any other available amounts contained in a special fund dedicated to payment of the loan obligation.

Subd. 4. [RECEIPTS.] The principal and interest in repayment of the loans authorized by this section shall be deposited in the state treasury and credited to the state bond fund and are appropriated to the commissioner of finance for the purpose of that fund.

Sec. 96. [116K.02] [STATE PLANNING AGENCY.]

Subdivision 1. [CREATION.] A state planning agency is created in the executive branch of state government.

Subd. 2. [DIRECTOR.] The governor shall appoint a state planning director in the unclassified service. He shall be professionally competent in the fields of public administration and planning and shall possess demonstrated ability, based upon past performance, to perform the duties of state planning director.

Subd. 3. [ORGANIZATION.] The director shall organize the agency and employ the officers, employees, and agents as the director deems necessary to discharge the functions of the office, and define their duties. The director shall appoint a deputy director and division directors, who shall serve in the unclassified service of the state. To fulfill long range planning objectives requiring special projects anticipated to be of limited duration, the director shall request temporary unclassified positions pursuant to section 43A.08, subdivision 2a. All other officers, employees, and agents are in the classified service of the state civil service.

Subd. 4. [STAFF.] The director shall employ personnel with qualifications needed to perform the duties prescribed in chapter 116K.

Sec. 97. [116K.03] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of chapter 116K, the terms defined in this section have the meanings given them.

Subd. 2. [DIRECTOR.] "Director" means the state planning director.

Subd. 3. [AGENCY.] "Agency" means the state planning agency.

Sec. 98. Minnesota Statutes 1982, section 144A.53, subdivision 4, is amended to read:

Subd. 4. [REFERRAL OF COMPLAINTS.] If a complaint received by the director relates to a matter more properly within the jurisdiction of an occupational licensing board, ~~the office of consumer services or any~~ other governmental agency, the director shall forward the complaint to that agency and shall inform the complaining party of the forwarding. The agency shall promptly act in respect to the complaint, and shall inform the complaining party and the director of its disposition. If a governmental agency receives a complaint which is more properly within the jurisdiction of the director, it shall promptly forward the complaint to the director, and shall inform the complaining party of the forwarding. If the director has reason to believe that ~~any~~ an official or employee of an administrative agency or health facility has acted in a manner warranting criminal or disciplinary proceedings, he shall refer the matter to the state commissioner of health, the commissioner of public welfare, an appropriate prosecuting authority, or ~~any~~ other appropriate agency.

Sec. 99. Minnesota Statutes 1982, section 155A.03, is amended by adding a subdivision to read:

Subd. 13. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.

Sec. 100. Minnesota Statutes 1982, section 155A.05, is amended to read:

155A.05 [RULES.]

The ~~director~~ *commissioner* shall develop and adopt rules to carry out the provisions of sections 155A.01 to 155A.18 by ~~December 31, 1982, pursuant according to~~ chapter 14. For purposes of sections 155A.01 to 155A.18, the ~~director~~ *commissioner* may adopt temporary rules, ~~pursuant according to~~ sections 14.29 to 14.36. ~~These rules may be reissued as temporary rules until permanent rules are adopted or until December 31, 1982, whichever is earlier.~~ These ~~temporary~~ rules may provide that for ~~any~~ a renewal license issued by the ~~director~~ *commissioner* within one year after July 1, 1981, the term of renewal shall be either one, two, or three years. The fee for a one-year renewal license shall be one-third of the fee for a three-year renewal license, and the fee for a two-year renewal shall be two-thirds of the three-year fee.

Sec. 101. Minnesota Statutes 1982, section 155A.18, is amended to read:

155A.18 [PRIOR LICENSES.]

All licenses which were issued by the ~~board of cosmetology~~ *director of the office of consumer services* under chapter ~~155~~ 155A, shall continue in effect under the ~~office of consumer services~~ *commissioner* until the licenses expire.

Sec. 102. Minnesota Statutes 1982, section 214.14, subdivision 1, is amended to read:

Subdivision 1. There is established a human services occupations advisory council to assist the commissioner of health in formulating policies and rules ~~pursuant according to~~ section 214.13. The commissioner shall determine the duties of the council, shall establish procedures for the proper functioning of the council including, but not limited to the following: the method of selection of membership, the selection of a committee chairman and methods of communicating recommendations and advice to the commissioner for his consideration. Each of the health related licensing boards, the state examining committee for physical therapists, ~~the consumer services section of the department of commerce,~~ the state comprehensive health planning advisory council and the higher education coordinating board shall have a representative selected by the boards ~~or section, committee, or council.~~ The governor shall appoint the remaining members who shall not exceed 11 and shall include six persons broadly representative of human services, particularly human services professions not presently credentialed ~~pursuant according to~~ existing law, and five public members. The committee shall expire and the terms of the appointed members and the compensation and removal of all members shall be as provided in section 15.059.

Sec. 103. [216A.085] [ENERGY ISSUES INTERVENTION OFFICE.]

Subdivision 1. [CREATION.] There is created within the department of public service an intervention office to represent the interests of Minnesota residents, businesses, and governments before bodies and agencies outside the state that make, interpret, or implement national and international energy policy.

Subd. 2. [DUTIES.] The intervention office shall determine those areas in which state intervention is most needed, most likely to have a positive impact, and most effective for the broad public interest of the state. The office shall seek recommendations from appropriate public and private sources before deciding which cases merit intervention.

Subd. 3. [STAFFING.] The intervention office shall be under the control

and supervision of the director of the department of public service. The director may hire staff or contract for outside services as needed to carry out the purposes of this section. The attorney general shall act as counsel in all intervention proceedings.

Sec. 104. Minnesota Statutes 1982, section 216B.16, is amended by adding a subdivision to read:

Subd. 12. [INTERVENOR PAYMENT.] The commission may order a utility to pay all or a portion of a party's intervention costs not to exceed \$20,000 per intervenor in any proceeding when the commission finds that the intervenor has materially assisted the commission's deliberation and the intervenor has insufficient financial resources to afford the costs of intervention.

Sec. 105. Minnesota Statutes 1982, section 216B.62, subdivision 2, is amended to read:

Subd. 2. Whenever the commission or department, in a proceeding upon its own motion, on complaint, or upon an application to it, shall deem it necessary, in order to carry out the duties imposed by ~~Laws 1974, Chapter 429~~ under this chapter and section 103, to investigate the books, accounts, practices, and activities of, or make appraisals of the property of any public utility, or to render any engineering or accounting services to any public utility, or to intervene before an energy regulatory agency, the public utility shall pay the expenses reasonably attributable to the investigation, appraisal, ~~or service, or intervention.~~ The commission and department shall ascertain the expenses, and the department shall render a bill therefor to the public utility, either at the conclusion of the investigation, appraisal, or services, or from time to time during its progress, which bill shall constitute notice of the assessment and a demand for payment. The amount of the bills so rendered by the department shall be paid by the public utility into the state treasury within 30 days from the date of rendition. The total amount, in any one calendar year, for which any public utility shall become liable, by reason of costs incurred by the commission within that calendar year, shall not exceed two-fifths of one percent of the gross operating revenue from retail sales of gas, or electric service by the public utility within the state in the last preceding calendar year. Where, pursuant to this subdivision, costs are incurred within any calendar year which are in excess of two-fifths of one percent of the gross operating revenues, the excess costs shall not be chargeable as part of the remainder under subdivision 3, but shall be paid out of the general appropriation to the department and commission. In the case of public utilities offering more than one public utility service only the gross operating revenues from the public utility service in connection with which the investigation is being conducted shall be considered when determining this limitation.

Sec. 106. Minnesota Statutes 1982, section 216B.62, subdivision 3, is amended to read:

Subd. 3. The department and commission shall quarterly, at least 30 days before the start of each quarter, estimate the total of their expenditures in the performance of their duties relating to public utilities under section 103, and sections 216B.01 to 216B.67, other than amounts chargeable to public utilities under subdivision 2 or 6. The remainder shall be assessed by the

commission and department to the several public utilities in proportion to their respective gross operating revenues from retail sales of gas or electric service within the state during the last calendar year. The assessment shall be paid into the state treasury within 30 days after the bill has been mailed to the several public utilities, which shall constitute notice of the assessment and demand of payment thereof. The total amount which may be assessed to the public utilities, under authority of this subdivision, shall not exceed one-eighth of one percent of the total gross operating revenues of the public utilities during the calendar year from retail sales of gas or electric service within the state. The assessment for the second quarter of each fiscal year shall be adjusted to compensate for the amount by which actual expenditures by the commission and department for the preceding fiscal year were more or less than the estimated expenditures previously assessed.

Sec. 107. Minnesota Statutes 1982, section 299A.04, is amended to read:

299A.04 [GRANTS-IN-AID TO YOUTH INTERVENTION PROGRAMS.]

Subdivision 1. The ~~commissioner~~ *director* may make grants to nonprofit agencies administering youth intervention programs in communities where the programs are or may be established.

“Youth intervention program” means a nonresidential community based program providing advocacy, education, counseling, and referral services to youth and their families experiencing personal, familial, school, legal, or chemical problems with the goal of resolving the present problems and preventing the occurrence of the problems in the future.

Subd. 2. Applications for a grant-in-aid shall be made by the administering agency to the ~~commissioner~~ *director*. The grant-in-aid is contingent upon the agency having obtained from the community in which the youth intervention program is established local matching money two times the amount of the grant that is sought.

The ~~commissioner~~ *director* shall provide by rule the application form, procedures for making application form, criteria for review of the application, and kinds of contributions in addition to cash that qualify as local matching money. No grant to any agency shall exceed \$25,000.

Sec. 108. Minnesota Statutes 1982, section 325E.09, subdivision 4a, is amended to read:

Subd. 4a. For the purposes of this section, octane rating shall be determined in the manner described in the American Society for Testing and Materials (ASTM) “Standard Specification for Gasoline”, D439-71 or such other manner as prescribed by the director of ~~consumer services by regulations~~ *the department of public service in accordance with applicable rules, adopted pursuant* according to the Administrative ~~procedures~~ *Procedure Act. Such regulations shall* The rules must only be ~~promulgated~~ *adopted* to place Laws 1973, Chapter 687 in accordance with regulations promulgated by a federal agency.

Sec. 109. Minnesota Statutes 1982, section 325F.09, is amended to read:

325F.09 [DEFINITIONS.]

(a) “Child” means any person less than 14 years of age;

(b) A toy presents an electrical hazard if, in normal use or when subjected to reasonably foreseeable damage or abuse, its design or manufacture may cause personal injury or illness by electrical shock or electrocution;

(c) A toy presents a mechanical hazard if, in normal use or when subjected to reasonably foreseeable damage or abuse, its design or manufacture presents an unreasonable risk of personal injury or illness:

- (1) from fracture, fragmentation, or disassembly of the article;
- (2) from propulsion of the article or any part or accessory thereof;
- (3) from points or other protrusions, surfaces, edges, openings, or closures;
- (4) from moving parts;
- (5) from lack or insufficiency of controls to reduce or stop motion;
- (6) as a result of self-adhering characteristics of the article;
- (7) because the article or any part or accessory thereof may be aspirated or ingested;
- (8) because of instability;
- (9) from stuffing material which is not free of dangerous or harmful substances; or
- (10) because of any other aspect of the article's design or manufacture.

(d) A toy presents a thermal hazard if, in normal use or when subjected to reasonably foreseeable damage or abuse, its design or manufacture presents an unreasonable risk of personal injury or illness because of heat as from heated parts, substances, or surfaces.

(e) "Toxic" means able to produce personal injury or illness to a person through ingestion, inhalation, or absorption through any body surface and can apply to any substance other than a radioactive substance.

(f) "Flammable" means having a flash point up to 80 degrees Fahrenheit as determined by the Tagliabue Open Cup Tester. The flammability of solids and of the contents of self-pressurized containers shall be determined by methods generally recognized as applicable to the materials or containers and established by ~~regulations~~ *rules* issued by the ~~director~~ *commissioner*.

(g) A toy presents a hazard of asphyxiation or suffocation if, in normal use or when subject to reasonable foreseeable damage or abuse, its design, manufacture or storage presents a risk of personal injury or illness from interference with normal breathing.

(h) ~~"Director"~~ "Commissioner" means ~~the director~~ *the commissioner* of the consumer services section of the department of commerce.

(i) "Inspector" means an inspector of the ~~consumer services section~~ of the department of commerce.

Sec. 110. Minnesota Statutes 1982, section 325F.11, is amended to read:

325F.11 [TESTING OF ARTICLES TO DETERMINE AND INSURE COMPLIANCE.]

The ~~director~~ *commissioner* or an authorized and qualified employee or inspector, may undertake or provide for testing of toys and other articles as he deems necessary to determine their safety and fitness for commerce in this state in compliance with the provisions of sections 325F.08 to 325F.18. The ~~director~~ *commissioner* may contract or otherwise arrange with any testing facility, public or private, for testing and reporting the results. The ~~director~~ *commissioner* may, by ~~regulation rule~~, require that any toy or other article within the provisions of sections 325F.08 to 325F.18 be adequately tested by the ~~consumer services section~~, a reputable testing facility, or the manufacturer or distributor of the article, and that the certified results of the test be filed with the ~~director~~ *commissioner* before the sale, distribution, or other movement in commerce within this state of the toys or articles. The ~~director~~ *commissioner* may by ~~regulation rule~~ provide for penalties for the failure to provide test results.

Sec. 111. Minnesota Statutes 1982, section 472.03, subdivision 2, is amended to read:

Subd. 2. "~~State agency~~" "*Authority*" means the ~~executive council created and established by section 9.011~~ *energy and economic development authority*.

Sec. 112. Minnesota Statutes 1982, section 472.13, is amended to read:

472.13 [APPROPRIATION TO *ECONOMIC DEVELOPMENT REVOLVING FUND*.]

Subdivision 1. [APPROPRIATION.] There is hereby appropriated out of the general fund in the state treasury not otherwise appropriated the sum of \$1,500,000 to the ~~state executive council authority~~ to be used for the purposes set forth in ~~these~~ sections 472.01 to 472.16 excluding the necessary cost of administration thereof. The sum hereby appropriated shall be credited to a special account in the ~~state treasury to be known as the economic development revolving fund created in section 73~~ to be drawn upon and used by the ~~state agency authority~~ in the manner and for the purposes provided for in ~~these~~ sections 472.01 to 472.16.

Subd. 2. [LOANS.] The ~~state agency authority~~ shall have the power, from time to time, to draw upon the ~~special account in the economic development revolving fund such the amounts as the state agency shall determine authority determines~~ for loans to local or area redevelopment agencies for the financing and planning of redevelopment projects. When the amounts so allocated by the ~~state agency authority~~ as loans to local or area redevelopment agencies are repaid to the ~~state agency authority~~ pursuant to the terms of its agreements with the local agency, the ~~state agency authority~~ shall pay ~~such the amounts~~ into the ~~special account in the economic development revolving fund~~, it being the purpose and intent of this section that ~~said fund the account~~ shall operate as a revolving ~~fund account~~ whereby all appropriations and payments made ~~thereto to it~~ may be applied and reapplied to the purposes of ~~these~~ sections 472.01 to 472.16 and shall not revert to the general ~~revenues fund~~ of the state.

Subd. 3. [EXCESS FUNDS.] ~~In the event that~~ *If* the ~~state agency shall determine authority determines~~ that funds held for the credit of the ~~special account in the economic development revolving fund~~ are in excess of the amounts needed by the ~~state agency authority~~ to carry out the purposes of ~~these~~ sections 472.01 to 472.16, the ~~state agency authority~~ may by resolution release ~~such the excess from the development revolving fund; the same to be~~

~~transferred~~ account and transfer it to the general ~~revenues~~ fund of the state treasury.

Subd. 4. [MATCHING FUNDS.] The ~~state agency~~ authority may utilize any moneys in the ~~revolving fund~~ special account for the purpose of matching federal funds available under the Public Works and Economic Development Act of 1965.

Sec. 113. Minnesota Statutes 1982, section 474.01, is amended by adding a subdivision to read:

Subd. 11. [EMPLOYMENT PREFERENCE.] The welfare of the state requires that, whenever feasible, employment opportunities made available in part by sections 474.01 to 474.15 or other state law providing for financing mechanisms similar to those described in those sections should be offered to individuals who are unemployed or who are economically disadvantaged as defined in the federal Job Training Partnership Act of 1982, Statutes at Large, Volume 96, page 1322. Every municipality, redevelopment agency, or other person undertaking a project financed wholly or in part by these financing mechanisms is encouraged to target employment opportunities to qualified individuals who are unemployed or economically disadvantaged. The intent of this subdivision may be accomplished by but is not limited to mechanisms such as a first source agreement in which the employer agrees to use a designated employment office as a first source for employment recruitment, referral, and placement.

Not later than July 1, 1984, and each July 1 for the succeeding three years, every municipality, redevelopment agency, or other person who undertakes a project financed wholly or in part by these financing mechanisms shall submit an employment report to the commissioner of energy and economic development. The report shall be on forms provided by the commissioner and shall include, but need not be limited to, the following information:

- (a) the total number of jobs created by the project,*
- (b) the number of unemployed and economically disadvantaged persons hired, and*
- (c) the average wage level of the jobs created.*

Sec. 114. [INSTRUCTIONS TO REVISOR.]

Subdivision 1. The revisor of statutes shall substitute the term "commissioner of commerce" or "commissioner" or "department" or similar terms as appropriate for the following terms and similar terms, as necessary to reflect the transfers of powers, duties, and responsibilities prescribed by this act:

- (a) "commerce commission" meaning the state commerce commission, "department of commerce," or "commerce department" where those terms appear in Minnesota Statutes;*
- (b) "commissioner of banks," "commissioner of banking," or "banking commissioner" where those terms appear in Minnesota Statutes;*
- (c) "commissioner of insurance" or "insurance commissioner" where those terms appear in Minnesota Statutes;*
- (d) "commissioner of securities and real estate" where that term appears*

in Minnesota Statutes;

(e) "division" where that term appears in chapters 46 to 59A, and "banking division" or "division of banking" where those terms appear in Minnesota Statutes;

(f) "division of insurance," "insurance division," "department of insurance," or "insurance department" where those terms appear in Minnesota Statutes;

(g) "department of securities and real estate," "securities and real estate department," "securities and real estate division," or "division of securities and real estate" where those terms appear in Minnesota Statutes;

(h) "department of administration" or "commissioner of administration" where those terms appear in chapter 238; and

(i) "director of office of consumer services," "office of consumer services," "consumer services section," where those terms appear in chapter 155A and sections 325F.08 to 325F.18.

Subd. 2. The revisor of statutes shall renumber each section specified in column A with the numbers set forth in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

Column A	Column B
45.04	46.041
45.05	46.042
45.06	46.043
45.07	46.044
45.071	46.045
45.08	46.046
45.16	8.32
45.17	8.33

Sec. 115. [INSTRUCTIONS TO REVISOR.]

Subdivision 1. [TERMS.] (a) The revisor of statutes shall substitute the terms "state planning director" or "director" or "state planning agency" or "agency" or similar terms as appropriate for the terms "commissioner" or "department" meaning the commissioner or department of energy, planning and development, and similar terms where those terms appear in chapters 116C, 116D, and 116G, sections 116J.40 to 116J.54, and other laws relating to the planning functions of the department of energy, planning and development.

(b) The revisor of statutes shall remove the term "planning" wherever it appears in Minnesota Statutes in reference to the department of energy, planning and development, the commissioner of energy, planning and development or similar terms to reflect the removal of the planning functions from that department.

(c) The revisor of statutes shall substitute the terms "commissioner of energy and economic development" or "commissioner" for the terms meaning the commissioner or department of energy, planning and development, where those terms appear in sections 116J.04 to 116J.36 and 116J.58 to 116J.91, and other laws relating to the energy and economic development

functions of the department of energy, planning and development.

(d) The revisor of statutes shall change the words "commissioner," "commissioner of energy, planning and development," "department," "agency," "state agency," "executive council," or similar terms to "the energy and economic development authority" wherever it appears in sections 116J.65 and 116J.67; and in chapters 472 and 474.

Subd. 2. [RENUMBERING.] The revisor of statutes shall renumber each section specified in column A with the numbers in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

Column A	Column B
116J.28	216B.242
116J.40	116K.01
116J.42	116K.04
116J.43	116K.05
116J.44	116K.06
116J.45	116K.07
116J.48	116K.08
116J.49	116K.09
116J.50	116K.10
116J.51	116K.11
116J.52	116K.12
116J.53	116K.13
116J.54	116K.14
299A.04	116K.15

Sec. 116. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall change the words "agency" or "small business finance agency" or similar terms to "authority" or "energy and economic development authority" wherever it appears in chapter 116J and other laws to reflect the change of name made by this act.

Sec. 117. [TRANSFER OF TRADE AND EXPORT DEVELOPMENT RESPONSIBILITIES.]

The responsibilities for trade and export development set forth in Minnesota Statutes 1982, section 116J.58, subdivision 1, clause (9), are transferred from the commissioner of energy, planning and development to the commissioner of agriculture under the provisions of section 15.039.

Sec. 118. [APPROPRIATION.]

The sum of \$196,900 is appropriated from the general fund to the director of the department of public service for intervention in energy policy development and regulatory proceedings, to be available for the fiscal year ending June 30 in the years indicated.

1984	1985
\$98,400	\$98,500

The complement of the department is increased by one position in the unclassified service.

Sec. 119. [REPEALER.]

Minnesota Statutes 1982, sections 45.01; 45.02; 45.021; 45.03; 45.031; 45.032; 45.033; 45.034; 45.15; 45.16, subdivisions 4 and 5; 45.17, subdivision 6; 116J.02; 116J.41; 116J.42, subdivisions 3, 5, and 6; 116J.46; 116J.47; 116J.62; 116J.88, subdivision 3; 155A.03, subdivision 10; and 155A.17 are repealed.

Sec. 120. [EFFECTIVE DATE.]

This act is effective July 1, 1983."

Delete the title and insert:

"A bill for an act relating to the operation of state government; reorganizing the department of commerce; providing for appointment of a commissioner of commerce; prescribing his powers and duties; transferring certain powers and duties from the commissioners of administration, banks, insurance, securities and real estate, and the director of the office of consumer services, to the commissioner of commerce; transferring certain powers and duties from the chairman of the commerce commission to the commissioner of commerce; transferring certain powers and duties from the director of the office of consumer services to the commissioner of commerce and the attorney general; eliminating certain positions and divisions in the department of commerce; transferring certain rural credit records from the commissioner of banks to the commissioner of natural resources; creating an office of debt management in the department of finance; reorganizing the department of energy, planning and development; creating a state planning agency, a department of energy and economic development, and an office of tourism; renaming the small business finance agency the energy and economic development authority; creating an information office and an export financing authority; naming the energy and economic development authority assignee of community development corporations; creating energy financing programs; creating an energy intervention office in the department of public service; transferring responsibilities for trade and export development from the commissioner of energy, planning and development to the commissioner of agriculture; transferring the functions of the environmental quality board under the Environmental Procedures Act to the commissioner of energy and economic development and the bureau of business licenses; transferring the function of issuing certificates of need for large energy facilities from the department of energy, planning and development to the public utilities commission; appropriating money; amending Minnesota Statutes 1982, sections 15.039; 15.06, subdivisions 1 and 8; 15A.081, subdivision 1; 43A.08, subdivision 1a; 45.04; 45.05; 45.06; 45.07; 45.071, subdivision 2; 45.08, subdivision 3, and by adding a subdivision; 45.16, subdivisions 1 and 2; 45.17, subdivisions 1, 2, 3, 4, 5, 7, and by adding a subdivision; 46.22; 46.221; 116C.24, subdivision 3, and by adding a subdivision; 116C.25; 116C.32; 116C.33, subdivision 2; 116C.34; 116J.01, subdivisions 1, 2, and 3; 116J.03; 116J.09; 116J.10; 116J.28; 116J.31; 116J.42, subdivisions 1, 2, 4, 7, and 9; 116J.58, subdivision 1; 116J.60; 116J.61; 116J.65, subdivision 5, and by adding subdivisions; 116J.67, subdivision 1; 116J.88, subdivisions 2, 4, 5, 6, 7, 8, and by adding a subdivision; 116J.89, subdivisions 1, 2, 7, 8, 9, 10, and by adding subdivisions; 116J.90; 116J.91, subdivisions 1, 4, 9, 10, 11, 12, 14, 16, 19, and by adding a subdivision; 144A.53, subdivision 4; 155A.03, by adding a subdivision; 155A.05; 155A.18; 214.14, subdivision 1; 216B.16,

by adding a subdivision; 216B.62, subdivisions 2 and 3; 299A.04; 325E.09, subdivision 4a; 325F.09; 325F.11; 472.03, subdivision 2; 472.13; proposing new law coded in Minnesota Statutes, chapters 16A, 17, 45, 116J, 216A, and 216B; proposing new law coded as Minnesota Statutes, chapter 116K; repealing Minnesota Statutes 1982, sections 45.01; 45.02; 45.021; 45.03; 45.031; 45.032; 45.033; 45.034; 45.15; 45.16, subdivisions 4 and 5; 45.17, subdivision 6; 116J.02; 116J.41; 116J.42, subdivisions 3, 5, and 6; 116J.46; 116J.47; 116J.62; 116J.88, subdivision 3; 155A.03, subdivision 10; and 155A.17."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Todd Otis, Fred C. Norton, John Sarna, Stephen G. Wenzel, James I. Rice

Senate Conferees: (Signed) Conrad M. Vega, Donald M. Moe, Michael O. Freeman, Lawrence J. Pogemiller, Earl W. Renneke

Mr. Vega moved that the foregoing recommendations and Conference Committee Report on H.F. No. 300 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 300 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 36 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Langseth	Pehler	Spear
Berglin	Frank	Lantry	Peterson, D.C.	Stumpf
Bertram	Freeman	Lessard	Peterson, R.W.	Vega
Chmielewski	Hughes	Luther	Petty	Wegscheid
Dahl	Johnson, D.J.	Moe, D. M.	Purfeerst	
Davis	Jude	Moe, R. D.	Reichgott	
DeCramer	Knaak	Nelson	Schmitz	
Diessner	Kroening	Novak	Solon	

Those who voted in the negative were:

Anderson	Frederick	Kronebusch	Peterson, D.L.	Taylor
Belanger	Frederickson	Laidig	Ramstad	Ulland
Benson	Isackson	McQuaid	Renneke	
Berg	Johnson, D.E.	Mehrkens	Sieloff	
Brataas	Kamrath	Olson	Storm	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

RECONSIDERATION

Mr. Purfeerst moved that the vote whereby H.F. No. 274 failed to pass the Senate on May 20, 1983, be now reconsidered. The motion prevailed.

H.F. No. 274: A bill for an act relating to the legislature; providing for the majority leader of the senate rather than the president of the senate to serve as chairman of the legislative coordinating commission; changing the term

of the chairman of the commission from one year to two years; amending Minnesota Statutes 1982, section 3.303, subdivision 3.

Mr. Moe, R.D. moved that H.F. No. 274 be laid on the table. The motion prevailed.

SPECIAL ORDER

H.F. No. 855: A bill for an act relating to contracts; prohibiting the enforcement of indemnification agreements in construction contracts; proposing new law coded as Minnesota Statutes, chapter 337.

Mr. Peterson, R.W. moved to amend H.F. No. 855, as amended pursuant to Rule 49, adopted by the Senate May 12, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 1142.)

Page 1, delete lines 10 to 25

Page 2, delete lines 1 to 15 and insert:

“Subdivision 1. [DEFINITION.] As used in sections 1 to 5 the following terms have the meanings assigned to them.

Subd. 2. [BUILDING AND CONSTRUCTION CONTRACT.] “Building and construction contract” means a contract for the design, construction, alteration, improvement, repair or maintenance of real property, highways, roads or bridges. The term does not include contracts for the maintenance or repair of machinery, equipment or other such devices used as part of a manufacturing, converting or other production process, including electric, gas, and telephone utility equipment.

Subd. 3. [INDEMNIFICATION AGREEMENT.] “Indemnification agreement” means an agreement by the promisor to indemnify or hold harmless the promisee against liability or claims of liability for damages arising out of bodily injury to persons or out of damage to property.

Subd. 4. [PROMISEE.] “Promisee” includes that party’s independent contractors, agents, employees or indemnities.

Sec. 2. [337.02] [UNENFORCEABILITY OF CERTAIN AGREEMENTS.]

An indemnification agreement contained in, or executed in connection with, a building and construction contract is unenforceable except to the extent that the underlying injury or damage is attributable to the promisor’s negligent or otherwise wrongful act or omission, including breach of a specific contractual duty.

Sec. 3. [337.03] [NONAPPLICATION TO CERTAIN AGREEMENTS.]

Sections 1 to 5 do not apply to an agreement by which a contractor responsible for the performance of a building and construction contract indemnifies a person, firm, corporation, or public agency for whose account the construction is not being performed, but who, as an accommodation, permits the contractor to enter upon or adjacent to its property for the purpose of performing the building and construction contract for another. Sections 1 to 5 do not apply to an indemnification agreement which is an integral

part of an offer to compromise or settlement of a disputed claim, if:

(a) the settlement is based on consideration;

(b) the dispute relates to an alleged event which is related to a construction contract and which occurred before the settlement is made; and

(c) the indemnification relates only to claims which have arisen or may arise from the past event.

Sec. 4. [337.04] [VALIDITY OF OTHER AGREEMENTS.]

Sections 1 to 5 do not affect the validity of any insurance contract, workers' compensation agreement, construction bond, or other agreement lawfully issued by an insurer or bonding company.

Sec. 5. [337.05] [AGREEMENTS TO INSURE.]

Subdivision 1. [AGREEMENTS VALID.] Sections 1 to 5 do not affect the validity of agreements whereby a promisor agrees to provide specific insurance coverage for the benefit of others.

Subd. 2. [INDEMNIFICATION FOR BREACH OF AGREEMENT.] If:

(a) a promisor agrees to provide specific types and limits of insurance; and

(b) a claim arises within the scope of the specified coverage; and

(c) the promisor did not obtain and keep in force the specified coverage; then the promisee may have indemnification from the promisor to the same extent as the specified coverage.

Subd. 3. [WHEN INDEMNIFICATION NOT AVAILABLE.] The indemnification stated in subdivision 2 is not available if:

(a) the specified insurance was not reasonably available in the market; and

(b) the promisor so informed the other party to the agreement to insure before signing the agreement, or signed the agreement subject to a written exception as to the nonavailable insurance.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective January 1, 1984, and apply to all applicable agreements executed on or after that date."

Amend the title as follows:

Page 1, line 3, after "contracts" insert ", except in cases of negligence or other wrongful acts"

The motion prevailed. So the amendment was adopted.

Mr. Freeman moved to amend the Peterson, R.W. amendment to H.F. No. 855, adopted by the Senate May 21, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 1142.)

Page 3, line 14, delete "January" and insert "July"

The motion did not prevail. So the amendment was not adopted.

H.F. No. 855 was then progressed.

Without objection, the Senate reverted to the Order of Business of Mes-

sages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 428: A bill for an act relating to state government; extending the expiration date of certain advisory committees and councils; repealing certain inactive advisory councils, committees, and task forces; amending Minnesota Statutes 1982, sections 3.9223, subdivision 1; 4.31, subdivision 5; 11A.08, subdivision 4; 15.059, subdivision 5; 16.02, subdivision 28; 16.872, subdivision 3; 21.112, subdivision 2; 41.54, subdivision 2; 52.062, subdivisions 1 and 2; 115A.12, subdivision 1; 121.938; 123.581, subdivision 1; 126.531; 145.919; 145.93, subdivision 3; 145.98, subdivision 1; 148.191, subdivision 2; 152.02, subdivision 13; 155A.06, subdivision 5; 156A.06, subdivision 1; 161.1419, by adding a subdivision; 198.055, by adding a subdivision; 241.64; 241.71; 246.017, subdivision 2; 256B.58; 268.12, subdivision 6; and 507.09; Laws 1975, chapter 235, section 2; Laws 1976, chapter 314, section 3; and Laws 1980, chapter 614, section 192; repealing Minnesota Statutes 1982, sections 16.91; 16.853; 31.60, subdivisions 2 and 3; 43A.31, subdivision 4; 52.061; 52.062, subdivision 3; 82.30; 84.524; 86A.10; 115A.12, subdivision 2; 116J.04; 121.934; 123.581, subdivisions 2, 3, 4, 5, and 7; 124.215; 128A.03; 129B.09, subdivision 8; 136A.02, subdivision 6; 141.24; 144.011, subdivision 2; 144.571; 144A.17; 144A.55; 145.93, subdivision 2; 151.13, subdivision 2; 152.02, subdivision 11; 184.23; 214.14; 222.65; 245.84, subdivision 4; and 363.04, subdivisions 4, 4a, and 5.

There has been appointed as such committee on the part of the House:

Knuth, McEachern and McDonald.

Senate File No. 428 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1983

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Reichgott moved that S.F. No. 527 be taken from the table. The motion prevailed.

S.F. No. 527: A bill for an act relating to legal liability; prohibiting retaliation against an individual who complies with the child abuse reporting act; providing damages for retaliation; clarifying immunity provisions for good faith compliance with the child abuse reporting act; amending Minnesota Statutes 1982, section 626.556, subdivision 4, and by adding a subdivision.

CONCURRENCE AND REPASSAGE

Ms. Reichgott moved that the Senate concur in the amendments by the

House to S.F. No. 527 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 527 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 43 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kronebusch	Peterson, R.W.	Spear
Anderson	Diessner	Laidig	Petty	Storm
Belanger	Frank	Langseth	Pogemiller	Stumpf
Berg	Frederickson	Lantry	Purfeerst	Taylor
Bertram	Freeman	Luther	Ramstad	Vega
Chmielewski	Hughes	McQuaid	Reichgott	Waldorf
Dahl	Jude	Moe, D. M.	Renneke	Wegscheid
Davis	Knaak	Moe, R. D.	Schmitz	
DeCramer	Kroening	Peterson, D.C.	Sieloff	

So the bill, as amended, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 415 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 415

A bill for an act relating to state government; providing for salaries for constitutional officers, agency heads, metropolitan agency heads, and certain judicial positions; providing an expense allowance; establishing a compensation council; limiting local government salaries; prohibiting cash payments for accumulated vacation pay; expanding the authority of the commissioner of employee relations to set salaries; requiring the governor to recommend certain salaries; removing salary setting authority of certain state agencies; removing additional compensation for the career executive service; requiring the percentage of women in the career executive service to be increased; ratifying state and University of Minnesota labor agreements, compensation plans, and plans for early retirement incentives; amending Minnesota Statutes 1982, sections 3.855, subdivision 3; 3.922, subdivision 5; 15A.081, subdivisions 1, 6, and 7, and by adding a subdivision; 15A.083, subdivisions 1, 2, and 4; 43A.17, by adding subdivisions; 43A.18, subdivisions 3, 4, and 5; 43A.21, by adding a subdivision; 105.71, subdivision 2; 136.034; 136A.03; 179.741, subdivision 1; 244.09, subdivision 10; 256.482, subdivision 2; 298.22, subdivision 1; 326.241, subdivision 2; 352.03, subdivision 4; 354.06, subdivision 2; 484.68, subdivision 6; and Laws 1980, chapter 564, article XII, section 1, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 15A; repealing Minnesota Statutes 1982, sections 16A.16; 136.063; and 136A.035.

May 20, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.

Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 415, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 415 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 3.305, is amended to read:

3.305 [LEGISLATIVE COORDINATING COMMISSION; BUDGET REVIEW.]

The administrative budget request of any statutory commission the majority of whose members are members of the legislature shall be submitted to the legislative coordinating commission for review and comment prior to submission to the finance committee of the senate and the appropriations committee of the house of representatives. No such commission shall employ additional personnel or increase the compensation of any employee without first having received the recommendation of the legislative coordinating commission. *The commission shall establish the compensation of all employees of any statutory commission, except classified employees of the legislative audit commission, the majority of whose members are members of the legislature.*

Sec. 2. Minnesota Statutes 1982, section 3.855, subdivision 3, is amended to read:

Subd. 3. [OTHER DUTIES.] In addition to the duties specified in subdivision 2, the commission shall perform the following:

(a) Review and approve, reject, or modify a plan for compensation, terms and conditions of employment prepared and submitted by the commissioner of employee relations pursuant to section 43A.18, subdivision 2 covering all state employees who are not represented by an exclusive bargaining representative and whose compensation is not provided for by chapter 43A or other law;

(b) Review and approve, reject or modify a plan for total compensation and terms and conditions of employment for employees of those positions identified as being managerial pursuant to section 43A.18, subdivision 3, whose salaries and benefits are not otherwise provided for in law or other plans established under chapter 43A;

(c) *Review and approve, reject or modify recommendations for salaries submitted by the governor pursuant to section 43A.18, subdivision 5, covering agency head positions listed in section 15A.081;*

~~(d)~~ (d) Continually monitor the state's civil service system as provided for in chapter 43A, rules of the commissioner of employee relations and the collective bargaining process as provided for in sections 179.61 to 179.76, as applied to state employees;

~~(e)~~ (e) Research and analyze the need for improvements in those statutory sections;

~~(f)~~ (f) Adopt rules not inconsistent with this section relating to the sched-

uling and conduct of commission business and other organizational and procedural matters;

(f) Research and analyze insurance programs currently available to teachers and other public school employees in Minnesota and report to the legislature by December 1, 1982. The report shall include a summary of insurance benefit levels and costs, including health, dental, life and disability insurance; differences in the cost of providing like benefits in different regions of the state and in school districts of different sizes; and recommendations on the feasibility of providing a uniform coverage insurance program to all school districts in Minnesota; and

(g) Perform such other related functions as are delegated to it by the legislature.

Sec. 3. Minnesota Statutes 1982, section 3.922, subdivision 5, is amended to read:

Subd. 5. [OFFICERS, PERSONNEL.] The board shall annually elect a chairman and such other officers as it may deem necessary. The chairman shall have the authority to appoint subcommittees necessary to fulfill the duties of the board. It shall also employ, and prescribe the duties of such clerks, employees, and agents as it deems necessary. *The compensation of the executive director of the board shall be as provided by section 43A.18.* The chairman shall be an ex-officio member of the state board of human rights. The appropriations and other funds of this board are subject to the provisions of chapter 16. The board shall maintain its primary office in Bemidji and shall also maintain personnel and office space in St. Paul.

Sec. 4. Minnesota Statutes 1982, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. *The following salaries or salary ranges are provided for the below listed employees in the executive branch of government governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:*

	Salary or Range		
	Effective July 1, 1979	Effective July 1, 1980	Effective July 1, 1981
Administration, department of commissioner	\$44,000	\$47,000	
Administrative hearings office chief hearing examiner	38,000	40,000	
Agriculture, department of commissioner	38,000	40,000	
Commerce, department of commissioner of banks	34,000	36,500	
commissioner of insurance	34,000	36,500	
commissioner of securities and real estate director of	34,000	36,500	

consumer services	28,000	30,000	
Community college system chancellor	44,000	46,000	
Corrections, department of commissioner	42,000	45,000	
ombudsman	33,000	35,000	
Economic security, department of commissioner	43,000	45,000	
Education, department of commissioner	43,000	45,000	
Energy, planning and development department of commissioner			46,000
Finance, department of commissioner	48,000	50,000	
Health, department of commissioner	47,000	49,000	
Higher education coordinating board executive director	40,000	42,000	
Housing finance agency executive director	39,000	41,000	
Human rights, department of commissioner	31,000	33,000	
Indian affairs board executive director	27,000	29,000	
Iron range resources and rehabilitation board commissioner	30,000	31,000	
Labor and industry, department of commissioner	38,000	40,000	
judge of the workers' compensation court of appeals	38,000	40,000	
Mediation services, bureau of director	36,000	38,000	
Natural resources, department of commissioner	44,000	47,000	
Personnel, department of commissioner	44,000	47,000	
Pollution control agency director	38,000	40,000	
Public safety, department of commissioner	38,000	41,000	
Public service, department of commissioner, public utilities commission	34,000	36,000	
director	34,000	36,000	
Public welfare, department of commissioner	44,000	48,000	
Revenue, department of commissioner	44,000	47,000	
State university system			

chancellor	44,000	46,000
Transportation, department of commissioner	44,000	48,000
Transportation, regulation board, board member		32,000
Veterans affairs, department of commissioner	31,000	33,000

Salary Range
Effective
July 1, 1983
\$57,500-\$70,000

Commissioner of education;
Commissioner of finance;
Commissioner of transportation;
Commissioner of public welfare;
Chancellor, community college system;
Chancellor, state university system;
Director, vocational technical education
Executive director, state board of investment;

Commissioner of administration; \$50,000-\$60,000
Commissioner of agriculture;
Commissioner of commerce;
Commissioner of corrections;
Commissioner of economic security;
Commissioner of employee relations;
Commissioner of energy and economic
development;
Commissioner of health;
Commissioner of labor and industry;
Commissioner of natural resources;
Commissioner of revenue;
Commissioner of public safety;
Chief hearing examiner;
office of administrative hearings;
Director, pollution control agency;
Director, state planning agency;
Executive director, higher
education coordinating board;
Executive director, housing finance agency;
Executive director,
teacher's retirement association;
Executive director,
state retirement system;

Commissioner of human rights; \$40,000-\$52,500
Director, department of public service;

Commissioner of veterans' affairs;
Executive director, educational computing consortium;
Executive director, environmental quality board;
Director, bureau of mediation services;
Commissioner, public utilities commission;
Member, transportation regulation board;
Chairperson, waste management board;
Director, zoological gardens.

Sec. 5. Minnesota Statutes 1982, section 15A.081, subdivision 6, is amended to read:

Subd. 6. The following salaries are provided for the constitutional officers of the state:

	Effective July 1, 1979	Effective July 1, 1980	Effective July 1, 1983
Governor	\$62,000	\$66,500	\$75,000
Attorney general	52,500	56,000	62,500
Lieutenant governor	38,000	40,000	44,000
Auditor	34,000	36,000	48,000
Secretary of state	34,000	36,000	44,000
Treasurer	34,000	36,000	44,000

The salaries of the chief deputy attorney general, deputy auditor, deputy secretary of state and deputy treasurer shall be *set by their superior constitutional officer and may be up to 95 percent of the salaries of their respective superior constitutional officers.*

Sec. 6. Minnesota Statutes 1982, section 15A.081, subdivision 7, is amended to read:

Subd. 7. The following salaries are provided for officers of metropolitan agencies:

	Effective July 1, 1979	Effective July 1, 1980
Chairman, metropolitan council (part time)	\$21,000	\$22,500
(full time)	42,000	44,500
Chairman, metropolitan airports commission	40,500	41,500
Chairman, metropolitan transit commission (part time)	18,000	19,000
(full time)	36,000	38,000
Chairman, metropolitan waste control commission	46,000	47,000
	Effective July 1 1983	Effective July 1 1984
Chairman, metropolitan council	\$47,000	50,000

<i>Chairman, metropolitan airports commission</i>	14,000	16,000
<i>Chairman, metropolitan transit commission</i>	42,000	46,000
<i>Chairman, metropolitan waste control commission</i>	18,500	20,000

Fringe benefits for unclassified employees of the metropolitan waste control commission shall not exceed those fringe benefits received by unclassified employees of the metropolitan council.

Sec. 7. Minnesota Statutes 1982, section 15A.081, is amended by adding a subdivision to read:

Subd. 8. [EXPENSE ALLOWANCE.] Notwithstanding any law to the contrary, positions listed in subdivision 1, constitutional officers, the president of each community college, and the director of vocational-technical education are authorized an annual expense allowance not to exceed \$1,500 for necessary expenses in the normal performance of their duties for which no other reimbursement is provided. However, expense allowances for the chancellor of the state university system and the president of each state university shall be governed only by section 136.063. The expenditures under this subdivision are subject to any laws and rules relating to budgeting, allotment and encumbrance, preaudit and post audit. The commissioner of finance may promulgate rules to assure the proper expenditure of these funds, and to provide for reimbursement.

Sec. 8. [15A.082] [COMPENSATION COUNCIL.]

Subdivision 1. [CREATION.] A compensation council is created to assist the legislature in establishing the compensation of constitutional officers, members of the Minnesota legislature, justices of the supreme court, and judges of the court of appeals, district court, county court, and county municipal court.

Subd. 2. [MEMBERSHIP.] The compensation council consists of 16 members: two members of the House of Representatives appointed by the speaker of the House of Representatives; two members of the Senate appointed by the majority leader of the Senate; one member of the House of Representatives appointed by the minority leader of the House of Representatives; one member of the Senate appointed by the minority leader of the Senate; two nonjudges appointed by and serving at the pleasure of the chief justice of the supreme court; and one member from each congressional district appointed by and serving at the pleasure of the governor, of whom no more than four may belong to the same political party. The compensation and removal of members appointed by the governor or the chief justice shall be as provided in section 15.059, subdivisions 3 and 4. The legislative coordinating commission shall provide the council with administrative and support services.

Subd. 3. [SUBMISSION OF PLAN.] By January 1, 1984, the compensation council shall submit to the speaker of the House of Representatives and the president of the Senate recommended salary plans for constitutional officers, legislators, justices of the supreme court, and judges of the court of appeals, district court, county court, and county municipal court. Unless the

plans for constitutional officers and legislators are expressly modified or rejected in a bill passed by the legislature and signed by the governor, the salary plans shall take effect on January 1, 1985 if prior to that date an appropriation of funds to pay salaries as recommended in the plan is enacted. Unless the plan for judges is expressly modified or rejected in a bill passed by the legislature, the plan shall take effect on July 1, 1984, if the legislature appropriates funds to pay the salaries proposed in the plan. The salary plan for legislators shall be subject to additional terms that may be adopted according to section 3.099, subdivisions 1 and 3.

Subd. 4. [CRITERIA.] In making compensation recommendations, the council shall consider the amount of compensation paid in government service and the private sector to persons with similar qualifications, the amount of compensation needed to attract and retain experienced and competent persons, and the ability of the state to pay the recommended compensation. In making recommendations for legislative compensation, the council shall also consider the average length of a legislative session, the amount of work required of legislators during interim periods, and opportunities to earn income from other sources without neglecting legislative duties.

Subd. 5. [CONFLICTS.] Salaries established by the legislature under the procedures specified in subdivision 3 shall take precedence over salaries listed in Minnesota Statutes, sections 3.099, 15A.081, and 15A.083 in the event of conflict.

Subd. 6. [EXPIRATION.] The compensation council shall expire on June 30, 1984.

Sec. 9. Minnesota Statutes 1982, section 15A.083, subdivision 1, is amended to read:

Subdivision 1. [ELECTIVE JUDICIAL OFFICERS.] The following salaries shall be paid annually to the enumerated elective judicial officers of the state:

	Effective July 1, 1979 1983	Effective July 1, 1980	Effective July 1, 1984
(1) Chief justice of the supreme court	\$56,000 \$70,000	\$59,000	
(2) Associate justice of the supreme court	52,500 65,000	56,000	
(3) Chief judge of the court of appeals	62,500		
(4) Judge of the court of appeals	60,000		
(3) (5) District judge, judge of county court (learned in the law), probate court, and county municipal court	45,000 55,000	48,000	

(4) Judge of a county court
(not learned in the
law)

29,500 31,500

Sec. 10. Minnesota Statutes 1982, section 15A.083, subdivision 2, is amended to read:

Subd. 2. [COUNTY COURT AND COUNTY MUNICIPAL JUDGES.]
(1) ~~Notwithstanding any other law to the contrary, the salary paid to a judge of a county court shall also be paid to judges of the probate court of St. Louis county and to judges of the Duluth municipal court.~~

(2) ~~Judges of the county municipal courts, and county courts in the counties of Hennepin, Ramsey, Washington, Anoka, Scott, St. Louis, Carver and Dakota shall receive a salary of \$45,000, effective July 1, 1979, and \$48,000, effective July 1, 1980.~~

(3) ~~If any judge enumerated in this subdivision of the county municipal courts, and county courts in the counties of Hennepin, Ramsey, Washington, Anoka, Scott, St. Louis, Carver, and Dakota or the county or probate court in St. Louis County dies while in office, the amount of his salary remaining unpaid for the month in which his death occurs, shall be paid to his estate.~~

Sec. 11. Minnesota Statutes 1982, section 15A.083, subdivision 4, is amended to read:

Subd. 4. [RANGES FOR OTHER JUDICIAL POSITIONS.] Salaries or salary ranges are provided for the following positions in the judicial branch of government. The appointing authority of any position for which a salary range has been provided shall fix the individual salary within the prescribed range, considering the qualifications and overall performance of the employee. Appointments to fill vacancies shall not be made above the midpoint of the salary range prescribed for the position unless the state court administrator has been consulted in advance and his approval obtained. Any salary increase that would adjust an employee's rate of pay beyond the midpoint of the range prescribed for the position must be approved in advance by the state court administrator. *The salaries of the district administrators of the second, fourth, and sixth judicial districts may be supplemented by the appropriate county board in an amount not to exceed \$10,000 per year. The salary of the state public defender shall be 95 percent of the salary of the attorney general.*

	Salary or Range		
	Effective July 1, 1979	Effective July 1, 1980	Effective July 1, 1983
Public defender	\$37,500	\$40,000	
District court administrator	27,000-37,500	28,500-40,000	36,000-48,000
County attorneys council executive director	22,000-32,000	23,500-34,000	
Board on judicial			

standards			
executive director	36,000	38,000	32,000-44,000
State court			
administrator	44,500	47,000	45,500-54,000

Sec. 12. Minnesota Statutes 1982, section 43A.17, subdivision 1, is amended to read:

Subdivision 1. [SALARY LIMITS.] As used in this section, "salary" means hourly, monthly, or annual rate of pay including any lump-sum payments and cost-of-living adjustment increases but excluding payments due to overtime worked, shift or equipment differentials, work out of class as required by collective bargaining agreements or plans established pursuant to section 43A.18, and back pay on reallocation or other payments related to the hours or conditions under which work is performed rather than to the salary range or rate to which a class is assigned.

The salary, as established in section 15A.081, of the head of a state agency in the executive branch is the upper limit of compensation in the agency. The salary of the commissioner of labor and industry is the upper limit of compensation of employees in the bureau of mediation services. *However, if an agency head is assigned a salary that is lower than the current salary of another agency employee, the employee shall retain the salary, but shall not receive any increase in salary as long as the salary is above that of the agency head.* The commissioner may grant exemptions from these upper limits as provided in subdivisions 3 and 4.

Sec. 13. Minnesota Statutes 1982, section 43A.17, is amended by adding a subdivision to read:

Subd. 8. [ACCUMULATED VACATION LEAVE.] The commissioner of employee relations shall not agree to a collective bargaining agreement or recommend a compensation plan pursuant to section 43A.18, subdivisions 1, 2, 3, and 4, nor shall an arbitrator issue an award under sections 179.61 to 179.76, if the compensation plan, agreement, or award permits an employee to convert accumulated vacation leave into cash or deferred compensation before separation from state service.

Sec. 14. Minnesota Statutes 1982, section 43A.17, is amended by adding a subdivision to read:

Subd. 9. [POLITICAL SUBDIVISION SALARY LIMIT.] The salary of a person employed by a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision of this state, or employed pursuant to section 422A.03, may not exceed 95 percent of the salary of the governor, except as provided in this subdivision. The salary of a medical doctor occupying a position that the governing body of the political subdivision has determined requires an M.D. degree is excluded from the limitation in this subdivision. The commissioner may increase the limitation in this subdivision for a position that the commissioner has determined requires special expertise necessitating a higher salary to attract or retain a qualified person. The commissioner shall review each proposed increase giving due consideration to salary rates paid to other persons with similar responsibilities in the state. The commissioner may not increase the limitation until the commissioner has presented the proposed

increase to the legislative commission on employee relations and received the commission's recommendation on it. The recommendation is advisory only.

Sec. 15. Minnesota Statutes 1982, section 43A.18, subdivision 3, is amended to read:

Subd. 3. [MANAGERIAL PLAN.] The commissioner shall identify individual positions or groups of positions in the classified and unclassified service, ~~except those listed in subdivision 4,~~ in the executive branch as being managerial. *The list shall not include positions listed in subdivision 4.* The commissioner shall annually submit the listing of positions to the chairperson of the legislative commission on employee relations for the commission's review and comment, and shall note on each listing the changes from the prior year.

(a) The commissioner shall periodically prepare a plan for ~~training and development, mobility,~~ total compensation and terms and conditions of employment for employees of those positions identified as being managerial and whose salaries and benefits are not otherwise provided for in law or other plans established under chapter 43A. ~~The plan shall include a career executive service to provide a system for identifying, developing and recognizing key individuals who occupy managerial positions in the classified service.~~ Before becoming effective those portions of the plan establishing compensation and terms and conditions of employment shall be reviewed and approved or modified by the legislative commission on employee relations and the legislature in the same manner as provided for the commissioner's plan in subdivision 2.

(b) Incumbents of managerial positions as identified under this subdivision shall be excluded from any bargaining units under the provisions of chapter 179.

(c) The management compensation plan shall provide methods and levels of compensation for managers that will be generally comparable to those applicable to managers in other public and private employment. Provisions of the plan shall ensure that compensation within assigned salary ranges is related to level of performance. *The plan shall also provide a procedure for establishment of a salary rate for a newly created position and a new appointee to an existing position and for progression through assigned salary ranges.* The employee benefits established under the provisions of the managerial plan may be extended to agency heads whose salaries are established in section 15A.081, subdivision 1, and to constitutional officers, judges of the workers' compensation court of appeals, and tax court judges.

(d) ~~The management plan shall include total compensation for individuals appointed to the career executive service. Salaries established under this plan shall be limited to 120 percent of the maximum of the salary range for the employee's job classification in the classified service.~~

(e) ~~No rights or tenure shall attach to a career executive service assignment. An incumbent in the career executive service may be removed from the career executive service by the appointing authority, provided the action is made without regard to sex, race, religion, color, creed, marital status, age, national origin, disability, status with regard to public assistance or political affiliation.~~

An employee removed from the career executive service shall receive compensation at the level formerly received plus any increases the employee would have received had the employee not been appointed to the career executive service.

An employee who is in the career executive service on July 1, 1981 and whose position, as a result of Laws 1981, Chapter 210, is no longer eligible for inclusion in the career executive service is nonetheless eligible to remain a member of the career executive service in accordance with the provisions of this section so long as the employee remains in that position.

Sec. 16. Minnesota Statutes 1982, section 43A.18, subdivision 4, is amended to read:

Subd. 4. [PLANS NOT ESTABLISHED BUT APPROVED BY COMMISSIONER.] Notwithstanding any other law to the contrary, total compensation for employees listed in this subdivision shall be set by appointing authorities subject to the following limitations:

(a) Total compensation paid pursuant to this subdivision shall be within the limits of compensation plans which shall that have been approved by the commissioner before becoming effective;

(b) (a) Total compensation for employees who are not covered by a collective bargaining agreement in the offices of the governor, attorney general, secretary of state, state auditor and state treasurer shall be determined by the governor, attorney general, secretary of state, state auditor and state treasurer, respectively;

(c) Total compensation for unclassified employees of the state board of investment shall be determined by the state board of investment;

(d) (b) Total compensation for unclassified positions pursuant to section 43A.08, subdivision 1, clause (h) and in the higher education coordinating board shall be determined by the state university board, the state board for community colleges, and the higher education coordinating board, respectively; and.

(e) (c) Total compensation for classified hearing examiners in the office of administrative hearings shall be determined by the chief hearing examiner.

Sec. 17. Minnesota Statutes 1982, section 43A.18, subdivision 5, is amended to read:

Subd. 5. [GOVERNOR TO SET RECOMMEND CERTAIN SALARIES.] The governor shall, on or before ~~January 31~~ July 1 of each odd numbered year, submit to the legislative commission on employee relations recommendations for salaries within the salary range for the positions listed in ~~sections section 15A.081, subdivision 1 and 15A.083.~~ The governor may also propose additions or deletions of positions from those listed.

(a) Before submitting the recommendations, the governor shall consult with the commissioner of administration, the commissioner of finance, and the commissioner of employee relations concerning the recommendations. ~~Before submitting recommendations for an employee in the office of a constitutional officer, the governor shall consult with the constitutional officer concerning the recommendations and shall give due consideration to the advice of~~

the officer;

(b) Except for positions for which salary ranges have been established, the recommendations shall contain a specific salary for each position listed in sections 15A.081 and 15A.083. The governor shall determine only a fixed salary for the positions of the constitutional officers, the judges of the workers' compensation court of appeals and the commissioner of public service;

(c) (b) In making recommendations, the governor shall consider only those criteria established in subdivision 7 8 and shall not take into account performance of individual incumbents. The governor shall establish an objective system for quantifying knowledge, abilities, duties, responsibilities and accountabilities and in determining recommendations rate each position by the system; and.

(c) Before the governor's recommended salaries take effect, the recommendations shall be reviewed and approved, rejected or modified by the legislative commission on employee relations and the legislature in the same manner as provided for the commissioner's plan in subdivision 2. The governor may also at any time propose changes in the salary rate of any positions covered by this subdivision, which shall be submitted and approved in the same manner as provided in this subdivision.

(d) The initial salary of a head of an agency hereafter established whose salary is not specifically prescribed by law shall be fixed by the governor, after consultation with the commissioner, whose recommendation shall be advisory only, in an amount comparable to the salary of an agency head having similar duties and responsibilities.

Sec. 18. Minnesota Statutes 1982, section 43A.21, is amended by adding a subdivision to read:

Subd. 5. [CAREER EXECUTIVE SERVICE.] (a) The commissioner shall designate persons in the classified service as eligible for inclusion in the career executive service. By January 1, 1985, at least 20 percent of the persons designated for inclusion in the career executive service must be women. By January 1, 1987, at least 40 percent of the persons designated for inclusion in the career executive service must be women. The positions shall include those that carry basic responsibilities for high level professional or scientific competence, policy determination, leadership, or the internal management and administration of a department or other major unit.

(b) The commissioner shall prepare a plan for training, development, and mobility of career executive service members consistent with applicable provisions of collective bargaining agreements. The plan need not be adopted in accordance with the rulemaking provisions of chapter 14. The career executive service plan shall not contain additional compensation for members.

(c) No rights or tenure attach to a career executive service assignment. An incumbent in the career executive service may be removed from the service by the appointing authority, provided the action is made without regard to sex, race, religion, color, creed, marital status, age, national origin, disability, or political affiliation.

(d) An employee in career executive service on July 1, 1983, who is re-

ceiving compensation at a level beyond the maximum of the assigned salary range shall continue to receive that rate of pay until the rate is within the assigned salary range.

Sec. 19. Minnesota Statutes 1982, section 105.71, subdivision 2, is amended to read:

Subd. 2. The state board may employ such technical and professional personnel and such other agents and employees, permanent or temporary, as it may require, and shall determine their qualifications, and duties, ~~and~~. *Compensation of employees shall be determined pursuant to chapter 43A.* It shall have authority to prescribe the powers and duties of its officers and employees.

Upon request of the board for the purpose of carrying out any of its functions, the supervising officer of any state agency, or any state institution of learning, shall, insofar as it may be possible under available appropriations, and having due regard to the needs of the agency to which the request is directed, assign or detail to the state board from the staff or personnel of the agency or institution of learning, and make such special reports, surveys or studies as the state board may request.

Sec. 20. Minnesota Statutes 1982, section 136.034, is amended to read:

136.034 [STATE UNIVERSITY SYSTEM; EXECUTIVE SALARIES.]

Notwithstanding the provisions of ~~chapters 15A and 43~~ *chapter 43A*, the state university board may establish executive salaries within the state university system, *except for the salary of the chancellor*, in accordance with a management compensation plan based on the level of responsibility and authority of various positions as well as appropriate market comparisons with similar positions in comparable public colleges and universities in the midwest.

The salary of the chancellor, *which shall be established pursuant to section 15A.081, subdivision 1*, is the upper limit of compensation for all other positions in the state university system.

The state university board shall survey compensation levels in comparable public colleges and universities in the midwest during the 1979-81 biennium and report necessary adjustments in the above level of compensation to the governor and legislature as part of its 1981-83 biennial budget request.

Sec. 21. Minnesota Statutes 1982, section 136A.03, is amended to read:

136A.03 [EXECUTIVE OFFICERS; EMPLOYEES.]

The higher education coordinating board may appoint an executive secretary or director as its principal executive officer, and such other officers and employees as it may deem necessary to carry out its duties. The executive secretary or director shall possess such powers and perform such duties as are delegated to him and shall serve in the unclassified service of the state civil service. *The salary of the executive director shall be established pursuant to section 15A.081, subdivision 1.* He shall be a person qualified by training and ability in the field of higher education or in educational administration. The board may also appoint other officers and professional em-

ployees who shall serve in the unclassified service of the state civil service and fix the salaries thereof which shall be commensurate with salaries in the classified service; and shall also fix the salary of its principal executive officer. All other employees shall be in the classified civil service.

An officer or professional employee in the unclassified service as provided in this section is a person who has studied higher education or a related field at the graduate level or has similar experience and who is qualified for a career in some aspect of higher education and for activities in keeping with the planning and administrative responsibilities of the board and who is appointed to assume responsibility for administration of educational programs or research in matters of higher education.

Sec. 22. Minnesota Statutes 1982, section 179.741, subdivision 1, is amended to read:

Subdivision 1. [STATE EMPLOYEES.] Subject to the provisions of section 179.742, subdivision 5, all appropriate units of state employees certified as of April 25, 1980 are abolished. The following shall be the appropriate units of executive branch state employees for the purposes of sections 179.61 to 179.76. All units shall exclude employees excluded by section 179.74, subdivision 4 and supervisory employees shall only be assigned to units 12 and 16. Unclassified employees, unless otherwise excluded, are included within the units which include the classifications to which they are assigned for purposes of compensation. No additional units of executive branch state employees shall be recognized for the purpose of meeting and negotiating.

(1) Law enforcement unit. This unit shall consist of all sworn state patrol personnel, all uniformed conservation officers, and all criminal apprehension agents.

(2) Craft, maintenance, and labor unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ *May 4, 1982*.

(3) Service unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ *May 4, 1982*.

(4) Health care non-professional unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ *May 4, 1982*.

(5) Health care professional unit. This unit shall consist of all positions which are required to be filled by registered nurses.

(6) Clerical and office unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ *May 4, 1982*.

(7) Technical unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative com-

mission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ *May 4, 1982*.

(8) Correctional Guards unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ *May 4, 1982*.

(9) State university instructional unit. This unit shall consist of those positions assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ *May 4, 1982*.

(10) Community college instructional unit. This unit shall consist of those positions assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ *May 4, 1982*.

(11) State university administrative unit. This unit shall consist of those positions assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ *May 4, 1982*.

(12) Professional engineering ~~supervisory~~ unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ *May 4, 1982*.

(13) Health treatment unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ *May 4, 1982*.

(14) General professional unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ *May 4, 1982*.

(15) Professional state residential instructional unit. This unit shall consist of those classifications assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ *May 4, 1982*.

(16) Supervisory employees unit. This unit shall consist of those positions assigned to this unit in the unit composition schedule adopted by the legislative commission on employee relations on March 24, 1980, as amended through ~~June 16, 1981~~ *May 4, 1982*.

Sec. 23. Minnesota Statutes 1982, section 179.741, is amended by adding a subdivision to read:

Subd. 1a. [UNIT 12 EMPLOYEES.] Notwithstanding the changes made in the composition of unit 12 by this act, employees in unit 12 shall continue to be treated as supervisory employees for purposes of the right to strike and for purposes of interest arbitration.

Sec. 24. Minnesota Statutes 1982, section 244.09, subdivision 10, is amended to read:

Subd. 10. The commission may select and employ a research director who shall perform the duties the commission directs, including the hiring of any clerical help and other employees as the commission shall approve. The research director and other staff shall be in the unclassified service of the state and their ~~salary compensation~~ shall be established by the commission pursuant to chapter 43A. They shall be reimbursed for the expenses necessarily incurred in the performance of their official duties in the same manner as other state employees.

Sec. 25. Minnesota Statutes 1982, section 256.482, subdivision 2, is amended to read:

Subd. 2. [EXECUTIVE DIRECTOR; STAFF.] The council may select an executive director of the council by a vote of a majority of all council members. The executive director shall be in the unclassified service of the state and shall act as secretary to the council and shall perform such other duties as the council may require of him. The council shall approve employment of such clerical help and other employees as are necessary, upon the recommendation of the executive director. ~~Salaries~~ The salary for the executive director and staff shall be established in the manner prescribed by chapter 45A, and pursuant to chapter 43A. The executive director shall be reimbursed for all actual and necessary expenses incurred as a result of his council responsibilities.

Sec. 26. Minnesota Statutes 1982, section 298.22, subdivision 1, is amended to read:

Subdivision 1. (1) The office of commissioner of iron range resources and rehabilitation is created. The commissioner shall be appointed by the governor under the provisions of section 15.06.

(2) The commissioner may hold such other positions or appointments as are not incompatible with his duties as commissioner of iron range resources and rehabilitation. The commissioner may appoint a deputy commissioner. All expenses of the commissioner, including the payment of such assistance as may be necessary, shall be paid out of the amounts appropriated by section 298.28, subdivision 1. *The compensation of the commissioner shall be set by the legislative coordinating commission.*

(3) When the commissioner shall determine that distress and unemployment exists or may exist in the future in any county by reason of the removal of natural resources or a possibly limited use thereof in the future and the decrease in employment resulting therefrom, now or hereafter, he may use such amounts of the appropriation made to him in section 298.28, subdivision 1 as he may determine to be necessary and proper in the development of the remaining resources of said county and in the vocational training and rehabilitation of its residents. For the purposes of this section, "development of remaining resources" includes, but is not limited to, the promotion of tourism.

Sec. 27. Minnesota Statutes 1982, section 326.241, subdivision 2, is amended to read:

Subd. 2. [POWERS.] The board shall have power to:

(1) Elect its own officers;

(2) Engage and fix the compensation of ~~such officers,~~ inspectors, and hire employees as it ~~may see fit.~~ *The salary of the executive secretary shall be established pursuant to chapter 43A.* All agents and employees other than contract inspectors shall be in the classified service *and shall be compensated pursuant to chapter 43A.* All inspectors shall hold licenses as master or journeyman electricians under section 326.242, subdivision 1(1) or subdivision 2(1), and shall give bond in an amount fixed by the board, conditioned upon the faithful performance of their duties.

(3) To pay such other expenses as it may deem necessary in the performance of its duties, including rent, supplies, and such like.

(4) To enforce the provisions of Laws 1967, Chapter 602, and provide, upon request, such additional voluntary inspections and reviews as it may deem appropriate.

(5) To issue, renew, refuse to renew, suspend and revoke licenses provided for in Laws 1967, Chapter 602.

(6) To adopt reasonable rules to carry out its duties under Laws 1967, Chapter 602 and to provide for the amount and collection of fees for inspection and other services. All rules shall be adopted in accordance with chapter 14.

Sec. 28. Minnesota Statutes 1982, section 352.03, subdivision 4, is amended to read:

Subd. 4. [DUTIES AND POWERS OF BOARD OF DIRECTORS.] It is the duty of the board and it has power to:

(1) Elect a chairman;

(2) Appoint an executive director;

~~(3) Fix the compensation of the executive director and the assistant executive director;~~

~~(4)~~ (3) Establish rules and regulations for the administration of the provisions of chapters 3A, 352, 352B, 352C, 352D and 490 and transaction of the business of the system, all subject to the limitations of said chapter and the law;

~~(5)~~ (4) Consider and dispose of, or take such other action as the board of directors deems appropriate concerning denials of applications for annuities or disability benefits under this chapter, and complaints of employees and others pertaining to the retirement of employees and the operation of the system;

~~(6)~~ (5) Advise the director on any matters relating to the system and the carrying out of the functions and purposes of said chapter, which advice shall be controlling; and

The director and assistant director shall be in the unclassified service but appointees may be selected from civil service lists if it is desired to do so. *The salary of the executive director shall be as provided by section 15A.081, subdivision 1. The salary of the assistant director shall be set in accordance with section 43A.18, subdivision 3.*

Sec. 29. Minnesota Statutes 1982, section 354.06, subdivision 2, is

amended to read:

Subd. 2. The board shall annually elect one of its members as president. It shall elect an executive director, ~~and fix his salary and the whose salary shall be as provided by section 15A.081, subdivision 1.~~ *The salary of the assistant executive director who shall be in the unclassified service, shall be set in accordance with section 43A.18, subdivision 3.* The executive director shall serve during the pleasure of the board and be the executive officer of the board, with such duties as the board shall prescribe. The board shall employ all other clerks and employees necessary to properly administer the fund. The cost and expense of administering the provisions of this chapter shall be paid by the fund. The executive director shall be appointed by the board on the basis of fitness, experience in the retirement field and leadership ability. The executive director shall have had at least five years of experience on the administrative staff of a major retirement system.

Sec. 30. Minnesota Statutes 1982, section 484.68, subdivision 6, is amended to read:

Subd. 6. [SALARY.] The salary of the district administrator shall be set by the state court administrator within the limits provided in section 15A.083, and shall be paid by the state. ~~The salaries of the district administrators of the second and fourth judicial districts may be supplemented by the appropriate county board by an amount not to exceed \$10,000 per year.~~ If an administrator dies, the amount of his salary remaining unpaid for the month in which his death occurs shall be paid to his estate.

Sec. 31. Laws of Minnesota 1980, chapter 564, article XII, section 1, subdivision 3, is amended to read:

Subd. 3. [WASTE MANAGEMENT BOARD.]	15,718,000
This appropriation is available for the following purposes:	
(a) General Operations and Management.	718,000
Approved Complement - 14. These positions are in the unclassified service and their continuation is dependent upon the availability of money from appropriations in this subdivision. When these appropriations have been expended the positions shall be cancelled and the approved complement reduced accordingly. The annual salary of the full-time chairperson of the board shall be \$45,000 <i>established pursuant to section 15A.081, subdivision 1.</i>	
(b) Acquisition of Sites and Buffer Areas for Hazardous Waste Facilities.	6,200,000

This appropriation is from the state waste management fund, to be spent pursuant to article II, section 3, subdivision 4. Up to \$1,200,000 is available for expenditure before June 30, 1981, for costs of staff and independent professional services needed for the selection and acquisition of sites.

(c) Waste Processing Facility
Demonstration Program.

8,800,000

This appropriation is from the state waste management fund, to be spent pursuant to article VI, sections 4 and 6. Up to five percent is available for administration and technical and professional services.

Sec. 32. [EDUCATION SALARIES.]

Notwithstanding Laws 1981, chapter 359, sections 4 and 5, any law enacted in the 1983 legislative session, or any other law to the contrary, the salaries of the chancellor of the state university system, the chancellor of the community college system, the director of vocational-technical education, and the executive director of the Minnesota educational computing consortium shall be established pursuant to section 15A.081, subdivision 1.

Sec. 33. [AMENDED UNIT COMPOSITION SCHEDULE.]

The unit composition schedule for state employees adopted by the legislative commission on employee relations on March 24, 1980, as amended through the effective date of this section, is amended by striking the job classifications entitled "police training course supervisor" and "police training instructor" from unit (14) and inserting those job classifications into unit (1).

Sec. 34. [STATE EMPLOYEE RATIFICATION.]

Subdivision 1. [NEGOTIATED SUPPLEMENTAL AGREEMENTS.] The supplemental agreements negotiated between the state and the exclusive representatives of state bargaining units 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 14, and 16, providing for early retirement incentives, which were given interim approval by the legislative commission on employee relations after adjournment of the 1982 legislature, are ratified.

Subd. 2. [COMMISSIONER'S PLAN.] The terms of the commissioner of employee relations' plan for unrepresented state employees, as amended and given interim approval by the legislative commission on employee relations after adjournment of the 1982 legislature, are ratified.

Sec. 35. [UNIVERSITY RATIFICATION.]

Subdivision 1. [EARLY RETIREMENT.] The supplemental labor agreements and other compensation plans approved by the board of regents, providing early retirement incentives for University of Minnesota employees, as approved by the legislative commission on employee relations after adjournment of the 1982 legislature, are ratified.

Subd. 2. [UNREPRESENTED EMPLOYEES SALARY SUPPLEMENTS.] The salary supplements provided in the University of Minnesota regents' compensation plans, as approved by the legislative commission on employee relations after adjournment of the 1982 legislature, are approved for the following groups of unrepresented employees: Twin Cities instructional, noninstructional professional, supervisory, managerial and confidential, nursing, clerical and office, technical, outstate instructional, and graduate assistants.

Subd. 3. [DULUTH AND WASECA.] The salary supplements provided in the labor agreement between the regents of the University of Minnesota and

the university education association, representing the organized faculty at the Duluth and Waseca campuses, is ratified, as approved by the legislative commission on employee relations on January 31, 1983.

Sec. 36. [REPEALER.]

Minnesota Statutes 1982, sections 16A.16, and 136A.035, are repealed.

Sec. 37. [APPROPRIATION.]

Subdivision 1. The sum of \$4,956,100 is appropriated to the commissioner of finance to pay the compensation increases provided for by this act, to be available for the fiscal year ending June 30 in the years indicated. Persons whose compensation is paid from open appropriations of dedicated receipts shall be paid from those appropriations and not from the appropriations made by this section. The commissioner of finance shall certify to the committee on finance of the senate and the committee on appropriations of the house of representatives the amount needed to be added to each appropriation account from which the compensation of a person affected by this act is paid, and then shall transfer that amount to the appropriate account.

	1984	1985
<i>(a) Executive agency heads, as provided in Minnesota Statutes, section 15.081, subdivision 1</i>		
<i>General fund</i>	\$ 526,700	\$ 534,700
<i>Trunk highway fund</i>	74,800	75,500
<i>Highway user fund</i>	1,500	1,500
<i>(b) Constitutional officers and their deputies, as provided in Minnesota Statutes, section 15A.081, subdivision 6</i>		
<i>General fund</i>	76,750	78,250
<i>(c) Judges and judicial positions, as provided in Minnesota Statutes, section 15A.083</i>		
<i>General fund</i>	1,754,100	1,832,300

Subd. 2. There is appropriated the sum of \$6,300 to the legislative coordinating commission for the per diem and expenses of the council established in section 8 of this act.

Sec. 38. [EFFECTIVE DATE.]

Section 14 is effective the day following final enactment and applies to salaries set or changed after that date. An employee who, on the day of final enactment, is receiving a salary which is above the limit set according to section 14 shall continue to receive that salary until the salary is below the limit. Sections 17, 34, and 35 are effective the day following final enactment. Section 13 applies only to collective bargaining agreements entered into after July 1, 1983, for the 1983 to 1985 biennium and thereafter. All other sections are effective July 1, 1983."

Delete the title and insert:

"A bill for an act relating to state government; providing for salaries for constitutional officers, agency heads, legislators, metropolitan agency

heads, and certain judicial positions; providing an expense allowance; establishing a compensation council; limiting local government salaries; prohibiting cash payments for accumulated vacation pay; expanding the authority of the commissioner of employee relations to set salaries; requiring the governor to recommend certain salaries; removing salary setting authority of certain state agencies; removing additional compensation for the career executive service; requiring the percentage of women in the career executive service to be increased; ratifying state and University of Minnesota labor agreements, compensation plans, and plans for early retirement incentives; appropriating money; amending Minnesota Statutes 1982, sections 3.305; 3.855, subdivision 3; 3.922, subdivision 5; 15A.081, subdivisions 1, 6, and 7, and by adding a subdivision; 15A.083, subdivisions 1, 2, and 4; 43A.17, subdivision 1, and by adding subdivisions; 43A.18, subdivisions 3, 4, and 5; 43A.21, by adding a subdivision; 105.71, subdivision 2; 136.034; 136A.03; 179.741, subdivision 1, and by adding a subdivision; 244.09, subdivision 10; 256.482, subdivision 2; 298.22, subdivision 1; 326.241, subdivision 2; 352.03, subdivision 4; 354.06, subdivision 2; 484.68, subdivision 6; and Laws 1980, chapter 564, article XII, section 1, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 15A; repealing Minnesota Statutes 1982, sections 16A.16; and 136A.035.”

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Donald M. Moe, William P. Luther, Darril Wegscheid, Fritz Knaak, Allan H. Spear

House Conferees: (Signed) Wayne Simoneau, Robert E. Vanasek, Wally Sparby, David T. Bishop, Bert J. McKasy

Mr. Moe, D.M. moved that the foregoing recommendations and Conference Committee Report on S.F. No. 415 be now adopted, and that the bill be repassed as amended by the Conference Committee.

CALL OF THE SENATE

Mr. Moe, D.M. imposed a call of the Senate for the balance of the proceedings on S.F. No. 415. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the motion of Mr. Moe, D.M. The motion prevailed.

So the recommendations and Conference Committee Report were adopted.

S.F. No. 415 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 35 and nays 32, as follows:

Those who voted in the affirmative were:

Belanger	Dieterich	Luther	Peterson, R. W.	Solon
Berg	Freeman	Merriam	Petty	Spear
Berglin	Hughes	Moe, D. M.	Pogemiller	Storm
Brataas	Knaak	Moe, R. D.	Purfeerst	Stumpf
Chmielewski	Knutson	Nelson	Reichgott	Vega
Dahl	Kroening	Novak	Schmitz	Waldorf
Diessner	Lantry	Peterson, D.C.	Sieloff	Wegscheid

Those who voted in the negative were:

Adkins	Dicklich	Jude	Mehrkens	Samuelson
Anderson	Frank	Kamrath	Olson	Taylor
Benson	Frederick	Kronebusch	Pehler	Ulland
Bernhagen	Frederickson	Laidig	Peterson, C.C.	Willet
Bertram	Isackson	Langseth	Peterson, D.L.	
Davis	Johnson, D.E.	Lessard	Ramstad	
DeCramer	Johnson, D.J.	McQuaid	Renneke	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Waldorf moved that the following members be excused for a Conference Committee on H.F. No. 1310 at 7:30 p.m.:

Messrs. Waldorf, Langseth, Kroening, Samuelson and Bernhagen. The motion prevailed.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 77, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 77 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 77

A bill for an act relating to horse racing; creating a Minnesota racing commission and providing for its membership, powers, and duties; authorizing the licensing of persons to operate racetracks, conduct horse racing, engage in certain occupations, and conduct pari-mutuel betting on horse racing; prescribing taxes and license fees; establishing a Minnesota breeders fund; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 38.04; 273.76, by adding a subdivision; 609.75, subdivision 3; and 609.761; proposing new law coded as Minnesota Statutes, chapter 240.

May 21, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 77, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that the bill be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [240.01] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of this act the terms defined in this section have the meanings given them.

Subd. 2. [HORSE RACING.] “Horse racing” is any form of horse racing in which horses carry a rider or pull a sulky.

Subd. 3. [PERSON.] “Person” is an individual, firm, association, partnership, corporation, trustee, or legal representative, and any licensee, participant, or patron.

Subd. 4. [COMMISSION.] “Commission” is the Minnesota racing commission.

Subd. 5. [PARI-MUTUEL BETTING.] “Pari-mutuel betting” is the system of betting on horse races where those who bet on horses that finish in the position or positions for which bets are taken share in the total amounts bet, less deductions required or permitted by law.

Subd. 6. [BREAKAGE.] “Breakage” is the odd cents of all money to be distributed based on each dollar bet exceeding a sum equal to the next lowest multiple of ten.

Subd. 7. [STRAIGHT POOLS AND BETS.] “Straight pool” is a licensed pari-mutuel pool in which each ticket represents a bet to win, place, or show. A “straight bet” is a bet in a straight pool.

Subd. 8. [MULTIPLE POOLS AND BETS.] “Multiple pool” is a licensed pari-mutuel pool other than a straight pool. A “multiple bet” is a bet in a multiple pool.

Subd. 9. [LICENSED RACETRACK.] “Licensed racetrack” is a racetrack at which horse racing is conducted on the premises and which holds a class A or class D license issued by the commission.

Subd. 10. [RACING DAY.] “Racing day” is a day assigned by the commission as a racing day, and on which racing is conducted.

Subd. 11. [RACING MEETING.] “Racing meeting” is a series of days in which racing days are not separated by more than five non-racing days.

Sec. 2. [240.02] [RACING COMMISSION.]

Subdivision 1. [COMMISSION CREATED.] A Minnesota racing commission is established with the powers and duties specified in this act. The commission consists of nine members appointed by the governor with the advice and consent of the senate. Not more than five of the members may belong to the same political party. The governor shall designate the chairman of the commission. Of the members first appointed, three are for terms expiring June 30, 1985, three are for terms expiring June 30, 1987, and three are for terms expiring June 30, 1989. After the expiration of the initial term, appointments are for terms of six years. An appointment to fill a vacancy in an unexpired term is for the remainder of the term and is with the advice and

consent of the senate.

Subd. 2. [QUALIFICATIONS.] A member of the commission must have been a resident of Minnesota for at least five years before appointment, and must have a background and experience as would qualify for membership on the commission. A member must, before taking his or her place on the commission, file a bond in the principal sum of \$100,000 payable to the state, conditioned upon the faithful performance of his or her duties. No commission member, nor any member of his or her immediate family, may hold a license issued by the commission or have a direct or indirect financial interest in a corporation, partnership, or association which holds a license issued by the commission.

Subd. 3. [COMPENSATION.] The compensation of commission members is \$35 per day spent on commission activities, when authorized by the commission, plus expenses in the same manner and amount as provided in the commissioner's plan adopted according to section 43A.18, subdivision 2.

Subd. 4. [REMOVAL; VACANCIES.] The removal of commission members is as provided in section 15.0575.

Subd. 5. [ACTIONS.] The commission may sue and be sued in its own name but no action may be brought against the commission or any of its members for actions taken in good faith in the performance of their duties. Suits and actions may be commenced against the commission or any of its members in any court of competent jurisdiction in this state by the service on the secretary of state of any summons, process, or pleadings authorized by the laws of this state. If any summons, process, or pleadings is served upon the secretary of state, it must be by duplicate copies. One copy must be retained in the office of the secretary of state and the other copy must be forwarded immediately by certified mail to the chairman of the commission at the current address of the commission. The executive secretary of the commission shall inform the secretary of state of the mailing address of the commission and any changes in it. The attorney general is the legal counsel for the commission.

Subd. 6. [ANNUAL REPORT.] The commission shall on February 15 of each year submit a report to the governor and legislature on its activities, organizational structure, receipts and disbursements, and recommendations for changes in the laws relating to racing and pari-mutuel betting.

Sec. 3. [240.03] [COMMISSION POWERS AND DUTIES.]

The commission has the following powers and duties:

(1) to regulate horse racing in Minnesota to ensure that it is conducted in the public interest;

(2) to issue licenses as provided in this act;

(3) to enforce all laws and rules governing horse racing;

(4) to collect and distribute all taxes provided for in this act;

(5) to conduct necessary investigations and inquiries and compel the submission of information, documents, and records it deems necessary to carry out its duties;

- (6) to supervise the conduct of pari-mutuel betting on horse racing;
- (7) to employ and supervise personnel under this act;
- (8) to determine the number of racing dates to be held in the state and at each track;
- (9) to take all necessary steps to ensure the integrity of racing in Minnesota.

Sec. 4. [240.04] [EMPLOYEES.]

Subdivision 1. [EXECUTIVE SECRETARY.] The commission shall appoint an executive secretary, who is its chief administrative officer and who serves at its pleasure in the unclassified service. He shall devote full time to his duties, which are:

(a) to take and preserve records of all proceedings before the commission, maintain its books, documents, and records, and make them available for public inspection as the commission directs;

(b) if so designated by the commission, to act as a hearing officer in hearings which need not be conducted under the Administrative Procedure Act to conduct hearings, receive testimony and exhibits, and certify the record of proceedings to the commission;

(c) to act as the commission's chief personnel officer and supervise the employment, conduct, duties, and discipline of commission employees; and

(d) to perform other duties as directed by the commission.

Subd. 2. [INSPECTOR OF PARI-MUTUELS.] The commission may employ an inspector of pari-mutuels who serves in the unclassified service at the commission's pleasure. He shall, while employed by the commission, devote full time to his duties, which are:

(a) to supervise all forms of pari-mutuel betting on horse racing in the state;

(b) to inspect all machinery;

(c) to make reports on pari-mutuel betting as the commission directs;

(d) subject to commission approval, to appoint deputy inspectors to perform duties the commission designates; and

(e) to perform other duties as directed by the commission.

If no inspector of pari-mutuels is appointed his duties are assigned to the executive secretary. The commission may contract with outside services or personnel to assist the executive secretary in the performance of these duties.

Subd. 3. [CHIEF OF SECURITY.] The commission may appoint a chief of racing security to serve in the unclassified service at the commission's pleasure. He shall devote full time to his duties while employed by the commission. The chief of racing security shall enforce all laws and commission rules relating to the security and integrity of racing. He and all other persons designated by the commission as security officers have free and open access to all areas of all facilities the commission licenses and may search without a search warrant any part of a licensed racetrack and the person of any licensee of the commission on the premises. The chief of security may order a

licensee to take, at the licensee's expense, security measures he determines necessary to protect the integrity of racing, but the order may be appealed to the commission. Nothing in chapter 240 prohibits law enforcement authorities and agents from entering, in the performance of their duties, a premises licensed under this act.

If no chief of racing security is appointed his duties are assigned to the executive secretary. The commission may contract with outside services or personnel to assist the executive secretary in the performance of these duties.

Subd. 4. [MEDICAL SERVICES.] The commission may appoint a medical officer who must be a doctor of veterinary medicine and who serves at its pleasure in the unclassified service. He shall, while employed by the commission, devote full time to his duties, which are:

(a) to supervise the formulation, administration, and evaluation of all medical tests the commission's rules require or authorize;

(b) to advise the commission on all aspects of veterinary medicine relating to its powers and duties; and

(c) to supervise all personnel involved in medical testing, subject to the supervision of the executive secretary.

The commission may obtain medical services as required by contract with an institution which teaches animal health sciences within the state. If no medical officer is appointed, his duties may be assigned to the executive secretary.

Subd. 5. [OTHER EMPLOYEES.] Subject to applicable laws, the commission shall employ and assign duties to other officers, employees, and agents as it deems necessary to discharge its functions.

Subd. 6. [COMPENSATION.] The compensation of all commission employees shall be as provided in chapter 43A.

Subd. 7. [ASSISTANCE.] The commission may request assistance from any department or agency of the state in fulfilling its duties, and shall make appropriate reimbursement for all such assistance.

Sec. 5. [240.05] [LICENSES; CLASSES.]

Subdivision 1. [CLASSES.] The commission may issue four classes of licenses:

(a) class A licenses, for the ownership and operation of a racetrack with horse racing on which pari-mutuel betting is conducted;

(b) class B licenses, for the sponsorship and management of horse racing on which pari-mutuel betting is conducted;

(c) class C licenses, for the privilege of engaging in certain occupations related to horse racing; and

(d) class D licenses, for the conduct of pari-mutuel horse racing by county agricultural societies or associations.

No person may engage in any of the above activities without first having obtained the appropriate license from the commission.

Subd. 2. [FORMS.] All application forms for licenses must contain a statement to the effect that by accepting a license from the commission a licensee consents to having his property or person subject to inspection at any time by the chief of racing security or by security officers designated by the commission.

Subd. 3. [POLICY.] It is the intent of the legislature that authority granted by law to the commission to issue licenses not be construed as requiring the commission to issue any license.

Sec. 6. [240.06] [RACETRACK LICENSES.]

Subdivision 1. [APPLICATION.] The commission may issue one or more class A licenses, but not more than one to any one person. An application for a class A license must be on a form the commission prescribes and must be accompanied by detailed plans and specifications of the track, buildings, fences, and other improvements. The application must contain:

(a) the name and address of the applicant and, if it is a corporation, the names of all officers, directors, and shareholders of the corporation and any of its holding corporations;

(b) if required by the commission, the names of any person or persons holding directly, indirectly, or beneficially an interest of any kind in the applicant or any of its holding corporations, whether the interest is financial, administrative, policy-making, or supervisory;

(c) a statement of the assets and liabilities of the applicant;

(d) an affidavit executed by the applicant setting forth that no officer, director, or other person with a present or future direct or indirect financial or management interest in the racetrack, to the best of the applicant's knowledge:

(1) is in default in the payment of an obligation or debt to the state under this act;

(2) has ever been convicted of a felony in a state or federal court or has a state or federal felony charge pending;

(3) is or has been connected with or engaged in any illegal business;

(4) has ever been found guilty of fraud or misrepresentation in connection with racing or breeding;

(5) has ever been found guilty of a violation of a law or rule relating to horse racing, pari-mutuel betting or any other form of gambling which is a serious violation as defined by the commission's rules; or

(6) has ever knowingly violated a rule or order of the commission or a law of Minnesota relating to racing;

(e) an irrevocable consent statement, to be signed by the applicant, which states that suits and actions relating to the subject matter of the application or acts or omissions arising from it may be commenced against the applicant in any court of competent jurisdiction in this state by the service on the secretary of state of any summons, process, or pleadings authorized by the laws of this state. If any summons, process, or pleadings is served upon the secretary of state, it must be by duplicate copies. One copy must be retained

in the office of the secretary of state and the other copy must be forwarded immediately by certified mail to the address of the applicant, as shown by the records of the commission; and

(f) an affirmative action plan establishing goals and timetables consistent with the Minnesota Human Rights Act, chapter 363.

Subd. 2. [HEARINGS.] Before granting a class A license application the commission shall conduct one or more public hearings in the area where the racetrack is or will be located. The commission shall also request comments on the application from the city council or town board of the city or town where the track is or will be located, or from the county board if it is to be located outside a city or town and from the appropriate regional development commission or the metropolitan council, as the case may be.

Subd. 3. [INVESTIGATION.] Before granting a class A license the commission shall conduct, or request the bureau of criminal apprehension to conduct, a comprehensive background and financial investigation of the applicant and sources of financing. The commission may charge an applicant an investigation fee to cover the cost of the investigation, and shall from this fee reimburse the bureau for its share of the cost of the investigation. The commission has access to all criminal history data compiled by the bureau of criminal apprehension on class A licensees and applicants.

Subd. 4. [LICENSE ISSUANCE.] If after considering the information received at the hearing or hearings and the comments requested under subdivision 2, the commission determines that the license will not adversely affect the public health, welfare, and safety, that the racetrack will be operated in accordance with all applicable laws and rules, that the license will not create a competitive situation that will adversely affect racing and the public interest, and that the applicant is financially able to operate a licensed racetrack, it may issue a class A license to the applicant. The license is effective until revoked or suspended by the commission or relinquished by the licensee.

Subd. 5. [PROHIBITED LOCATIONS.] A class A license may not be issued to any location where the operation of a racetrack is prohibited by a valid local zoning ordinance. Not more than one class A license may be issued by the commission within the seven-county metropolitan area.

Subd. 6. [CHANGES IN OWNERSHIP OR MANAGEMENT.] If a change in the officers, directors, shareholders, or other persons with a present or future direct or indirect financial or management interest in the licensee, or a change of ownership of more than five percent of the licensee's shares is made after the application is filed or the license issued, the applicant or licensee must notify the commission of the changes within five days of their occurrence and provide the affidavit required by subdivision 1, clause (d).

Subd. 7. [LICENSE SUSPENSION AND REVOCATION.] The commission may revoke a class A license for a violation of law, order, or rule which in the commission's opinion adversely affects the integrity of horse racing in Minnesota, or for an intentional false statement made in a license application, or for a willful failure to pay any money required to be paid by this act.

The commission may suspend a class A license for up to one year for a violation of law, order, or rule which in the commission's opinion adversely

affects the integrity of horse racing in Minnesota, and may suspend a class A license indefinitely if it determines that the licensee has as an officer, director, shareholder, or other person with a direct, indirect, or beneficial interest a person who is in the commission's opinion inimical to the integrity of horse racing in Minnesota or who cannot be certified under subdivision 1, clause (d).

A license revocation or suspension under this subdivision is a contested case under sections 14.57 to 14.70 of the administrative procedure act, and is in addition to criminal penalties imposed for a violation of law or rule.

Subd. 8. [WORK AREAS.] A class A licensee must provide at no cost to the commission suitable work areas for commission members, officers, employees, and agents who are directed by the commission to supervise and control racing at the licensed racetrack.

Sec. 7. [240.07] [RACING LICENSES.]

Subdivision 1. [APPLICATION.] The commission may issue one or more class B licenses for the sponsorship and management of horse racing at licensed racetracks. An application for a class B license must be on a form the commission prescribes, and must be accompanied by a bond in the principal amount of \$500,000 payable to the state of Minnesota conditioned on the licensee's payment of all fees, taxes, and other money due and payable under this act, including horse owner's purses and payouts on winning pari-mutuel tickets.

The application must contain:

(a) the name and address of the applicant and, if it is a corporation or association, the names of all officers, directors, and shareholders, including those of any of its holding companies;

(b) if required by the commission, the names of any person or persons holding, directly, indirectly, or beneficially, an interest of any kind in the applicant or any of its holding companies, whether the interest is financial, administrative, policy-making, or supervisory;

(c) a statement of the assets and liabilities of the applicant;

(d) an affidavit of the type described in section 6, subdivision 1, clause (d);

(e) an irrevocable consent statement, to be signed by the applicant, which states that suits and actions relating to the subject matter of the application or acts or omissions arising from it may be commenced against the applicant in any court of competent jurisdiction in this state by the service on the secretary of state of any summons, process, or pleadings authorized by the laws of this state. If any summons, process, or pleadings is served upon the secretary of state, it must be by duplicate copies. One copy must be retained in the office of the secretary of state and the other copy must be forwarded immediately by certified mail to the address of the applicant, as shown by the records of the commission; and

(f) an affirmative action plan establishing goals and timetables consistent with the Minnesota Human Rights Act, chapter 363.

Subd. 2. [HEARINGS; INVESTIGATIONS.] Before granting an initial class B license the commission shall hold at least one public hearing on the

license. Comprehensive investigations must be conducted and their costs paid in the manner prescribed by section 6, subdivision 3. The commission has access to all criminal history data compiled by the bureau of criminal apprehension on class B licensees and applicants.

Subd. 3. [LICENSE ISSUANCE.] If after considering the information received from the hearing and investigations, the commission determines that the applicant will conduct horse racing in accordance with all applicable laws and rules, will not adversely affect the public health, welfare, and safety, that the license will not create a competitive situation that will adversely affect racing and the public interest and that the applicant is fit to sponsor and manage racing, the commission may issue a class B license. The license is for a period of one year.

Subd. 4. [RENEWAL.] On making the same determination as in subdivision 3, the commission may renew a class B license without a hearing unless it determines a hearing to be necessary.

Subd. 5. [CHANGES IN OWNERSHIP.] If a change in the officers, directors, or other persons with a direct or indirect financial or management interest in the licensee, or a change of ownership of more than five percent of the licensee's shares is made after the initial application or license issuance, the applicant or licensee must notify the commission of the changes within five days of their occurrence and provide the affidavit required in subdivision 1.

Subd. 6. [LICENSE SUSPENSION AND REVOCATION.] Suspension, revocation, and refusal to renew a class B license is as provided in section 6, subdivision 7. A license suspension or revocation or a refusal to renew a class B license, is a contested case under section 14.57 to 14.70 of the administrative procedure act, and is in addition to criminal penalties imposed for a violation of law or rule.

Subd. 7. [MULTIPLE LICENSES.] A person may simultaneously hold one class A and one class B license.

Sec. 8. [240.08] [OCCUPATION LICENSES.]

Subdivision 1. [AUTHORITY.] The commission may issue class C occupational licenses to persons who wish to be employed in horse racing where pari-mutuel betting is conducted as:

- (a) horse owners or lessees;
- (b) jockeys or drivers;
- (c) exercise workers;
- (d) grooms;
- (e) trainers and their assistants;
- (f) pari-mutuel personnel;
- (g) security officers;
- (h) other occupations the commission by rule determines require licensing to ensure the integrity of horse racing in Minnesota.

Subd. 2. [APPLICATION.] An application for a class C license must be on

a form the commission prescribes and must be accompanied by an affidavit of qualification that the applicant:

(a) is not in default in the payment of an obligation or debt to the state under this act;

(b) has never been convicted of a felony in a state or federal court and does not have a state or federal felony charge pending;

(c) is not and never has been connected with or engaged in an illegal business;

(d) has never been found guilty of fraud or misrepresentation in connection with racing or breeding;

(e) has never been found guilty of a violation of law or rule relating to horse racing, pari-mutuel betting or any other form of gambling which is a serious violation as defined by the commission's rules; and

(f) has never knowingly violated a rule or order of the commission or a law of Minnesota relating to racing.

The application must also contain an irrevocable consent statement, to be signed by the applicant, which states that suits and actions relating to the subject matter of the application or acts or omissions arising from it may be commenced against the applicant in any court of competent jurisdiction in this state by the service on the secretary of state of any summons, process, or pleadings authorized by the laws of this state. If any summons, process, or pleadings is served upon the secretary of state, it must be by duplicate copies. One copy must be retained in the office of the secretary of state and the other copy must be forwarded immediately by certified mail to the address of the applicant, as shown by the records of the commission.

Subd. 3. [INVESTIGATIONS.] The commission shall investigate each applicant for a class C license to the extent it deems necessary, and may request the assistance of and may reimburse the bureau of criminal apprehension in investigating applicants. The commission may by rule require that an applicant be fingerprinted or furnish his fingerprints. Investigations must be conducted and their costs paid in the manner prescribed by section 6, subdivision 3. The commission may cooperate with national and international organizations and agencies in conducting investigations. The commission may by rule provide for examining the qualifications of an applicant for the license for which he is applying. The commission has access to all criminal history data compiled by the bureau of criminal apprehension on class C applicants and licensees.

Subd. 4. [LICENSE ISSUANCE AND RENEWAL.] If the commission determines that the applicant is qualified for the occupation for which licensing is sought and will not adversely affect the public health, welfare, and safety or the integrity of racing in Minnesota, it may issue a class C license to the applicant. If it makes a similar finding for a renewal of a class C license it may renew the license. Class C licenses are effective for one year.

Subd. 5. [REVOCAION AND SUSPENSION.] The commission may revoke a class C license for a violation of law or rule which in the commission's opinion adversely affects the integrity of horse racing in Minnesota, or for an intentional false statement made in a license application.

The commission may suspend a class C license for up to one year for a violation of law, order or rule.

The commission may delegate to its designated agents the authority to impose suspensions of class C licenses, and the suspension may be appealed to the commission according to its rules.

A license revocation or suspension is a contested case under sections 14.57 to 14.70 of the administrative procedure act and is in addition to criminal penalties imposed for a violation of law or rule.

Sec. 9. [240.09] [COUNTY FAIR LICENSES.]

Subdivision 1. [APPLICATION.] The commission may issue class D licenses to county agricultural societies or associations incorporated under chapter 38 or nonprofit corporations in existence on April 21, 1951 and operating fairs, to conduct and manage, on their own fairgrounds, horse racing on which pari-mutuel betting is conducted. An application for a class D license must be on a form the commission prescribes and must be accompanied by a certified copy of a resolution of the county board of the county where racing is to be conducted stating that it has reviewed the license application and does not object to it. An application for a class D license must be accompanied by detailed plans and specifications of the track, buildings, fences, and other improvements.

Subd. 2. [OCCUPATIONAL LICENSES.] A person who participates in the management or conduct of horse racing or pari-mutuel betting for a county fair holding a class D license who is in an occupation listed in section 8, subdivision 1 must have a class C license from the commission except for active members, as defined in section 349.12, of nonprofit organizations who act without compensation as concession workers or pari-mutuel clerks.

Subd. 3. [HEARING.] Before granting an initial application for a class D license, the commission must hold at least one public hearing in the county where the license is to be issued, and if the racetrack to be licensed is within a city, it must also request comments on the application from the city council.

Subd. 4. [ISSUANCE.] If after considering the information received at the hearing or hearings and considering the comments requested under subdivision 3, the commission determines that the license will not adversely affect the public health, welfare, and safety and that the racing to be licensed will be conducted in accordance with all applicable laws and rules, it may issue a class D license to the applicant. The license is for a period of one year.

Subd. 5. [RENEWAL.] On making the same determination as in subdivision 4, the commission may renew a class D license without a hearing unless it determines a hearing is necessary.

Subd. 6. [REVOCAION AND SUSPENSION.] Revocation and suspension of class D licenses, and refusals to renew class D licenses, are as provided in section 6, subdivision 7. A license suspension or revocation or a refusal to renew a class D license is a contested case under sections 14.57 to 14.70 of the administrative procedure act and is in addition to criminal penalties imposed for a violation of law or rule.

Sec. 10. [240.10] [LICENSE FEES.]

The fee for a class A license is \$10,000 per year. The fee for a class B

license is \$100 for each assigned racing day on which racing is actually conducted. The fee for a class D license is \$50 for each assigned racing day on which racing is actually conducted. Fees imposed on class B and class D licenses must be paid to the commission at a time and in a manner as provided by rule of the commission.

The commission shall by rule establish an annual license fee for each occupation it licenses under section 8 but no annual fee for a class C license may exceed \$100.

License fee payments received must be paid by the commission to the state treasurer for deposit in the general fund.

Sec. 11. [240.11] [LICENSES NONTRANSFERABLE.]

A license issued under this act may not be transferred.

Sec. 12. [240.12] [LICENSE AGREEMENTS.]

The commission may enter into agreements with comparable bodies in other racing jurisdictions for the mutual recognition of occupational licenses issued by each body. The commission may by rule provide for and may charge a fee for the registration of each license issued in another jurisdiction.

Sec. 13. [240.13] [PARI-MUTUEL BETTING.]

Subdivision 1. [AUTHORIZED.] Class B and class D licenses give the licensees authority to conduct pari-mutuel betting on the results of races run at the licensed racetrack, and on other races as authorized by the commission under subdivision 6.

Subd. 2. [REQUIREMENTS.] A licensee conducting pari-mutuel betting must provide at the licensed track:

(a) the necessary equipment for issuing pari-mutuel tickets; and

(b) mechanical or electronic equipment for displaying information the commission requires. All mechanical or electronic devices must be approved by the commission before being used.

Subd. 3. [TYPES OF BETTING.] The commission shall by rule designate those types of pari-mutuel pools which are permitted at licensed racetracks, and no licensee may conduct any type of pari-mutuel pool which has not been so designated.

Subd. 4. [TAKEOUT; DISTRIBUTION OF WINNINGS.] A licensee conducting pari-mutuel betting must deduct from a straight pari-mutuel pool, before payments to holders of winning tickets, an amount equal to 17 percent of the total money in that pool. The licensee must deduct from a multiple pari-mutuel pool, before payments to the holders of winning tickets, an amount equal to 23 percent of the total money in that pool. The remaining money in each pool must be distributed among the holders of winning tickets in a manner the commission by rule prescribes for each type of pool. Breakage must be computed on the basis of payoffs rounded down to the next lowest increment of 20 cents, with a minimum payoff of \$2.20 on a \$2 ticket, except that the licensee may reduce the minimum payoff to \$2.10 on a \$2 ticket if there is not a sufficient amount in a pool to make a minimum payoff of \$2.20.

Subd. 5. [PURSES.] From the amounts deducted from all pari-mutuel pools by a licensee, an amount equal to five percent of all money in all pools must be set aside by the licensee and used for purses for races conducted by him. The commission may by rule provide for the administration and enforcement of this subdivision.

Subd. 6. [TELEVISED RACES.] The commission may by rule permit a class B or class D licensee to conduct on the premises of the licensed racetrack pari-mutuel betting on horse races run in other states and broadcast by television on the premises. All provisions of law governing pari-mutuel betting apply to pari-mutuel betting on televised races except as otherwise provided in this subdivision or in the commission's rules. Pari-mutuel pools conducted on such televised races may consist only of money bet on the premises and may not be commingled with any other pool off the premises, except that:

(a) the licensee may pay a fee to the person or entity conducting the race for the privileges of conducting pari-mutuel betting on the race, and

(b) the licensee may pay the costs of transmitting the broadcast of the race.

Pari-mutuel betting on a televised race may be conducted only on a racing day assigned by the commission. The takeout and taxes on pari-mutuel pools on televised races are as provided for other pari-mutuel pools. All televised races under this subdivision must comply with the Interstate Horse Racing Act of 1978 as found in United States Code, title 15, section 3001 and the following relevant sections.

Subd. 7. [TIME LIMIT FOR PAYMENTS.] The licensee must pay off on an uncashed ticket presented for payment within 90 days of the end of the racing meeting during which it was issued. A ticket not presented for payment within that period is an unredeemed ticket and shall be reported to the commission as provided in section 15, subdivision 5.

Subd. 8. [PROHIBITED ACTS.] A licensee may not accept a bet from any person under the age of 18 years; and a licensee may not accept a bet of less than \$2.

Sec. 14. [240.14] [RACING DAYS.]

Subdivision 1. [ASSIGNMENT OF RACING DAYS.] The commission shall assign racing days to each racetrack licensee authorized to conduct racing with pari-mutuel betting, and a licensee may conduct racing with pari-mutuel betting only on a racing day assigned by the commission. The commission may assign racing days for up to three years beyond the year in which the assignment is made. Assignments of racing days in any year must be made by July 1 of the previous year, except that days may be assigned after that date to a licensee whose license is issued after that date.

Subd. 2. [HEARING.] A public hearing is required before the commission may:

(a) make an assignment of racing days;

(b) revise the assignment during the year; or

(c) assign racing days to a licensee whose license is issued after the initial assignment.

The commission may without a hearing assign one additional racing day to a licensee for each originally assigned racing day during the same racing meeting on which racing was not conducted for reasons beyond the licensee's control.

Subd. 3. [COUNTY FAIR RACING DAYS.] The commission may assign to a class D licensee only those racing days, not to exceed ten racing days, which coincide with the days on which the licensee's county fair is running or the weekend preceding or following the county fair.

Subd. 4. [RESCINDING OF RACING DAYS.] The commission may, after a public hearing, rescind one or more racing days assigned to a licensee if it determines that the licensee has not met or will not meet the terms of his license. A day or days so rescinded may be reassigned to another licensee.

Sec. 15. [240.15] [PAYMENTS TO STATE.]

Subdivision 1. [TAXES IMPOSED.] (a) There is imposed on the total amount bet on all pari-mutuel pools on each racing day a tax at the following rates:

(1) For each racing day in a calendar year on which the total amount bet, together with the total amount bet at the same licensed racetrack in all previous racing days in the same calendar year does not exceed \$48,000,000, 1-3/4 percent of the total amount bet in all pari-mutuel pools.

(2) For each racing day in a calendar year after the racing day on which the total amount bet in all pari-mutuel pools at the same licensed racetrack in the same calendar year exceeds \$48,000,000, six percent of the total amount bet in all pari-mutuel pools.

In addition to the above tax, the licensee must designate and pay to the commission a tax for deposit in the Minnesota breeders fund, at the following rates:

(1) For racing days on which the state tax under clause (a)(1) is 1-3/4 percent, one-half percent of the total amount bet in all pari-mutuel pools.

(2) For racing days on which the state tax under clause (a)(2) is six percent, one percent of the total amount bet in all pari-mutuel pools.

The taxes imposed by this clause must be paid from the amounts permitted to be withheld by a licensee under section 13, subdivision 4.

(b) The commission shall impose on each paid admission to each licensed racetrack on a racing day a tax of 40 cents. It may impose an additional admissions tax of not more than ten cents at any licensed racetrack if:

(1) the additional tax is requested by a local unit of government within whose borders the track is located;

(2) a public hearing is held on the request; and

(3) the commission finds that the local unit of government requesting the additional tax is in need of its revenue to meet extraordinary expenses caused by the racetrack.

Subd. 2. [PAYMENT.] The licensee must remit the tax to the commission or its representative within seven days of the day on which it was collected.

In addition to the tax and at that time the licensee must pay to the commission or its representative a sum equal to one-half the total breakage for each racing day during the period for which the tax is paid. The payments must be accompanied by a detailed statement of the remittance on a form the commission prescribes. The commission may by rule provide for the direct deposit of required payments in the commission's account in a financial institution within the state and for determining the time of applicability of different tax rates under subdivision 1.

Subd. 3. [TAX EXCLUSIVE.] The tax imposed by subdivision 1 is in lieu of any tax or license fee, other than taxes on real property, imposed by a political subdivision and in lieu of any other sales or excise tax imposed by the state on racetrack admissions or pari-mutuel pools or pari-mutuel ticket sales.

Subd. 4. [REPORTS.] Within 100 days of the end of a racing meeting a licensee subject to the tax imposed by subdivision 1 must file with the commission a certified statement of receipts from all sources during the racing meeting and of expenses and disbursements, itemized on a form the commission prescribes after consultation with the state auditor, showing the licensee's net revenues from all sources. The statement must be prepared by a certified public accountant in accordance with generally accepted auditing standards.

Subd. 5. [UNREDEEMED TICKETS.] Not later than 100 days after the end of a racing meeting a licensee who sells pari-mutuel tickets must remit to the commission or its representative an amount equal to the total value of unredeemed tickets from the racing meeting. The remittance must be accompanied by a detailed statement of the money on a form the commission prescribes.

Subd. 6. [DISPOSITION OF PROCEEDS.] The commission shall distribute all money received under this section, and all money received from license fees and fines it collects, as follows: all money designated for deposit in the Minnesota breeders fund must be paid into that fund for distribution under section 18. Revenue from an additional admissions tax imposed under subdivision 1 must be paid to the local unit of government at whose request it was imposed, at times and in a manner the commission determines. All other revenues received under this section by the commission, and all license fees, fines, and other revenue it receives, must be paid to the state treasurer for deposit in the general fund.

Sec. 16. [240.16] [STEWARDS.]

Subdivision 1. [POWERS AND DUTIES.] All horse races run at a licensed racetrack must be presided over by a board of three stewards, who must be appointees of the commission or persons approved by it. The commission shall designate one steward as chairman. At least two stewards for all races shall be employees of the commission and they shall serve in the unclassified service. The commission may delegate the following duties and powers to a board of stewards:

- (a) to ensure that races are run in accordance with the commission's rules;*
- (b) to supervise the conduct of racing to ensure the integrity of the sport;*
- (c) to settle disputes arising from the running of horse races, and to certify*

official results;

(d) to impose on licensees, for violation of law or commission rules, fines not exceeding \$500 and license suspensions not exceeding 30 days;

(e) to recommend to the commission where warranted penalties in excess of those in clause (d);

(f) to otherwise enforce the laws and rules of racing; and

(g) to perform other duties and have other powers assigned by the commission.

Subd. 2. [APPEALS; HEARINGS.] A ruling of a board of stewards may be appealed to the commission or be reviewed by it on its own initiative. The commission may provide for appeals to be heard by less than a quorum of the commission. A hearing on a penalty imposed by a board of stewards must be granted on request.

Subd. 3. [PROCEDURAL POWERS.] A board of stewards has the authority to administer oaths, issue subpoenas, order the production of documents and other evidence, and regulate the course of hearings before it, according to the commission's rules. Hearings held by a board of stewards are not subject to the provisions of the administrative procedure act except those provisions which the commission by rule makes applicable.

Subd. 4. [RULES.] In addition to rules under subdivision 3, the commission may promulgate rules governing the qualifications, appointment, approval, authority, removal, and compensation of stewards.

Subd. 5. [COSTS.] The commission may require that a licensee reimburse it for the costs of providing a state-paid steward or stewards to supervise racing at the licensee's racetrack.

Subd. 6 [COMPENSATION.] The total compensation of stewards who are not employees of the division must be commensurate with the compensation of stewards who are division employees

Sec. 17. [240.17] [LOCAL OPTION.]

Subdivision 1. [CITIES.] An issuance of a class A license for a location in a city is not effective until it has been approved by a majority vote of the city council. Failure to act on a license within 30 days of its referral to a city council by the commission constitutes approval.

Subd. 2. [TOWNS.] An issuance of a class A license for a location in a town is not effective until it has been approved by a majority vote of the town board. Failure to act on a license within 30 days of its referral to the town board by the commission constitutes approval.

Subd. 3. [UNORGANIZED TERRITORY.] An issuance of a class A license for a location in unorganized territory is not effective until it has been approved by a majority vote of the county board. Failure to act on a license within 30 days of its referral to the county board by the commission constitutes approval.

Sec. 18. [240.18] [BREEDERS FUND.]

The commission shall establish a Minnesota breeders fund with the money

paid to it under section 15, subdivision 1. The commission, after paying the costs of administering the fund, shall distribute the net proceeds as follows:

(1) Twenty percent of the remaining money in the fund must be expended as grants for equine research and related education at public institutions of post-secondary learning within the state.

(2) After deducting the amount for (1), the balance of the fund shall be apportioned into categories corresponding with the various breeds of horses which raced at licensed Minnesota racetracks in the previous year, in proportion to each category's contribution to the fund. The funds in each category may be expended by the commission to:

(a) supplement purses for races held exclusively for Minnesota-bred, Minnesota-foaled or Minnesota-owned horses until January 1, 1986, and for Minnesota-bred and Minnesota-foaled horses after that date;

(b) pay breeders or owners awards to the breeders or owners of Minnesota-bred horses which win money at licensed racetracks in the state; and

(c) provide other financial incentives to encourage the horse breeding industry in Minnesota.

The commission shall adopt rules governing the distribution of the fund. The commission may establish advisory committees to advise it on the distribution of money under this section, provided that the members of an advisory committee shall serve without compensation.

Sec. 19. [240.19] [CONTRACTS.]

The commission shall by rule require that all contracts entered into by a class A, class B, or class D licensee for the provision of goods or services, including concessions contracts, be subject to commission approval. The rules must require that the contract include an affirmative action plan establishing goals and timetables consistent with the Minnesota Human Rights Act, chapter 363. The commission may require a contract holder to submit to it documents and records the commission deems necessary to evaluate the contract.

Sec. 20. [240.20] [APPEALS.]

Appeals from a decision of the commission must be made in the manner prescribed by sections 14.63 to 14.68.

Sec. 21. [240.21] [RIGHT OF INSPECTION.]

The commission and its representatives have the right to inspect the licensed premises of a licensee and to examine his books and other records at any time without a search warrant.

Sec. 22. [240.22] [FINES.]

The commission shall by rule establish a graduated schedule of civil fines for violations of laws related to horse racing or of the commission's rules. The schedule must include minimum and maximum fines for each violation and be based on and reflect the culpability, frequency and severity of the violator's actions. The commission may impose a fine from this schedule on a licensee for a violation of those rules or laws relating to horse racing. The fine is in addition to any criminal penalty imposed for the same violation.

Fines imposed by the commission must be paid to the commission and forwarded to the state treasurer for deposit in the general fund. A fine is a contested case under the administrative procedure act.

Sec. 23. [240.23] [RULEMAKING AUTHORITY.]

The commission has the authority, in addition to all other rulemaking authority granted elsewhere in this act, to promulgate rules governing:

(a) the conduct of horse races held at licensed racetracks in Minnesota, including but not limited to the rules of racing, standards of entry, operation of claiming races, filing and handling of objections, carrying of weights, and declaration of official results;

(b) wire communications between the premises of a licensed racetrack and any place outside the premises;

(c) information on horse races which is sold on the premises of a licensed racetrack;

(d) liability insurance which it may require of all class A, class B, and class D licensees;

(e) the auditing of the books and records of a licensee by an auditor employed or appointed by the commission;

(f) emergency action plans maintained by licensed racetracks and their periodic review;

(g) safety, security, and sanitation of stabling facilities at licensed racetracks;

(h) entry fees and other funds received by a licensee in the course of conducting racing which the commission determines must be placed in escrow accounts; and

(i) any other aspect of horse racing or pari-mutuel betting which in its opinion affects the integrity of racing or the public health, welfare, or safety.

Rules of the commission are subject to chapter 14, the Administrative Procedure Act.

Sec. 24. [240.24] [MEDICATION.]

The commission shall make and enforce rules governing medication and medical testing for horses running at licensed racetracks. The rules must provide that no medication, as the commission defines that term by rule, may be administered to a horse within 48 hours of a race it runs at a licensed racetrack. The commission shall by rule establish the qualifications for laboratories used by it as testing laboratories to enforce its rules under this section.

Sec. 25. [240.25] [PROHIBITED ACTS.]

Subdivision 1. [ILLEGAL BETS.] No person may place or accept a bet as defined in section 609.75 on the premises of a licensed racetrack other than a bet made within a licensed pari-mutuel system.

Subd. 2. [OFF-TRACK BETS.] No person may, as part of an organized commercial activity, place or accept a bet off the premises of a licensed

racetrack for delivery to a licensed racetrack.

Subd. 3. [INFLUENCING RACES.] No person may influence or attempt to influence a horse race by:

(a) making threats;

(b) offering anything of value to a person involved in the conduct of a race in return for that person's committing an illegal act or failing to perform a duty; or

(c) conniving with or seeking or having an understanding or agreement with a person involved in the conduct of a race to commit an illegal act or to fail to perform a duty.

Subd. 4. [TAMPERING WITH HORSES.] No person may:

(a) on the premises of a licensed racetrack use, have in his possession with intent to use, or knowingly assist another person in using a battery or buzzer, electrical or mechanical, or other device or appliance, which can be used to affect a horse's racing condition or performance, other than an ordinary whip;

(b) affect or attempt to affect the racing condition or performance of a horse at a race or workout through the use of a drug or medication in violation of the commission's rules; or

(c) use any method, injurious or otherwise, to affect a horse's racing condition or performance at a race or workout in violation of the commission's rules.

Subd. 5. [REPORTING OF INFORMATION.] A person licensed by the commission who has information regarding a violation of any provision of this section must report that information promptly to the commission or an agent of the commission.

Subd. 6. [FALSE STATEMENT.] No person may knowingly make a false statement in a document or application required to be submitted to the commission or in a sworn statement or testimony before the commission.

Subd. 7. [ALTERED TICKETS.] No person may knowingly offer for payment any pari-mutuel ticket which has been altered or any counterfeit or forged pari-mutuel ticket.

Sec. 26. [240.26] [PENALTIES.]

Subdivision 1. [FELONIES.] A violation of the prohibition against accepting a bet in section 25, subdivisions 1 and 2, and a violation of section 25, subdivisions 3, 4, and 7 is a felony.

Subd. 2. [GROSS MISDEMEANORS.] A violation of the prohibition against placing a bet in section 25, subdivisions 1 and 2, and a violation of section 25, subdivisions 5 and 6, is a gross misdemeanor.

Subd. 3. [MISDEMEANORS.] A violation of any other provision of this act or of a rule or order of the commission for which another penalty is not provided is a misdemeanor.

Sec. 27. [240.27] [EXCLUSION OF CERTAIN PERSONS.]

Subdivision 1. [PERSONS EXCLUDED.] The commission may exclude

from any and all licensed racetracks in the state a person who:

(a) has been convicted of a felony under the laws of any state or the United States;

(b) has had a license suspended, revoked, or denied by the commission or by the racing authority of any other jurisdiction; or

(c) is determined by the commission, on the basis of evidence presented to it, to be a threat to the integrity of racing in Minnesota.

Subd. 2. [HEARING; APPEAL.] An order to exclude a person from any or all licensed racetracks in the state must be made by the commission at a public hearing of which the person to be excluded must have at least five days' notice. If the person is present at the hearing, he must be permitted to show cause why he should not be excluded. An appeal of the order may be made in the same manner as other appeals under section 20.

Subd. 3. [NOTICE TO RACETRACKS.] Upon issuing an order excluding a person from any or all licensed racetracks, the commission shall send a copy of the order to the excluded person and to all racetracks named in it, along with other information as it deems necessary to permit compliance with the order.

Subd. 4. [PROHIBITIONS.] It is a gross misdemeanor for a person named in an exclusion order to enter, attempt to enter, or be on the premises of a racetrack named in the order while it is in effect, and for a person licensed to conduct racing or operate a racetrack knowingly to permit an excluded person to enter or be on the premises.

Subd. 5. [EXCLUSIONS BY RACETRACK.] The holder of a license to conduct racing may eject and exclude from its premises any licensee or any other person who is in violation of any state law or commission rule or order or who is a threat to racing integrity or the public safety. A person so excluded from racetrack premises may appeal his exclusion to the commission and must be given a public hearing on his appeal if he so requests. At the hearing he must be given the opportunity to show cause why he should not be so excluded. If the commission after the hearing finds that the integrity of racing and the public safety do not justify the exclusion, it shall order the racetrack making the exclusion to reinstate or readmit the person. An appeal of a commission order upholding the exclusion is governed by section 20.

Sec. 28. [240.28] [CONFLICT OF INTEREST.]

Subdivision 1. [FINANCIAL INTEREST.] No person may serve on the commission or be employed by it who has an interest in any corporation, association, or partnership which holds a license from the commission or which holds a contract to supply goods or services to a licensee or at a licensed racetrack, including concessions contracts. No member or employee of the commission may own, wholly or in part, or have an interest in a horse which races at a licensed racetrack in Minnesota. No member or employee of the commission may have a financial interest in or be employed in a profession or business which conflicts with the performance of his duties as a member or employee.

Subd. 2. [BETTING.] No member or employee of the commission may bet or cause a bet to be made on a race at a licensed racetrack while serving on

or being employed by the commission. No person appointed or approved by the commission as a steward may bet or cause a bet to be made at a licensed racetrack during a racing meeting at which he is serving as a steward. The commission shall by rule prescribe such restrictions on betting by its licensees as it deems necessary to protect the integrity of racing.

Subd. 3. [VIOLATION.] A violation of subdivisions 1 and 2 is grounds for removal from the commission or termination of employment. A bet made directly or indirectly by a licensee in violation of a rule made by the commission under subdivision 2 is grounds for suspension or revocation of the license.

Sec. 29. [240.29] [REQUIRED RACES.]

Each holder of a class B or D license must declare and schedule, on each racing day it conducts, at least one race which;

(a) before January 1, 1986, is limited to horses which are Minnesota-bred, Minnesota-foaled or Minnesota-owned, and

(b) on and after January 1, 1986, is limited to horses which are Minnesota-bred or Minnesota-foaled.

If there is not a sufficient number of such horses entered in the declared race to make up an adequate slate of entries, another race may be substituted.

The commission shall by rule define "Minnesota-bred", "Minnesota-foaled" and "Minnesota-owned".

Sec. 30. Minnesota Statutes 1982, section 10A.09, subdivision 1, is amended to read:

Subdivision 1. [TIME FOR FILING.] Except for a candidate for elective office in the judicial branch, an individual shall file a statement of economic interest with the board:

(a) Within 60 days of accepting employment as a public official; or

(b) Within 14 days after filing an affidavit of candidacy or petition to appear on the ballot for an elective public office; or

(c) In the case of a public official requiring the advice and consent of the senate, prior to the submission of his name to the senate, and in any event, within 60 days after he undertakes the duties of his office; or

(d) In the case of members of the Minnesota racing commission, and its executive secretary, chief of security, medical officer, inspector of pari-mutuels and stewards employed or approved by the commission or persons who fulfill those duties under contract, within 60 days of accepting or assuming duties.

Sec. 31. Minnesota Statutes 1982, section 10A.09, subdivision 5, is amended to read:

Subd. 5. [FORM.] A statement of economic interest required by this section shall be on a form prescribed by the board. The individual filing shall provide the following information:

(a) His name, address, occupation and principal place of business;

(b) The name of each business with which he is associated and the nature of that association;

(c) A listing of all real property within the state, excluding homestead property, in which he holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, and which interest is valued in excess of \$2,500; or (ii) an option to buy, which property has a fair market value of \$50,000 or more; ~~and~~

(d) A listing of all real property within the state in which a partnership of which he is a member holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if his share of the partnership interest is valued in excess of \$2,500 or (ii) an option to buy, which property has a fair market value of \$50,000 or more. Any listing under clause (c) or (d) shall indicate the street address and the municipality or the section, township, range and approximate acreage, whichever applies, and the county wherein the property is located; *and*

(e) A listing of any investments, ownership, or interests in property connected with pari-mutuel horse racing in the United States and Canada, including a race horse, in which he directly or indirectly holds a partial or full interest or an immediate family member holds a partial or full interest.

Sec. 32. Minnesota Statutes 1982, section 38.04, is amended to read:

38.04 [ANNUAL MEETINGS; REPORTS.]

Every county agricultural society shall hold an annual meeting for the election of officers and the transaction of other business on or before the third Tuesday in November, each year, at which time its secretary shall make a report of its proceedings for the preceding year; this report shall contain a statement of all transactions at its fairs, the numbers of entries, the amount and source of all moneys received, and the amount paid out for premiums and other purposes, and show in detail its entire receipts and expenditures during the year. *The report must contain a separate accounting of any income received from the operation of horse racing on which pari-mutuel betting is conducted, and of the disposition of that income.*

The treasurer shall make a comprehensive report of the funds received, paid out, and on hand, and upon whose order paid. Each secretary shall cause a certified copy of his annual report to be filed with the county recorder of the county and the commissioner of agriculture on or before the first day of November, each year.

Sec. 33. Minnesota Statutes 1982, section 340.11, is amended by adding a subdivision to read:

Subd. 22. [LICENSES AT RACETRACKS.] An on-sale intoxicating liquor license issued by a municipality to a location at a racetrack licensed under chapter 240 may not be transferred and is in addition to the number of on-sale intoxicating liquor licenses authorized by subdivision 5a.

Sec. 34. Minnesota Statutes 1982, section 609.75, subdivision 1, is amended to read:

Subdivision 1. [LOTTERY.] *(a) A lottery is a plan which provides for the distribution of money, property or other reward or benefit to persons se-*

lected by chance from among participants some or all of whom have given a consideration for the chance of being selected.

(b) An in-package chance promotion is not a lottery if all of the following are met:

(1) participation is available, free and without purchase of the package, from the retailer or by mail or toll-free telephone request to the sponsor for entry or for a game piece;

(2) the label of the promotional package and any related advertising clearly states any method of participation and the scheduled termination date of the promotion;

(3) the sponsor on request provides a retailer with a supply of entry forms or game pieces adequate to permit free participation in the promotion by the retailer's customers;

(4) the sponsor does not misrepresent a participant's chances of winning any prize;

(5) the sponsor randomly distributes all game pieces and maintains records of random distribution for at least one year after the termination date of the promotion;

(6) all prizes are randomly awarded if game pieces are not used in the promotion; and

(7) the sponsor provides on request of a state agency a record of the names and addresses of all winners of prizes valued at \$100 or more, if the request is made within one year after the termination date of the promotion.

(c) Except as provided by section 349.40, acts in this state in furtherance of a lottery conducted outside of this state are included notwithstanding its validity where conducted.

Sec. 35. Minnesota Statutes 1982, section 609.75, subdivision 3, is amended to read:

Subd. 3. [WHAT ARE NOT BETS.] The following are not bets:

(1) A contract to insure, indemnify, guarantee or otherwise compensate another for a harm or loss sustained, even though the loss depends upon chance.

(2) A contract for the purchase or sale at a future date of securities or other commodities.

(3) Offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength, endurance, or quality or to the bona fide owners of animals or other property entered in such a contest.

(4) The game of bingo when conducted in compliance with sections 349.11 to 349.23.

(5) A private social bet not part of or incidental to organized, commercialized, or systematic gambling.

(6) The operation of a gambling device or the conduct of a raffle as de-

fined in section 349.26, by an organization licensed for such operation by a local unit of government pursuant to section 349.26.

(7) *Pari-mutuel betting on horse racing when conducted under chapter 240.*

Sec. 36. Minnesota Statutes 1982, section 609.75, is amended by adding a subdivision to read:

Subd. 7. [SPORTS BOOKMAKING.] Sports bookmaking is the activity of intentionally receiving, recording or forwarding in any one day more than five bets or offers to bet totalling more than \$1,500 on the outcome of an organized sporting event.

Sec. 37. Minnesota Statutes 1982, section 609.76, is amended to read:

609.76 [OTHER ACTS RELATING TO GAMBLING.]

Subdivision 1. [GROSS MISDEMEANORS.] Whoever does any of the following may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$1,000, or both:

- (1) Maintains or operates a gambling place or operates a bucket shop; or
- (2) Intentionally participates in the income of a gambling place or bucket shop; or
- (3) Conducts a lottery, or, with intent to conduct a lottery, possesses facilities for doing so; or
- (4) Sets up for use for the purpose of gambling, or collects the proceeds of, any gambling device or bucket shop; or
- (5) With intent that it shall be so used, manufactures, sells or offers for sale, in whole or any part thereof, any gambling device including those defined in section 349.30, subdivision 2, and any facility for conducting a lottery, except as provided by section 349.40; or
- (6) Receives, records, or forwards bets or offers to bet or, with intent to receive, record, or forward bets or offers to bet, possesses facilities to do so.

Subd. 2. [FELONY GAMBLING.] Whoever engages in sports bookmaking is guilty of a felony.

Sec. 38. Minnesota Statutes 1982, section 609.761, is amended to read:

Notwithstanding sections 609.755 and 609.76, a fraternal, religious, veterans or other nonprofit organization may set up or operate a gambling device or conduct a raffle as defined in section 349.26, if licensed by the local unit of government and conducted pursuant to under section 349.26, and a person may manufacture, sell or offer for sale a gambling device to the organization, and pari-mutuel betting on horse racing may be conducted under chapter 240.

Sec. 39. [609.762] [FORFEITURE OF GAMBLING DEVICES, PRIZES AND PROCEEDS.]

Subdivision 1. [FORFEITURE.] The following are subject to forfeiture:

(a) *Devices used or intended for use, including those defined in section 349.30, subdivision 2, as a gambling device, except as authorized in section*

349.11 to 349.23 and 349.40;

(b) All moneys, materials, and other property used or intended for use as payment to participate in gambling or a prize or receipt for gambling;

(c) Books, records, and research products and materials, including formulas, microfilm, tapes, and data used or intended for use in gambling; and

(d) Property used or intended to be used to illegally influence the outcome of a horse race.

Subd. 2. [SEIZURE.] Property subject to forfeiture under subdivision 1 may be seized by any law enforcement agency upon process issued by any court having jurisdiction over the property. Seizure without process may be made if:

(a) the seizure is incident to an arrest or a search under a search warrant;

(b) the property subject to seizure has been the subject of a prior judgment in favor of the state in a criminal injunction or forfeiture proceeding; or

(c) the law enforcement agency has probable cause to believe that the property was used or is intended to be used in a gambling violation and the delay occasioned by the necessity to obtain process would result in the removal, loss, or destruction of the property.

Subd. 3. [NOT SUBJECT TO REPLEVIN.] Property taken or detained under subdivision 2 is not subject to a replevin action, but is considered to be in the custody of the law enforcement agency subject only to the orders and decrees of the court having jurisdiction over the forfeiture proceedings.

Subd. 4. [PROCEDURES.] Property must be forfeited after a conviction for a gambling violation according to the following procedure:

(a) A separate complaint must be filed against the property describing it, charging its use in the specified violation, and specifying the time and place of its unlawful use;

(b) If the person charged with a gambling offense is acquitted, the court shall dismiss the complaint and order the property returned to the persons legally entitled to it; and

(c) If after conviction the court finds the property, or any part of it, was used in violation as specified in the complaint, it shall order that the property be sold or retained by the law enforcement agency for official use. Proceeds from the sale of forfeited property may be retained for official use and shared equally between the law enforcement agency investigating the offense involved in the forfeiture and the prosecuting agency that prosecuted the offense involved in the forfeiture and handled the forfeiture proceedings.

Subd. 5. [EXCEPTION.] Property may not be seized or forfeited under this section if the owner shows to the satisfaction of the court that he had no notice or knowledge or reason to believe that the property was used or intended to be used in violation of this section

Sec. 40. [APPROPRIATION.]

Subdivision 1. There is appropriated from the general fund to the Minnesota racing commission, for the purposes of sections 1 to 29, the sum of

\$247,000 for the year ending June 30, 1984, and \$344,300 for the year ending June 30, 1985. Notwithstanding the provisions of section 16A.28, the appropriation is available until expended.

Subd. 2. There is appropriated from the general fund to the Minnesota racing commission the sum of \$150,000 to carry out the purposes of this act, to be available only with the approval of the governor after consultation with the legislative advisory commission pursuant to Minnesota Statutes, section 3.30. This appropriation is available for the year ending June 30, 1985.

Sec. 41. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to horse racing; creating a Minnesota racing commission and providing for its membership, powers, and duties; authorizing the licensing of persons to operate racetracks, conduct horse racing, engage in certain occupations, and conduct pari-mutuel betting on horse racing; prescribing taxes and license fees; establishing a Minnesota breeders fund; defining sports bookmaking and making it a felony; clarifying what is not a lottery; providing for the forfeiture of certain gambling devices, prizes, and proceeds; providing penalties; appropriating money; amending Minnesota Statutes 1982, section 10A.09, subdivisions 1 and 5; 38.04; 340.11, by adding a subdivision; 609.75, subdivisions 1 and 3, and by adding a subdivision; 609.76; 609.761; proposing new law coded as Minnesota Statutes, chapter 240, proposing new law coded in Minnesota Statutes, chapter 609."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Richard Kostohryz, James Metzen, Tom Osthoff, Bob Jensen, Elton Redalen

Senate Conferees: (Signed) Clarence M. Purfeerst, Don Frank, Bob Lessard, Fritz Knaak, Allan H. Spear

Mr. Purfeerst moved that the foregoing recommendations and Conference Committee Report on H.F. No. 77 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

CALL OF THE SENATE

Mr. Purfeerst imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

H.F. No. 77 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 54 and nays 10, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Langseth	Pehler	Sieloff
Anderson	Frank	Lantry	Peterson, C.C.	Solon
Belanger	Frederick	Lessard	Peterson, D.C.	Spear
Benson	Frederickson	Luther	Peterson, D.L.	Storm
Berg	Freeman	McQuaid	Peterson, R.W.	Stumpf
Bertram	Hughes	Mehrkens	Petty	Taylor
Brataas	Johnson, D.J.	Merriam	Pogemiller	Ulland
Dahl	Jude	Moe, R. D.	Purfeerst	Vega
Davis	Knaak	Nelson	Ramstad	Waldorf
DeCramer	Kroening	Novak	Reichgott	Willet
Duessner	Kronebusch	Olson	Schmitz	

Those who voted in the negative were:

Berglin	Chmielewski	Johnson, D.E.	Knutson	Moe, D. M.
Bernhagen	Isackson	Kamrath	Laidig	Renneke

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 473, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 473: A bill for an act relating to traffic regulations; removing restrictions on use at trial of an accused's refusal to take a chemical test; providing that a suspect be informed that refusal to take a chemical test will be used against him at trial; removing requirements for mandatory detoxification in certain instances; providing penalties; amending Minnesota Statutes 1982, sections 169.121, subdivisions 2, 3, 4, and 8; and 169.123, subdivisions 2, 3, and 4; repealing Minnesota Statutes 1982, section 169.1231.

Senate File No. 473 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 545, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 545: A bill for an act relating to welfare; changing laws relating to child support enforcement; providing for determination of paternity; providing for determination and modification of child support; amending Minnesota Statutes 1982, sections 256.74, by adding a subdivision; 256.87; 257.55, subdivision 1; 257.58; 257.59, subdivision 1; 257.60; 257.62, subdivision 1, and by adding subdivisions; 257.64, subdivision 1; 257.66, subdivisions 3 and 4; 257.69, subdivision 2; 518.10; 518.17, by adding a subdivision; 518.551, subdivisions 1, 5, and 6, and by adding subdivisions; 518.611; 518.64, subdivisions 2 and 5, and by adding a subdivision; 518.645; 518B.01, subdivisions 2 and 6; 518C.17, subdivision 1; 518C.33, subdivision 1; and 548.09; proposing new law coded in Minnesota Statutes, chapters 257, 518, and 543; repealing Minnesota Statutes 1982, sections 256.87, subdivision 2; 256.872; 256.873; 256.876; and 518.551, subdivisions 2, 3, and 4.

Senate File No. 545 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 591, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 591: A bill for an act relating to insurance; health and accident; prohibiting provider discrimination in insurance policies covering mental health services; amending Minnesota Statutes 1982, section 62A.152, by adding a subdivision.

Senate File No. 591 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1983

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 201: A bill for an act relating to intoxicating liquor; authorizing off-sale licensees to dispense samples of wine, liqueurs and cordials; amending Minnesota Statutes 1982, section 340.11, subdivision 15.

There has been appointed as such committee on the part of the House:

Jacobs, Piper and Wigley.

Senate File No. 201 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1983

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 320: A bill for an act relating to agriculture; making certain changes in the law relating to a fertilizer inspection fund; prescribing penalties; amending Minnesota Statutes 1982, sections 17.713, subdivision 7; 17.714, subdivision 1; 17.715, subdivision 1; 17.717, subdivision 1; 17.718, subdivision 1; 17.725, subdivisions 1 and 2; and 17.728, subdivision 4; repealing Minnesota Statutes 1982, section 17.717, subdivisions 3, 4, and 5.

There has been appointed as such committee on the part of the House:

Sparby, Kalis and Wenzel.

Senate File No. 320 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1983

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 950: A bill for an act relating to agriculture; requiring pseudorabies testing and imposing quarantine and restricted movement requirements for swine; appropriating money; proposing new law coded in Minnesota Statutes 1982, chapter 35.

There has been appointed as such committee on the part of the House:

Schoenfeld, Kalis and Erickson.

Senate File No. 950 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1983

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 769.

H.F. No. 769: A bill for an act relating to metropolitan government; extending the time for design selection for noise suppression equipment at the international airport; amending Minnesota Statutes 1982, section 473.608, subdivision 20.

And the House respectfully requests that a Conference Committee of three members be appointed thereon:

Skoglund, Heintz and Scheid have been appointed as such committee on the part of the House.

House File No. 769 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 1983

Mr. Freeman moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 769, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1149:

H.F. No. 1149: A bill for an act relating to liens; right of possession and liens on fabrication molds and patterns; providing a nonpossessory lien on personal property; lengthening the time limit for veterinary liens; amending Minnesota Statutes 1982, sections 514.18; 514.19; and 514.92, subdivision 1.

And the House respectfully requests that a Conference Committee of three

members be appointed thereon.

Clawson, Jacobs and Carlson, D. have been appointed as such committee on the part of the House.

House File No. 1149 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 1983

Mr. Peterson, R.W. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1149, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1224:

H.F. No. 1224: A bill for an act relating to occupations and professions; regulating the period of time between professional boxing contests, matches, or exhibitions; amending Minnesota Statutes 1982, section 341.115; proposing new law coded in Minnesota Statutes, chapter 341.

And the House respectfully requests that a Conference Committee of three members be appointed thereon.

Ogren, Gustafson and Dempsey have been appointed as such committee on the part of the House.

House File No. 1224 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 1983

Mr. Chmielewski moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1224, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

RECESS

Mr. Kamrath moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 1149: Mr. Peterson, R.W.; Mrs. Lantry and Mr. Knaak.

H.F. No. 1224: Messrs. Chmielewski, Solon and Wegscheid.

H.F. No. 769: Messrs. Freeman, Belanger and Petty.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 429, 1046 and 851.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 1983

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 429: A bill for an act relating to automobile insurance; prohibiting any right of subrogation on underinsurance claims; amending Minnesota Statutes 1982, section 65B.53, by adding a subdivision.

Referred to the Committee on Economic Development and Commerce.

H.F. No. 1046: A bill for an act relating to the city of Baxter; authorizing the city to employ a full-time police officer; providing exception to peace officer licensing requirement.

Referred to the Committee on Governmental Operations.

H.F. No. 851: A bill for an act relating to agriculture; making certain changes in the family farm security loan program; amending Minnesota Statutes 1982, sections 15.38, by adding a subdivision; 16.02, subdivision 14; 41.52, by adding a subdivision; 41.53, subdivision 2; 41.54, subdivision 2; 41.55; 41.56, subdivisions 4, 5, and by adding subdivisions; 41.57, subdivision 2; 41.58, subdivision 1; 41.59, subdivisions 1, 2, and 3; 41.61, subdivision 1; and 48.19, by adding a subdivision.

SUSPENSION OF RULES

Mr. Bertram moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 851 and that the rules of the Senate be so far suspended as to give H.F. No. 851 its second and third reading and place it on its final passage. The motion prevailed.

H. F. No. 851 was read the second time.

Mr. Bertram moved to amend H.F. No. 851 as follows:

Page 5, line 9, delete "10" and insert "8"

Page 7, after line 25, insert:

"Sec. 12. Minnesota Statutes 1982, section 41.57, is amended by adding

a subdivision to read:

Subd. 2a. [FARM MANAGEMENT PROGRAM TUITION.] The commissioner may provide assistance in the payment of tuition and fees in any adult farm management education program which qualifies for aid under section 124.572. Assistance may be provided to any participant who is eligible to receive a payment adjustment under subdivision 2 and shall be limited to \$300 per calendar year for any participant. The participant shall reimburse the commissioner for the sums paid on the participant's behalf under this subdivision at the same time and in the same manner as the payment adjustment is reimbursed.'

Page 10, delete section 17

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after "2" insert ", and by adding a subdivision"

Page 1, line 10, delete "; and 48.19, by adding a subdivision"

The motion prevailed. So the amendment was adopted.

H.F. No. 851 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 45 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Kamrath	Moe, R. D.	Ramstad
Anderson	DeCramer	Knutson	Nelson	Reichgott
Belanger	Diessner	Kronebusch	Olson	Renneke
Benson	Frank	Laidig	Pehler	Schmitz
Berg	Frederickson	Lantry	Peterson, C.C.	Storm
Bertram	Hughes	Luther	Peterson, D.C.	Stumpf
Brataas	Isackson	McQuaid	Peterson, D.L.	Taylor
Chmielewski	Johnson, D.E.	Mehrkens	Petty	Ulland
Dahl	Jude	Merriam	Pogemiller	Willet

So the bill, as amended, passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 455 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 455

A bill for an act relating to nonprofit corporations; providing for approval of certain actions by boards of directors without formal board meetings; amending Minnesota Statutes 1982, section 317.20, subdivision 12.

May 20, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.

Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 455, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the amendment of the House of Representatives and that S.F. No. 455 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 317.02, is amended by adding a subdivision to read:

Subd. 12. [WRITTEN ACTION.] “Written action” means a written document signed by all of the persons required to take the action described. The term also means the counterparts of a written document signed by any of the persons taking the action described. Each counterpart constitutes the action of the persons signing it, and all the counterparts, taken together, constitute one written action by all of the persons signing them upon receipt by the secretary.

Sec. 2. Minnesota Statutes 1982, section 317.16, subdivision 2, is amended to read:

Subd. 2. [AUTHORITY.] Without limiting or enlarging the provisions of subdivision 1, and unless the articles prescribe otherwise, a corporation has authority to:

(1) continue as a corporation for the time limited in its articles of incorporation, or, if the time is not limited, perpetually;

(2) sue and be sued;

(3) have, and alter at pleasure, a corporate seal, affixing of which shall not affect the validity or enforceability of any instrument;

(4) take and hold an interest in real or personal property;

(5) lease, encumber, convey or dispose of real and personal property subject to the provisions of section 317.26, subdivision 3;

(6) enter into obligations or contracts and do any act incidental to the transaction of its business or expedient to the purposes stated in its articles of incorporation;

(7) acquire, hold, mortgage, pledge, or dispose of shares, bonds, securities, and other evidences of indebtedness of any domestic or foreign corporation, either profit or nonprofit and either public or private, and, if it is owner thereof, to exercise all the rights, powers, and privileges of ownership, including the right to vote;

(8) conduct its affairs within and without this state;

(9) *conduct all or part of its business under one or more assumed names as provided in sections 333.001 to 333.06;*

(10) make, amend, and repeal bylaws, not inconsistent with its articles or with law, for the administration and regulation of its affairs;

~~(10)~~ (11) merge and consolidate with other nonprofit corporations, domestic or foreign, organized for related purposes;

(11) (12) make donations to other nonprofit corporations, domestic or foreign, organized for related purposes, and to needy persons;

(12) (13) be a member of another nonprofit corporation, whether foreign or domestic;

(13) (14) dissolve and wind up; and

(14) (15) subject to the provisions of section 317.165, indemnify certain persons against certain expenses and liabilities as provided in section 300.083. In applying section 300.083 for this purpose, the term "members" shall be substituted for the term "shareholders".

Sec. 3. Minnesota Statutes 1982, section 317.20, subdivision 12, is amended to read:

Subd. 12. [BOARD ACTION WITHOUT A MEETING.] ~~Any action that could be taken at a meeting of the board of directors may be taken without a meeting when authorized in writing signed by all of the directors.~~ (a) *An action required or permitted to be taken at a board meeting may be taken by written action signed by all of the directors. If the articles so provide, any action, other than an action requiring shareholder or membership approval, may be taken by written action signed by the number of directors that would be required to take the same action at a meeting of the board at which all directors were present; provided that all directors must be notified of the text of the written action prior to the signing by any of the directors.*

(b) The written action is effective when signed by the required number of directors, unless a different effective time is provided in the written action.

(c) When written action is permitted to be taken by less than all directors, all directors shall be notified immediately of its effective date. Failure to provide the notice does not invalidate the written action. A director who does not sign or consent to the written action has no liability for the action or actions taken thereby."

Delete the title and insert:

"A bill for an act relating to nonprofit corporations; defining "written action"; authorizing the use of assumed names; providing for approval of certain actions by boards of directors without formal board meetings; amending Minnesota Statutes 1982, sections 317.02, by adding a subdivision; 317.16, subdivision 2; and 317.20, subdivision 20."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Eric D. Petty, Randolph W. Peterson, Howard A. Knutson

House Conferees: (Signed) Phillip J. Riveness, Ann Wynia, Daniel J. Knuth

Mr. Petty moved that the foregoing recommendations and Conference Committee Report on S.F. No. 455 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 455 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 45 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kronebusch	Olson	Reichgott
Anderson	Dieterich	Laidig	Pehler	Renneke
Belanger	Frank	Lantry	Peterson, D.C.	Schmitz
Berg	Frederickson	Lessard	Peterson, D.L.	Sieloff
Bertram	Hughes	Luther	Peterson, R.W.	Storm
Brataas	Isackson	McQuaid	Petty	Stumpf
Chmielewski	Johnson, D.E.	Mehrrens	Pogemiller	Taylor
Dahl	Jude	Moe, R. D.	Purferst	Ulland
Davis	Kamrath	Novak	Ramstad	Willet

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Petty moved that H.F. No. 674 be taken from the table. The motion prevailed.

H.F. No. 674: A bill for an act relating to insurance; providing for a program of continuing education; authorizing a continuing insurance education advisory task force; authorizing the commissioner of insurance to promulgate rules to implement the program; requiring certain disclosures on credit insurance policies and application; providing license and renewal fees for agents; increasing fees for insurance companies; regulating self-insurance plans and pools; appropriating money; amending Minnesota Statutes 1982, sections 60A.02, subdivision 7; 60A.03, subdivision 5; 60A.17, subdivision 1 and by adding a subdivision; 60A.14, subdivision 1; 60A.198, subdivision 3; 60A.23, subdivision 8; 471.982, subdivision 2; and proposing new law coded in Minnesota Statutes, chapter 60A.

SUSPENSION OF RULES

Mr. Petty moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 674 and that the rules of the Senate be so far suspended as to give H.F. No. 674 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 674 was read the second time.

H.F. No. 674 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 16 and nays 38, as follows:

Those who voted in the affirmative were:

Berglin	Hughes	Luther	Nelson	Peterson, R.W.
Chmielewski	Jude	Merriam	Pehler	Pogemiller
Dieterich	Knaak	Moe, R. D.	Peterson, D.C.	Spear
Freeman				

Those who voted in the negative were:

Adkins	DeCramer	Johnson, D.J.	Mehrkens	Renneke
Anderson	Dicklich	Kamrath	Olson	Schmitz
Belanger	Diessner	Knutson	Peterson, C.C.	Sieloff
Benson	Frank	Kronebusch	Peterson, D.L.	Storm
Berg	Frederick	Laidig	Petty	Taylor
Bertram	Frederickson	Langseth	Purfeerst	Ulland
Dahl	Isackson	Lantry	Ramstad	
Davis	Johnson, D.E.	McQuaid	Reichgott	

So the bill failed to pass.

Mr. Petty moved that S. F. No. 489, No. 36 on Special Orders, be stricken and laid on the table. The motion prevailed.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 102, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 102 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 102

A bill for an act relating to agricultural and residential real estate; requiring 60 days notice of default on a real estate mortgage, notice of termination of a real estate contract for deed, and eight weeks notice of commencement of a sale and foreclosure proceeding; providing that a court may order a delay in a foreclosure sale or contract termination under certain circumstances; limiting the right to maintain actions for deficiency judgments; amending Minnesota Statutes 1982, sections 47.20, by adding a subdivision; 559.21, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 550; proposing new law coded as Minnesota Statutes, chapter 583.

May 21, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 102, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 102 be further amended as follows:

Pages 1 to 2, delete section 2

Page 2, line 4, delete "3" and insert "2"

Page 2, line 14, after the period, insert *"This section does not apply to earnest money contracts, purchase agreements or exercised options."*

Page 2, after line 14, insert:

"Sec. 3. [580.031] [TEMPORARY MINIMUM NOTICE.]

Notwithstanding the provisions of any other law to the contrary, eight weeks' published notice must be given prior to the foreclosure sale of a homestead, as defined in section 5, if the notice is published for the first time after the effective date of this section and prior to May 1, 1984. The notice must contain the information specified in section 580.04. At least four weeks before the appointed time of sale, a copy of the notice must be served upon the person in possession of the mortgaged premises, if the premises are actually occupied."

Page 4, delete lines 20 to 21 and insert: *"The court may consider the following criteria in determining whether or not to order a delay in the sale or contract termination:"*

Page 4, line 23, after the semicolon, insert *"and"*

Page 4, line 25, delete the semicolon and insert a period

Page 4, delete lines 26 to 31

Page 4, line 34, after the period, insert *"Section 580.07 does not apply to foreclosure sales postponed by a court pursuant to sections 4 to 15."*

Page 5, line 21, after the period, insert: *"In determining the amount of income or rental value to be paid, the court may consider the relative financial conditions and resources of the parties and the ability of the mortgagor or contract vendee to pay."*

Page 6, line 33, before the period, insert: *" , but any postponement or other relief ordered by a court continues to be valid for the period ordered by the court"*

Amend the title as follows:

Page 1, line 13, delete *"550"* and insert *"580"*

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Don Bergstrom, Gordon O. Voss, Willis Eken

Senate Conferees: (Signed) Ronald R. Dicklich, William P. Luther, LeRoy A. Stumpf

Mr. Dicklich moved that the foregoing recommendations and Conference Committee Report on H.F. No. 102 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 102 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 48 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Lantry	Peterson, C.C.	Solon
Anderson	Dieterich	Lessard	Peterson, D.C.	Spear
Belanger	Frank	Luther	Peterson, D.L.	Storm
Berg	Freeman	McQuaid	Peterson, R.W.	Stumpf
Berglin	Hughes	Merriam	Petty	Taylor
Chmielewski	Johnson, D.E.	Moe, R. D.	Pogemiller	Utland
Dahl	Johnson, D.J.	Nelson	Purfeerst	Vega
Davis	Jude	Novak	Reichgott	Willet
DeCramer	Kronebusch	Olson	Schmitz	
Dicklich	Laidig	Pehler	Sieloff	

Those who voted in the negative were:

Benson	Frederick	Kamrath	Knutson	Ramstad
Bertram	Frederickson	Knaak	Mehrkens	Renneke
Brataas	Isackson			

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 652, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 652 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 652

A bill for an act relating to retirement; public plans generally; providing for the fiduciary obligation of trustees; complying with federal limits on annual benefits; providing that moneys of public pension plans are for the exclusive benefit of eligible employees and their beneficiaries; amending Minnesota Statutes 1982, sections 356.61; 354A.021, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 356.

May 21, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 652, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 652 be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 3A.03, subdivision 2, is

amended to read:

Subd. 2. [~~REFUNDMENT REFUND.~~] (1) Any person who has made contributions pursuant to subdivision 1 who is no longer a member of the legislature and ~~has less than eight years service as a member of the legislature and is not receiving, has not received, or is not entitled to receive any allowance or benefit under this chapter~~ is entitled to receive upon application to the director a ~~refundment refund~~ of all contributions credited to ~~his~~ the member's account ~~without with interest thereon at the rate of 3-1/2 percent per annum compounded annually after the third year of service.~~

(2) The ~~refundment refund~~ of contributions as provided in clause (1) above terminates all rights of a former member of the legislature or his or her survivors under this chapter. Should the former member of the legislature again be a member of the legislature after having taken a ~~refundment refund~~ as provided above, he or she shall be considered a new member. However, ~~such a~~ new member may reinstate the rights and credit for service forfeited, provided the new member repays all ~~refundments refunds~~ taken plus interest thereon at six percent per annum compounded annually.

(3) No person shall be required to apply for or accept a ~~refundment refund~~.

Sec. 2. Minnesota Statutes 1982, section 3A.11, subdivision 1, is amended to read:

Subdivision 1. The reserves necessary to fund the retirement allowance granted pursuant to section 3A.02 to a former legislator upon retirement ~~and any survivor benefits which may become payable,~~ shall be transferred by the director to the Minnesota post-retirement investment fund as of the date benefits begin to accrue in accord with section 11A.18. The amount of the transfer made hereunder shall be determined by an approved actuary as defined in section 352.01, subdivision 15, in accord with an appropriate mortality table using an interest assumption set at the rate specified in section 356.215, subdivision 4, clause (4).

Sec. 3. Minnesota Statutes 1982, section 352.01, subdivision 13, is amended to read:

Subd. 13. [SALARY.] "Salary" means any compensation paid to any employee including wages, allowances, and fees, *but excluding amounts of severance pay.*

Sec. 4. Minnesota Statutes 1982, section 352B.08, subdivision 2, is amended to read:

Subd. 2. The annuity shall be paid in monthly installments equal to that portion of the average monthly salary of the member multiplied by 2-1/2 percent for each year and pro rata for completed months of service not exceeding 25 years and two percent for each year and pro rata for completed months of service in excess of 25 years. "Average monthly salary" shall mean the average of the monthly salaries for the five highest successive years of service as a member. The monthly salary for the period prior to July 2, 1969 shall be deemed to be \$600. The term "average monthly salary" shall not include any *amounts of severance pay or any reduced salary paid during the period the person is entitled to benefit payments from the workers' compensation court of appeals for temporary disability.* In lieu of

the single life annuity herein provided, the member or former member with ten years or more of service may elect a joint and survivor annuity, payable to a designated beneficiary for life, adjusted to the actuarial equivalent value of the single life annuity. The joint and survivor annuity elected by a member may also provide that the elected annuity be reinstated to the single life annuity herein provided, if after drawing the elected joint and survivor annuity, the designated beneficiary dies prior to the death of the member. This reinstatement shall not be retroactive but shall be in effect for the first full month subsequent to the death of the designated beneficiary. This additional joint and survivor option with reinstatement clause shall be adjusted to the actuarial equivalent value of a regular single life annuity.

Sec. 5. Minnesota Statutes 1982, section 352C.09, subdivision 2, is amended to read:

Subd. 2. (1) Any person who has made contributions pursuant to subdivision 1 who is no longer a constitutional officer or commissioner ~~and is not receiving and has not received, or is not entitled to receive any allowance or benefit under the provisions of this chapter~~ is entitled to receive upon application to the director a refund of all contributions credited to his or her account ~~without with interest thereon~~ *at the rate of 3-1/2 percent per annum compounded annually after the third year of service.*

(2) The refund of contributions as provided in clause (1) above terminates all rights of a former constitutional officer or commissioner or his or her survivors under the provisions of this chapter. Should the former constitutional officer or commissioner again hold such office after having taken a refund as provided above, he or she shall be considered a new member ~~for all purposes and such refund may not be repaid for any credit or benefit whatever and may reinstate the rights and credit for service forfeited provided he or she repays all refunds previously taken plus interest at six percent per annum compounded annually.~~

(3) No person shall be required to apply for or accept a refund.

Sec. 6. Minnesota Statutes 1982, section 353.01, subdivision 10, is amended to read:

Subd. 10. [SALARY.] "Salary" means the periodical compensation of any public employee, before deductions for deferred compensation or supplemental retirement plans, and also means "wages" and includes net income from fees. *Fees paid to district court reporters shall not be considered a salary.* Lump sum annual leave payments and severance payments shall not be deemed to be salary. Prior to the time that all sick leave has been used, amounts paid to an employee pursuant to a disability insurance policy or program where the employer paid the premiums shall be considered salary, and after all sick leave has been used, the payment shall not be considered salary. Workers' compensation payments shall not be considered salary.

Sec. 7. Minnesota Statutes 1982, section 353.27, subdivision 9, is amended to read:

Subd. 9. [FEE OFFICERS; CONTRIBUTIONS; OBLIGATIONS OF EMPLOYERS.] Any appointed or elected officer of a governmental subdivision who was or is a "public employee" within the meaning of section 353.01

and was or is a member of the fund and whose salary was or is paid in whole or in part from revenue derived by fees and assessments, shall pay his employee contribution in the amount, at the time, and in the manner provided in subdivisions 2 and 4. *This subdivision shall not apply to district court reporters.* The employer contribution as provided in subdivision 3, and the additional employer contribution as provided in subdivision 3a, and section 353.36, subdivision 2a, with respect to such service shall be paid by the governmental subdivision. This subdivision shall have both retroactive and prospective application as to all such members; and every employing governmental subdivision is deemed liable, retroactively and prospectively, for all employer and additional employer contributions for every such member in its employ. Delinquencies under this section shall be governed in all respects by section 353.28.

Sec. 8. Minnesota Statutes 1982, section 353.30, is amended by adding a subdivision to read:

Subd. 1b. Any person with 30 years or more of allowable service credit, who elects early retirement under subdivision 1, shall receive an annuity reduced by one-quarter of one percent for each month that the member is under age 62 at the time of retirement.

Sec. 9. Minnesota Statutes 1982, section 354A.011, subdivision 4, is amended to read:

Subd. 4. [ALLOWABLE SERVICE.] "Allowable service" means any service rendered by a member during a period in which the member receives salary from which employee contribution salary deductions are made to and credited by the teachers retirement fund association or any service rendered by a person during any period where assessments or payments in lieu of salary deductions were made if authorized by any law or provision of the association's articles of incorporation or bylaws then in effect or pursuant to section 354A.091, ~~354.092, 354.093, or 354.094~~ 354A.092, 354A.093, or 354A.094.

Sec. 10. Minnesota Statutes 1982, section 354A.021, is amended by adding a subdivision to read:

Subd. 6. [TRUSTEES' FIDUCIARY OBLIGATION.] It is the duty of the trustees or directors of each teachers retirement fund association to administer each fund in accordance with the applicable portions of this chapter, of the articles of incorporation, and of the bylaws. They shall act as trustees with a fiduciary obligation to the state of Minnesota which created the fund, the taxpayers which aid in financing it, and the teachers who are its beneficiaries. The purpose of this subdivision is to establish each teachers retirement fund association as a trust under the laws of the state of Minnesota for all purposes related to section 401(a) of the Internal Revenue Code of the United States, including all amendments.

Sec. 11. Minnesota Statutes 1982, section 354A.11, is amended to read:

354A.11 [CERTAIN MONEYS AND CREDITS OF TEACHERS EX-EMPT.]

All moneys deposited by a teacher or member or deposited by any other person or corporation, municipal or private, to the credit of a teacher or

member of a teachers retirement fund association organized pursuant to this chapter, and all moneys, rights, and interests or annuities due or to become due to a teacher, member, or annuitant, or their beneficiaries, from any association shall not be assignable, shall be exempt from garnishment, attachment, and execution or sale on any final process issued from any court and every other legal process whatsoever including, but not limited to, ~~divorce process to collect court awards relating to marriage dissolution~~, legal separation, and child support, and shall not be subject to the estate tax provisions of this state. *This section does not make the moneys nonmarital property.*

Sec. 12. Minnesota Statutes 1982, section 354A.32, is amended to read:

354A.32 [OPTIONAL RETIREMENT ANNUITIES.]

The boards of the Minneapolis and the St. Paul teachers retirement fund associations shall each establish for the coordinated program and the board of the Duluth teachers retirement fund association shall establish for the new law coordinated program an optional retirement annuity which shall take the form of a joint and survivor annuity. Each board may also in its discretion establish an optional annuity which shall take the form of an annuity payable for a period certain and for life thereafter. Each board shall also establish an optional retirement annuity which shall take the form of a guarantee that in the event of death the balance of the accumulated deductions shall be paid to a designated beneficiary. All optional forms shall be the actuarial equivalent of the normal forms provided in section 354A.31. In establishing these optional forms, the board shall obtain the written recommendation of an approved actuary and the recommendation shall be a part of the permanent records of the board.

In the event of the death of the designated beneficiary of a retired member who had elected an optional annuity, the member shall thereafter receive the unreduced amount of the earned benefit computed pursuant to 354A.31.

Sec. 13. Minnesota Statutes 1982, section 354A.35, subdivision 2, is amended to read:

Subd. 2. [DEATH WHILE ELIGIBLE TO RETIRE; SURVIVING SPOUSE OPTIONAL ANNUITY.] *The surviving spouse of any coordinated member who has attained the age of at least 55 years and has credit for at least 20 years of service or has credit for at least 30 years of service regardless of age shall be entitled to elect a joint and survivor annuity covering the spouse of the member. If a coordinated member has elected a joint and survivor annuity pursuant to this subdivision and the member dies prior to retirement, coverage in the event of death of the member prior to retirement. The member's surviving spouse shall be paid a joint and survivor annuity as provided in section 354A.32 and computed pursuant to section 354A.31. The benefits shall be payable for life.*

Sec. 14. Minnesota Statutes 1982, section 356.30, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY; COMPUTATION OF ANNUITY.] (1) Notwithstanding any provisions to the contrary of the laws governing the funds enumerated in subdivision 3, a person who has met the qualifications of clause (2) may elect to receive a retirement annuity from each fund in

which the person has at least six months allowable service, based on the allowable service in each fund, subject to the provisions of clause (3).

(2) A person may receive upon retirement, in lieu of any augmentation of deferred annuities provided by laws governing the funds enumerated in subdivision 3, a retirement annuity from each fund in which the person has at least six months allowable service if

(a) the person has allowable service totaling ten or more years in any two or more of ~~such the enumerated funds and~~ ;

(b) the person has at least six months of allowable service with the last such fund earned during ~~his the~~ last period of employment; and

(c) the person has not begun to receive an annuity from any ~~such funds, may, upon retirement, in lieu of any augmentation of deferred annuities provided by the laws of such funds, elect to receive a retirement annuity enumerated fund or the person has made application for benefits from all funds within a six month period.~~

(3) The retirement annuity from each fund in which ~~he has allowable service, shall be~~ based upon the allowable service in each fund, except that:

(a) The laws governing annuities shall be the law in effect on the date of ~~his~~ final termination from the last public service under a covered fund;

(b) The "average salary" on which the annuity from each covered fund in which the employee has credit in a formula plan shall be based on the employee's highest five successive years of covered salary during ~~his the~~ entire service in covered funds;

(c) The formula percentages to be used by each fund shall be those percentages prescribed by each fund's formula as continued for the respective years of allowable service from one fund to the next, recognizing all previous allowable service with the other covered funds; ~~and~~ .

(d) Allowable service in all the funds shall be combined in determining eligibility for and the application of each fund's provisions in respect to actuarial reduction in the benefit amount for retirement prior to normal retirement.

(e) The benefit amount payable for any allowable service under a nonformula plan of a covered fund shall not be affected but such service and covered salary shall be used in the above calculation.

(f) This section shall not apply to any person whose final termination from the last public service under a covered fund is prior to May 1, 1975.

(g) For the purpose of computing benefits under this section the formula percentages used by any covered fund shall in no event exceed two and one-half percent per year of service for any year of service or fraction thereof.

(h) Any period of time for which a person has credit in more than one of the covered funds shall be used only once for the purpose of determining total allowable service. ~~Such period shall be used in the computation of the benefit by the fund having primary and principal coverage prior to and following the period. However, if such dual coverage is the result of two part time~~

employments each fund shall apply a pro rata fraction of its formula:

(i) If the period of duplicated service credit is more than six months, or the person has credit for more than six months with each of the funds, each fund shall apply its formula to a pro-rated service credit for the period of duplicated service based on a fraction of the salary on which deductions were paid to that fund for the period divided by the total salary on which deductions were paid to all funds for the period.

(j) If the period of duplicated service credit is less than six months, or when added to other service credit with that fund is less than six months, the service credit shall be ignored and a refund of contributions made to the person in accord with that fund's refund provisions.

Sec. 15. Minnesota Statutes 1982, section 356.301, is amended to read:

356.301 [RECOGNITION OF MULTIPLE RETIREMENT FUND COVERAGE FOR DISABILITY BENEFIT ENTITLEMENT.]

Notwithstanding any provisions to the contrary of the laws governing the funds enumerated in section 356.30, subdivision 3, in determining the length of service for the purpose of meeting the service requirement for entitlement for a disability benefit, but not for the purpose of establishing service credit for the calculation of the amount of a disability benefit, service covered by any retirement fund as defined in section ~~356.60, subdivision 1, clause (a)~~ 356.61, shall be recognized.

If the law governing any fund enumerated in section 356.30, subdivision 3 requires a specified length of allowable service under that fund since the last termination of covered employment to be eligible for a disability benefit, an employee transferring from a covered position under one fund to a covered position under another fund within a 30-day period shall be considered to have been employed continuously for the purpose of qualifying the employee for a disability benefit.

Sec. 16. Minnesota Statutes 1982, section 356.61, is amended to read:

356.61 [LIMITATION ON PUBLIC EMPLOYEE RETIREMENT ANNUITIES.]

Notwithstanding any provision of law, bylaws, articles of incorporation, retirement and disability allowance plan agreements or retirement plan contracts to the contrary, no person who has pension or retirement coverage by a public pension plan shall be entitled to receive a monthly retirement annuity or disability benefit which, at the time of commencement of the retirement annuity or disability benefit, exceeds *the lesser of:*

(a) the amount of the final monthly salary of the person; or

(b) one-twelfth of the amount of the annual benefit permitted by the terms of section 415 of the Internal Revenue Code with respect to a participant in a plan qualified under section 401(a) of the Internal Revenue Code, as amended through December 31, 1982.

A public pension plan is any Minnesota public pension plan or fund which provides pension or retirement coverage for public employees other than volunteer firefighters, including any plan or fund enumerated in sections 356.20, subdivision 2, or 356.30, subdivision 3, any local police or fire-

fighter's relief association to which section 69.77 applies, or any retirement or pension plan or fund, including a supplemental retirement plan or fund, established, maintained or supported by any governmental subdivision or public body whose revenues are derived from taxation, fees, assessments or from other public sources. Final monthly salary is the hourly rate of compensation received by the person on account of the most recent public employment for the final pay period occurring prior to retirement multiplied by 174.

The figure for the monthly retirement annuity or disability benefit to be used for the calculation of this limitation shall not include any reduction or adjustment required for retirement prior to the normal retirement age or required for the election of an optional annuity.

If the figure for the monthly retirement annuity or disability benefit exceeds the limit contained in this section, the annuity or benefit payable shall be reduced appropriately.

The managing board of each public pension plan from which a retirement annuity or disability benefit is payable shall, at the time that the retirement annuity or disability benefit commences, contact all other public pension plans to determine whether or not the recipient of the retirement annuity or disability benefit is also receiving or is entitled to receive a retirement annuity or disability benefit from any other public pension plan. If a person is entitled to receive or is receiving a retirement annuity or disability benefit from more than one public pension plan, all retirement annuities or disability benefits from all public pension plans shall be totalled in determining whether or not the limitation shall apply; provided however, that the limitation shall be based on the highest final monthly salary received by the individual from any plan. Any reduction in the amount of the retirement annuity or disability benefit required pursuant to this section shall be made by the public pension plan which provided retirement coverage for the most recent period of service.

Sec. 17. Minnesota Statutes 1982, section 356.65, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, unless the context clearly indicates otherwise, the following terms shall have the meanings given to them:

(a) "Public pension fund" means any public pension plan as defined in section ~~356.60, subdivision 1, clause (a)~~ 356.61 and any Minnesota volunteer firefighters relief association which is established pursuant to chapter 424A and governed pursuant to sections 69.771 to 69.776.

(b) "Unclaimed public pension fund amounts" means any amounts representing accumulated member contributions, any outstanding unpaid annuity, service pension or other retirement benefit payments, including those made on warrants issued by the commissioner of finance, which have been issued and delivered for more than six years prior to the date of the end of the fiscal year applicable to the public pension fund, and any applicable interest to the credit of:

(1) an inactive or former member of a public pension fund who is not titled to a defined retirement annuity and who has not applied for a refund

of those amounts within five years after the last member contribution was made;

(2) a deceased inactive or former member of a public pension fund if no survivor is entitled to a survivor benefit and no survivor, designated beneficiary or legal representative of the estate has applied for a refund of those amounts within five years after the date of death of the inactive or former member.

Sec. 18. Minnesota Statutes 1982, section 422A.05, subdivision 1, is amended to read:

Subdivision 1. ~~Except as otherwise provided by law~~ The members of the retirement board shall be the trustees and custodians of the several funds created by sections 422A.01 to 422A.25 and shall have exclusive control and management of these funds, and power to invest them and to hold, purchase, sell, assign, transfer, or dispose of any of the securities and investments in which any of the funds created by sections 422A.01 to 422A.25 shall have been invested as well as the proceeds of the investments, and of the money belonging to these funds.

Sec. 19. Minnesota Statutes 1982, section 422A.05, is amended by adding a subdivision to read:

Subd. 2d. Notwithstanding any law to the contrary, the retirement board, subject to the standards of subdivision 2a of this section, may transfer assets between accounts established by section 422A.06.

Sec. 20. Minnesota Statutes 1982, section 422A.23, subdivision 2, is amended to read:

Subd. 2. Upon the death of a contributing member after having been in the city service not less than 18 months but before the effective date of retirement, the board shall in lieu of the settlement hereinbefore provided pay to the surviving ~~dependent~~ spouse and/or ~~dependent~~ children of the member under the age of 18, or under the age of 22 if a full time student at an accredited school, college or university, and single, the following monthly benefit:

(a) Surviving spouse ~~\$150~~ \$325 per month, *except for benefits beginning after July 1, 1983, which shall be 30 percent of member's average salary in effect over the last six months of allowable service preceeding the month in which the death occurred.*

(b) Each ~~dependent~~ surviving child ~~\$100~~ \$150 per month, *except for benefits beginning after July 1, 1983, which shall be ten percent of the member's average salary in effect over the last six months of allowable service preceeding the month in which the death occurred.* Payments for the benefit of any ~~dependent~~ child under the age of 18 years shall be made to the surviving parent, or if there be none, to the legal guardian of such child. The maximum monthly benefit shall not exceed a total of ~~\$450~~ \$750.

Sec. 21. Minnesota Statutes 1982, section 424A.02, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] Any volunteer firefighters' relief association or volunteer firefighters' division or account of a partially sala-

ried and partially volunteer firefighters' relief association organized and incorporated under chapter 317 and any laws of the state and directly associated with a fire department established by municipal ordinance or any separate incorporated volunteer firefighters' relief association subsidiary to and providing service pension and retirement benefit coverage for members of an independent nonprofit firefighting corporation organized under the provisions of chapter 317 and operating exclusively for fire fighting purposes, whether or not the nonprofit firefighting corporation qualifies for fire state aid pursuant to chapter 69, when its articles of incorporation or bylaws so provide, may pay out of the assets of the special fund of the volunteer firefighters' relief association or volunteer firefighters' account, a service pension to each of its members who separates from active service with the fire department or the independent nonprofit firefighting corporation, who reaches the age of 50 years and who completes at least ten years of active service as an active member of the municipal fire department to which the relief association is associated or of the independent nonprofit firefighting corporation to which the relief association is subsidiary, and who completes at least ten years of active membership with the volunteer firefighters' relief association or volunteer firefighters' account prior to separation from active service and who complies with any additional conditions as to age, service and membership which are prescribed by the bylaws of the relief association. In the case of a member who has completed at least ten years of active service as an active member of the municipal fire department to which the relief association is associated or of the independent nonprofit firefighting corporation to which the relief association is subsidiary on the date that the volunteer firefighters' relief association is established and incorporated, the requirement that the member complete at least ten years of active membership with the volunteer firefighters' relief association or volunteer firefighters' account prior to separation from active service may be waived by the board of trustees of the relief association if the member completes at least ten years of inactive membership with the volunteer firefighters' relief association or volunteer firefighters' account prior to the payment of the service pension. During the period of inactive membership, the member shall not be entitled to receive any disability benefit coverage, shall not be entitled to receive any additional service credit towards computation of a service pension, and shall be deemed to have the status of a person entitled to a deferred service pension pursuant to subdivision 7.

No municipality or nonprofit firefighting corporation is authorized to delegate the power to take final action in setting a service pension or retirement benefit amount or level to the board of trustees of the volunteer firefighters relief association or to approve in advance a service pension or retirement benefit amount or level equal to the maximum amount or level which this chapter would allow rather than a specific dollar amount or level.

No volunteer firefighters' relief association or volunteer firefighters' division or account of a partially salaried and partially volunteer firefighters' relief association is authorized to pay a service pension or disability benefit to any former member of the relief association if that person has not separated from active service with the fire department to which the volunteer firefighters' relief association is directly associated or with the independent nonprofit firefighting corporation to which the volunteer firefighters' relief association is subsidiary.

For the purposes of this chapter, "to separate from active service" means

to cease to perform fire suppression duties and to cease to supervise fire suppression duties.

Sec. 22. Minnesota Statutes 1982, section 490.124, subdivision 4, is amended to read:

Subd. 4. [DISABILITY RETIREMENT.] From and after disability retirement date, a disabled judge shall be entitled to ~~(a)~~ continuation of ~~his~~ the judge's full salary payable by the judge's employer, as if ~~his~~ the judge's office were not vacated by retirement, for a period of up to two full years, ~~and~~ ~~(b)~~ but in no event beyond the judge's mandatory retirement date. Thereafter a disability retirement annuity computed as provided in subdivision 1 shall be paid, provided that ~~such~~ the judge shall receive a minimum annuity of 25 percent of ~~his~~ the judge's final average compensation.

Sec. 23. [356.001] [PURPOSE OF PUBLIC PLANS.]

Subdivision 1. [EXCLUSIVE BENEFIT OF MEMBERS AND BENEFICIARIES.] *The public plans and funds specified in subdivision 4 are established to provide for the retirement of their members and to provide funds for the beneficiaries of members in the event of death of a member. The public plans and funds are established and shall be maintained for the exclusive benefit of the members and the beneficiaries of the members. Except as provided in subdivisions 2 and 3, no part of the moneys of the plans and funds shall revert to the plan or fund or be used for or diverted to purposes other than the exclusive benefit of the members or their beneficiaries.*

Subd. 2. [ALLOWABLE EXPENSES.] *The necessary, reasonable, and direct expenses of maintaining, protecting, and administering the public plan or fund, as authorized in the laws governing the plan or fund, shall be considered as expenditures for the exclusive benefit of the members or their beneficiaries.*

Subd. 3. [EFFECT OF AMENDMENTS OR TERMINATION.] *If a public plan or fund as defined in subdivision 4 is terminated or the plan or fund provisions are amended, no part of the moneys held in the plan or fund shall be used for or diverted to any purpose other than the exclusive benefit of the members or their beneficiaries, except as provided in this subdivision.*

If a plan or fund is terminated, all affected members have a nonforfeitable interest in their benefits accrued and funded to date. The value of the accrued benefits to be credited to the account of each affected member shall be calculated as of the date of termination and the funding ratio of the plan or fund applied to the accrued benefit of each affected member.

The board of trustees of the plan or fund shall then, as soon as administratively feasible, pay each eligible member or beneficiary on behalf of a member the amount in the member's account in a lump sum. In the case of a member whose whereabouts is unknown, the board shall notify the member at the last known address by certified mail with return receipt requested advising the member of the member's right to a pending distribution. If the member cannot be located in this manner, the board shall establish a custodial account for the member's benefit in a federally insured bank, savings and loan association, or credit union in which the member's account balance shall be deposited. If the board receives proof of death of a member that is satisfactory to the board, the account balance shall be paid to the beneficiary

of the member.

Subd. 4. [COVERED PLANS AND FUNDS.] This section applies to all public pension and retirement plans and funds established pursuant to the laws of the state of Minnesota that receive contributions from moneys derived from taxation.

Subd. 5. [CONSTRUCTION.] Nothing contained in this section shall be construed to authorize, or otherwise imply, a legislative policy or intent favoring the termination of any plan or fund to which this section applies.

Sec. 24. [AUTHORITY TO PURCHASE SERVICE CREDIT FOR PERIODS OF VOLUNTARY UNPAID LEAVES OF ABSENCE.]

Any employee in the executive branch of state government who took an unpaid leave of absence as authorized by Laws 1982, Third Special Session chapter 1, article 2, section 8, shall be entitled to service credit for the period of the leave of absence upon payment to the fund before July 1, 1984. The amount of the payment shall include the applicable employee, employer and employer additional contributions in effect for the period of leave. The payment shall be based on the member's average monthly salary upon return to service following the leave and shall be without interest. Repayment shall be accompanied by a copy of the approval of leave by the appointing authority.

The executive director of the retirement system may require additional documentation as necessary.

Sec. 25. Laws 1983, chapter 84, section 1, is amended to read:

Section 1. [PENSION COVERAGE.]

Notwithstanding Minnesota Statutes, section 353.64, subdivision 1, or any other general or special law to the contrary, a person employed by the county of Polk as a deputy sheriff, on the effective date of this act shall be deemed to have been a member of the public employees police and fire fund established by Minnesota Statutes, sections 353.63 to 353.68 and not of the Crookston police relief association for the period from ~~January 1, 1953~~ *November 1, 1952 to December 31, 1957*, when that person was employed as an officer by the Crookston police department. The amount and manner of payment shall be governed by the provisions of Laws 1982, chapter 578, article II, section 2, subdivisions 1 to 3, as amended. Any employee contributions made to the Crookston policeman's relief association shall be transferred to the public employees police and fire fund as a portion of the employee payment. Upon receipt of the required amounts by the public employees police and fire fund, credit shall be given to the officer for service as a member for the period ~~from January 1, 1953 to December 31, 1957~~ *specified.*

Sec. 26. [REPEALER.]

Minnesota Statutes, sections 422A.05, subdivision 7; and 422A.23, subdivision 3; and Laws 1982, chapter 519, section 4, are repealed.

Sec. 27. [EFFECTIVE DATE; LOCAL APPROVAL.]

This act is effective the day following final enactment, subject to the following conditions. Sections 1 and 5 apply to applications for refunds filed

after July 1, 1983. Section 8 and the repeal of Laws 1982, chapter 519, section 4, are retroactive to July 1, 1982. Sections 10, 16, and 23 are retroactive to January 1, 1983. Sections 18, 19, and 20 are effective upon approval by the Minneapolis city council and compliance with Minnesota Statutes, section 645.021."

Delete the title and insert:

"A bill for an act relating to public retirement funds; providing interest on refunds and removing erroneous language from the legislators plan; excluding severance pay in annuity computation and authorizing the purchase of service credit in the state retirement system for certain periods of unpaid leave; excluding severance pay in computing state patrol annuities; authorizing payment of interest on refunds to constitutional officers; excluding court reporter's fees from salary computation and reinstating retroactively an actuarial valuation reduction for certain public employees retirement association members; providing for a fiduciary obligation of trustees, clarifying the exemption of moneys from legal process, and increasing survivor benefits for first class city teachers associations; providing that moneys of public plans are for the exclusive benefit of participants; clarifying treatment of periods of duplicated public service credit; allowing certain public employees to retain service credit for disability benefit purposes upon a change in employment; conforming to federal limits on annual benefits; authorizing asset transfers between accounts and increasing survivor benefits for the Minneapolis municipal fund; clarifying the definition of separation from active service for volunteer firefighters; clarifying the period during which a disabled judge is entitled to full salary; correcting erroneous dates in a buyback authorization for a Crookston police officer; amending Minnesota Statutes 1982, sections 3A.03, subdivision 2; 3A.11, subdivision 1; 352.01, subdivision 13; 352B.08, subdivision 2; 352C.09, subdivision 2; 353.01, subdivision 10; 353.27, subdivision 9; 353.30, by adding a subdivision; 354A.011, subdivision 4; 354A.021, by adding a subdivision; 354A.11; 354A.32; 354A.35, subdivision 2; 356.30, subdivision 1; 356.301; 356.61; 356.65, subdivision 1; 422A.05, subdivision 1; 422A.05, by adding a subdivision; 422A.23, subdivision 2; 424A.02, subdivision 1; 490.124, subdivision 4; amending Laws 1983, chapter 84, section 1; proposing new law coded in Minnesota Statutes, chapter 356; repealing Minnesota Statutes, sections 422A.05, subdivision 7; 422A.23, subdivision 3; and Laws 1982, chapter 519, section 4, are repealed."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) John Sarna, Frank J. Rodriguez, James Metzen, John T. Clawson, Richard E. Wigley

Senate Conferees: (Signed) Collin C. Peterson, Earl W. Renneke, Randolph W. Peterson, Dennis R. Frederickson, Donald M. Moe

Mr. Peterson, C.C. moved that the foregoing recommendations and Conference Committee Report on H.F. No. 652 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 652 was read the third time as amended by the Conference

Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Knutson	Novak	Reichgott
Anderson	Frank	Kronebusch	Olson	Renneke
Belanger	Frederickson	Laidig	Pehler	Schmitz
Benson	Freeman	Lantry	Peterson, C. C.	Sieloff
Berglin	Hughes	Lessard	Peterson, D. C.	Solon
Bertram	Isackson	Luther	Peterson, D. L.	Spear
Chmielewski	Johnson, D. E.	McQuaid	Peterson, R. W.	Taylor
Dahl	Johnson, D. J.	Mehrkens	Petty	Ulland
Davis	Jude	Merriam	Pogemiller	Vega
DeCramer	Kamrath	Moe, R. D.	Purfeerst	
Diessner	Knaak	Nelson	Ramstad	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

Pursuant to Rule 22, Ms. Reichgott requested to be excused from voting on all matters pertaining to H.F. No. 722. Without objection, she was excused.

SPECIAL ORDER

H.F. No. 722: A bill for an act relating to cable communications; defining terms; requiring access by cable communications companies; imposing conditions of access; limiting certain actions of property owners; allowing appeal and specifying the process for appeal and for access to property pending decision on appeal; specifying certain prohibitions; amending Minnesota Statutes 1982, section 238.02, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 238.

Mr. Frank moved that the amendment made to H.F. No. 722 by the Committee on Rules and Administration in the report adopted May 19, 1983, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

Mr. Frank moved to amend H.F. No. 722 as follows:

Page 2, line 23, after "*condominium*" insert "*, cooperative, or*"

Page 2, line 26, before the period, insert "*, or person known to the cable communications company to be an owner, or the authorized agent of the person*"

Page 3, line 11, delete "*cable*"

Page 4, line 12, before the period, insert "*or other communications service*"

Page 4, after line 34, insert:

"Subd. 9. [NOT RETROACTIVE.] Nothing in sections 3 to 8 affects the validity of an agreement effective before the effective date of this act between a property owner, a cable communications company, or any other person

providing communications services on or within the premises of the property owner."

Page 5, line 19, after the period, insert "*Failure to notify the cable communications company within 45 days as provided under this paragraph constitutes a refusal of the offer and a denial of access.*"

Page 7, line 3, before "DISMISSAL" insert "JUDGMENT;"

Page 7, line 3, before "The" insert "(a) The court shall enter judgment no sooner than ten days after it has filed its determination of damages.

(b)"

Page 8, line 4, delete "Any person violating this"

Page 8, line 5, delete "subdivision is guilty of a misdemeanor."

Page 8, line 11, after the period, insert "*Except for applicable governmental regulations, these easements do not include any limitation on the type, number, or size of cables or related cable communication system components.*"

Page 8, line 15, before the period insert "*and to make changes to the cables or related cable communication systems components. Changing technology has caused and will continue to cause over time the development of new cable communications services requiring changing uses of existing utility easements.*"

Mr. Wegscheid moved to amend the Frank amendment to H.F. No. 722 as follows:

Page 1, line 12, delete "*effective before the*"

Page 1, line 13, delete "*effective date of this act*"

The motion did not prevail. So the amendment to the Frank amendment was not adopted.

The question recurred on the Frank amendment.

The roll was called, and there were yeas 36 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Laidig	Peterson, D.C.	Taylor
Belanger	Frank	Langseth	Pogemiller	Ulland
Benson	Frederickson	Lantry	Renneke	Vega
Berglin	Freeman	Luther	Schmitz	Willett
Bertram	Hughes	McQuaid	Sieloff	
Chmielewski	Isackson	Moe, R. D.	Solon	
Dahl	Jude	Novak	Spear	
Diessner	Kamrath	Pehler	Storm	

Messrs. DeCramer, Knaak and Wegscheid voted in the negative.

The motion prevailed. So the amendment was adopted.

Mr. Spear moved to amend H.F. No. 722 as follows:

Page 4, after line 34, insert:

"*Subd. 9. [CHANNEL CAPACITY.] (a) A property owner must provide access by a franchised cable communications company, as required under*

section 4, only if that cable company installs equipment with channel capacity sufficient to provide access to other providers of television programming or cable communications services so that residents or association members have a choice of alternative providers of those services. If the equipment is installed, the cable communications company shall allow alternative providers to use the equipment. If some of the residents or association members choose to subscribe to the services of an alternative provider, the cable company that installed the equipment shall be reimbursed by the other providers for the cost of equipment and installation on the property on a pro rata basis which reflects the number of subscribers of each provider on that property to the total number of subscribers on that property. In determining the pro rata amount of reimbursement by any alternative provider, the cost of equipment and installation shall be reduced to the extent of cumulative depreciation of that equipment at the time the alternative provider begins providing service.

(b) If equipment is already installed as of the effective date of this section with channel capacity sufficient to allow access to alternative providers, the access and pro rata reimbursement provisions of paragraph (a) apply.

(c) The board shall promulgate rules to implement the provisions of this section."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 19, as follows:

Those who voted in the affirmative were:

Anderson	Jude	Nelson	Pogemiller	Taylor
Chmielewski	Kamrath	Novak	Ramstad	Ulland
Dahl	Knaak	Olson	Renneke	Waldorf
DeCramer	Kronebusch	Peterson, D.C.	Schmitz	Wegscheid
Dicklich	Lessard	Peterson, D.L.	Sieloff	
Diessner	Luther	Peterson, R.W.	Spear	
Dieterich	McQuaid	Petty	Storm	

Those who voted in the negative were:

Adkins	Frank	Isackson	Langseth	Stumpf
Belanger	Frederickson	Johnson, D.J.	Lantry	Vega
Bernhagen	Freeman	Kroening	Moe, R. D.	Willet
Bertram	Hughes	Laidig	Solon	

The motion prevailed. So the amendment was adopted.

Mr. Jude moved to amend H.F. No. 722 as follows:

Page 2, after line 13, insert:

"Sec. 3. [238.135] [LINES CROSSING OVERHEIGHT MOVING ROUTES.]

After July 1, 1983, any cable communications company needing to construct, extend, or replace cable communications transmission lines which cross a street or highway designated by the state or by the applicable city or county as an overheight moving corridor route shall locate the new or replacement transmission lines either underground or at a height not less than 24 feet above the surface of the roadway."

Renumber the sections in sequence

Correct the internal references

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 27, as follows:

Those who voted in the affirmative were:

Berglin	Isackson	Novak	Sieloff	Wegscheid
Dahl	Jude	Olson	Stumpf	
DeCramer	Knaak	Petty	Taylor	
Diessner	McQuaid	Schmitz	Waldorf	

Those who voted in the negative were:

Adkins	Chmielewski	Kamrath	Pehler	Storm
Anderson	Dieterich	Kroening	Peterson, D. C.	Vega
Belanger	Frank	Kronebusch	Peterson, R. W.	Willet
Berg	Freeman	Laidig	Ramstad	
Bernhagen	Hughes	Langseth	Renneke	
Bertram	Johnson, D.J.	Lantry	Spear	

The motion did not prevail. So the amendment was not adopted.

Mr. Wegscheid moved to amend H.F. No. 722 as follows:

Page 3, line 2, before the period, insert "*subject to the limitation set forth under subdivision 3*"

Page 3, after line 11, insert:

"*Subd. 3. [LIMITATION.] A property owner need not provide access to a cable communications company, as required under subdivision 1, unless the city council of the municipality in which the property owner's premises is located approves by ordinance the granting of access under that subdivision.*"

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 9 and nays 35, as follows:

Those who voted in the affirmative were:

Davis	Diessner	Knaak	Schmitz	Willet
DeCramer	Jude	Moe, D. M.	Wegscheid	

Those who voted in the negative were:

Adkins	Dahl	Langseth	Peterson, C. C.	Spear
Anderson	Frank	Lantry	Peterson, D. C.	Storm
Belanger	Freeman	Luther	Peterson, R. W.	Stumpf
Berglin	Johnson, D.J.	Moe, R. D.	Petty	Taylor
Bernhagen	Kroening	Novak	Ramstad	Ulland
Bertram	Kronebusch	Olson	Renneke	Vega
Chmielewski	Laidig	Pehler	Sieloff	Waldorf

The motion did not prevail. So the amendment was not adopted.

Mr. Knaak moved that H.F. No. 722, No. 21 on Special Orders, be stricken and re-referred to the Committee on Public utilities and State Regulated Industries.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 19 and nays 29, as follows:

Those who voted in the affirmative were:

Benson	Johnson, D.E.	Lessard	Peterson, D.L.	Ulland
DeCramer	Jude	Mehrkens	Ramstad	Waldorf
Diessner	Kamrath	Moe, D. M.	Storm	Wegscheid
Isackson	Knaak	Olson	Taylor	

Those who voted in the negative were:

Adkins	Dahl	Johnson, D.J.	Novak	Renneke
Anderson	Davis	Laidig	Pehler	Sieloff
Belanger	Dieterich	Langseth	Peterson, D.C.	Spear
Berglin	Frank	Lantry	Peterson, R.W.	Vega
Bertram	Frederickson	Luther	Petty	Willet
Chmielewski	Freeman	Moe, R. D.	Pogemiller	

The motion did not prevail.

H.F. No. 722 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

Mr. Wegscheid moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 41 and nays 17, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Kronebusch	Novak	Renneke
Belanger	Frederickson	Laidig	Olson	Solon
Berglin	Freeman	Langseth	Pehler	Spear
Bertram	Hughes	Lantry	Peterson, C.C.	Vega
Chmielewski	Johnson, D.E.	Lessard	Peterson, D.C.	Waldorf
Dahl	Johnson, D.J.	Luther	Peterson, R.W.	
Davis	Jude	McQuaid	Petty	
Dicklich	Knutson	Moe, R. D.	Pogemiller	
Dieterich	Kroening	Nelson	Ramstad	

Those who voted in the negative were:

Anderson	Isackson	Moe, D. M.	Storm	Willet
Berg	Kamrath	Peterson, D.L.	Taylor	
DeCramer	Knaak	Schmitz	Ulland	
Diessner	Mehrkens	Sieloff	Wegscheid	

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 449: A bill for an act relating to elections; limiting campaign expenditures by congressional candidates who choose to receive a public subsidy for their campaigns; clarifying and correcting certain provisions in the Ethics in Government Act; redefining certain terms in relation to congressional candidates; opening to the public certain hearings conducted by the ethical practices board; limiting the applicability of certain provisions of law to state constitutional and state legislative candidates; providing for the reporting of certain contributions received just prior to an election; prohibiting the imposition of a late filing fee under certain circumstances; providing for the termination of certain political committees or political funds

under certain circumstances; providing for the transfer of debts and funds of a principal campaign committee under certain circumstances; providing for filing of campaign reports by certain congressional candidates; proposing expenditure limits for congressional candidates who choose to receive a public subsidy; providing a penalty for exceeding campaign expenditure limits by congressional candidates; changing the designated amount of certain income tax payments; providing for the allocation of party accounts and the general account to certain state and congressional candidates; providing estimates of minimum amounts of public subsidy to be received by certain congressional candidates; requiring signed agreements by congressional candidates who choose to receive a public subsidy; specifying when congressional candidates who accept a public subsidy must return all or part thereof; providing for the return of money from the state elections campaign fund to the general fund; changing the time when certain campaign bills must be rendered; providing for the return of certain late filing fees; making certain technical amendments; imposing penalties; amending Minnesota Statutes 1982, sections 10A.01; 10A.02, subdivision 11, and by adding a subdivision; 10A.04, subdivision 4a; 10A.18; 10A.20, subdivisions 3, 5, and 12; 10A.24; 10A.25; 10A.255; 10A.27; 10A.275; 10A.28; 10A.30; 10A.31; 10A.33; 10A.335; 210A.24; and 290.06, subdivision 11; proposing new law coded in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1982, section 10A.32.

Mr. Luther moved to amend H.F. No. 449, as amended pursuant to Rule 49, adopted by the Senate May 20, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 343.)

Page 14, lines 8, 13, 15, and 20, after "contributors" insert "subject to disclosure under this paragraph"

Page 17, delete lines 20 to 27, and insert:

"Sec. 11. [10A.241] [TRANSFER OF FUNDS AND DEBTS.]

Subdivision 1. [PRINCIPAL CAMPAIGN COMMITTEE TO ANOTHER PRINCIPAL CAMPAIGN COMMITTEE.] Notwithstanding any provisions of this chapter to the contrary, a candidate may:

(1) terminate his principal campaign committee for one state office by transferring all funds and debts of that committee to his principal campaign committee for another state office, provided that any outstanding unpaid bills or loans from the committee being terminated are assumed and continuously reported by the committee to which the transfer is being made until paid or forgiven; and

(2) transfer funds from his principal campaign committee for one state office to his principal campaign committee for another state office, and vice versa.

Subd. 2. [AUTHORIZED COMMITTEE TO PRINCIPAL CAMPAIGN COMMITTEE.] To the extent permitted under federal law and regulations, and notwithstanding any provisions of this chapter to the contrary, a congressional candidate may:

(1) terminate any of his authorized committees for a federal office by transferring all funds and debts of that committee or those committees to his

principal campaign committee for a state office, provided that any outstanding unpaid bills or loans from the committee or committees being terminated are assumed and continuously reported by the committee to which the transfer is being made until paid or forgiven; and

(2) transfer funds from any of his authorized committees for a federal office to his principal campaign committee for a state office, and vice versa.

Subd. 3. [PRINCIPAL CAMPAIGN COMMITTEE TO AUTHORIZED COMMITTEES.] To the extent permitted under federal law and regulations, and notwithstanding any provisions of this chapter to the contrary, a candidate may:

(1) terminate his principal campaign committee for a state office by transferring all funds and debts of that committee to any of his authorized committees for a federal office, provided that any outstanding unpaid bills or loans from the committee being terminated are assumed and continuously reported by the committee or committees to which the transfer is being made until paid or forgiven; and

(2) transfer funds from his principal campaign committee for a state office to any of his authorized committees for a federal office, and vice versa."

Page 19, line 9, strike "\$30,000 or"

Page 19, line 10, strike "whichever is greater" and insert "as adjusted by section 10A.255"

Page 19, lines 24 and 31, before the period, insert ", as adjusted by section 10A.255"

Page 19, line 34, before "Notwithstanding" insert "(a)"

Page 20, line 7, before the period, insert ", as adjusted by section 10A.255; except that, if this subdivision is applicable and the congressional candidate who has signed an agreement was a winning congressional candidate in a contested primary as provided under subdivision 5a, the congressional candidate may make aggregate expenditures equal to 125 percent of the applicable amount as determined under subdivision 5a.

(b) With respect to congressional candidates for representative in congress, and for the purposes of determining the ten percent requirement under paragraph (a), if the "last general election" was the first election after a congressional reapportionment, the congressional candidate voting data for these offices shall be applied to the areas encompassing the newly drawn congressional districts"

Page 21, line 19, delete "and section 10A.27, subdivision 1,"

Page 21, line 30, reinstate the stricken language and delete the new language

Page 21, line 35, delete "(a)"

Page 22, line 4, delete "\$1,500,000 and \$250,000" and insert "\$2,500,000 and \$300,000"

Page 22, delete lines 9 to 19

Page 22, line 32, after the second comma, insert "principal campaign

committee, authorized committee,”

Page 22, line 35, reinstate the stricken language and delete the new language

Page 22, line 36, reinstate the stricken language

Page 23, lines 1, 4, 6, and 8, reinstate the stricken language and delete the new language

Page 23, lines 2 and 5, reinstate the stricken language

Page 23, line 7, reinstate the stricken “and” and after the stricken “\$300” insert “\$600” and reinstate the stricken “in other years”

Page 23, line 9, reinstate the stricken “and” and after the stricken “\$150” insert “\$300” and reinstate the stricken “in the other year”

Page 23, delete lines 11 to 17

Page 33, line 29, after “Money” insert “*from the party accounts*”

Page 34, line 8, delete “*as provided under subdivision 7*”

Page 34, line 9, delete “in” and insert “*as provided under subdivision 7*”

Page 34, delete lines 10 and 11 and insert a period

Page 34, after line 32, insert:

“(c) Any additional distribution to a congressional candidate under the provisions of paragraphs (a) or (b) shall not exceed 100 percent of the amount of public subsidy to be distributed to that congressional candidate prior to the additional distribution under either of those paragraphs.”

Page 35, line 12, delete the new language

Page 35, line 13, reinstate the stricken language and delete the new language

Page 35, lines 16 and 19, after “who” insert “*have signed agreements under section 20 and*”

Page 44, line 17, after “for” insert “*United States president or vice-president or for*”

Renumber the sections in sequence

Correct the internal references

Amend the title as follows:

Page 1, line 11, after the semicolon insert “*raising the contribution disclosure limits for candidates;*”

Page 1, line 46, delete “section” and insert “sections 10A.02, subdivision 11a; 10A.25, subdivision 7; and”

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate for the balance of the proceedings on H.F. No. 449. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the Luther amendment.

The roll was called, and there were yeas 34 and nays 20, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Lessard	Pehler	Schmitz
Berglin	Freeman	Luther	Peterson, C. C.	Solon
Bertram	Hughes	Merriam	Peterson, D. C.	Vega
Chmielewski	Jude	Moe, D. M.	Peterson, R. W.	Waldorf
Dahl	Kroening	Moe, R. D.	Petty	Wegscheid
DeCramer	Langseth	Nelson	Pogemiller	Willet
Diessner	Lantry	Novak	Reichgott	

Those who voted in the negative were:

Anderson	Frederickson	Knutson	Olson	Sieloff
Belanger	Isackson	Kronebusch	Peterson, D. L.	Storm
Berg	Kamrath	Laidig	Ramstad	Taylor
Dieterich	Knaak	McQuaid	Renneke	Ulland

The motion prevailed. So the amendment was adopted.

Mr. Frederickson moved to amend H.F. No. 449, as amended pursuant to Rule 49, adopted by the Senate May 20, 1983, as follows:

Page 21, line 2, before "The" insert "(a) Candidates."

Page 21, lines 4 and 10, delete the new language

Page 21, after line 10, insert:

"(b) Congressional candidates. The expenditure limits imposed by this section apply only to congressional candidates who agree to be bound by the limits as a condition of receiving a public subsidy for their campaigns in the form of credits against the tax due of individuals who contribute to that congressional candidate."

Pages 27 to 43, delete sections 17 to 25 and insert:

"Sec. 17. Minnesota Statutes 1982, section 10A.32, subdivision 3b, is amended to read:

Subd. 3b. As a condition of receiving a public subsidy for his election campaign in the form of tax credits against the tax due from individuals who contribute to his principal campaign committee *or authorized committees* a candidate *or congressional candidate* shall agree by stating in writing to the board at any time beginning with the registration of his principal campaign committee *or authorized committees* that his expenditures and, *in the case of candidates only*, approved expenditures shall not exceed the expenditure limits as set forth in section 10A.25. The agreement shall remain effective until the dissolution of the principal campaign committee *or authorized committees* of the candidate *or congressional candidate* or the opening of filing for the next succeeding election for the office held or sought at the time of agreement, whichever occurs first. An agreement signed under this subdivision may not be rescinded. The commissioner of revenue shall not allow any individual or married couple filing jointly to take a credit against any tax due, pursuant to section 290.06, subdivision 11, for any contribution to a candidate ~~for legislative or statewide office~~ *or congressional candidate* who has not signed the agreement provided in this subdivision.

Nothing in this subdivision shall be construed to limit the campaign expenditure of any candidate *or congressional candidate* who does not sign an agreement under this subdivision but accepts a contribution for which the contributor claims a credit against tax due. The board shall forward a copy of any agreement signed under this subdivision to the commissioner of revenue. The board shall make available to any candidate *or congressional candidate* signing an agreement a supply of Official Tax Credit Receipt forms which state in bold face type that (a) a contributor who is given a receipt form is eligible to receive a credit against his tax due in an amount equal to 50 percent of his contribution but not more than \$25 for an individual, or not more than \$50 for a married couple filing jointly, and (b) that the candidate *or congressional candidate* to whom he has contributed has voluntarily agreed to abide by campaign expenditure limits. If a candidate *or congressional candidate* does not sign an agreement under this subdivision he may not issue an Official Tax Credit Receipt form, or any facsimile thereof, to any of his contributors. Any candidate *or congressional candidate* who does not voluntarily agree to abide by the expenditure limits imposed in section 10A.25 and who willfully issues Official Tax Credit Receipt forms, or any facsimile thereof, to any contributor is guilty of a misdemeanor."

Page 44, delete section 28

Page 45, line 16, delete the semicolon and insert "and"

Page 45, line 17, delete "; and 10A.32"

Renumber the sections in sequence

Correct the internal references

Amend the title as follows:

Page 1, line 24, delete everything after the semicolon

Page 1, delete lines 25 to 29

Page 1, delete lines 32 to 34

Page 1, line 35, delete everything before "changing"

Page 1, lines 38 and 39, delete "imposing penalties;"

Page 1, lines 43 and 44, delete "10A.30; 10A.31; 10A.33; 10A.335" and insert "10A.32, subdivision 3b"

Page 1, line 46, delete "section 10A.32" and insert "sections 10A.02, subdivision 11a, and 10A.25, subdivision 7"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Knutson	Olson	Sieloff
Belanger	Isackson	Kronebusch	Peterson,D.L.	Storm
Benson	Kamrath	Laidig	Ramstad	Taylor
Berg	Knaak	McQuaid	Renneke	Ulland

Those who voted in the negative were:

Chmielewski	Freeman	Lessard	Peterson, C. C.	Solon
Dahl	Hughes	Luther	Peterson, D. C.	Spear
DeCramer	Johnson, D.J.	Merriam	Peterson, R. W.	Vega
Dicklich	Jude	Moe, D. M.	Petty	Waldorf
Diessner	Kroening	Nelson	Pogemiller	Willet
Dieterich	Langseth	Novak	Reichgott	
Frank	Lantry	Pehler	Schmitz	

The motion did not prevail. So the amendment was not adopted.

Mr. Frederickson then moved to amend H.F. No. 449, as amended pursuant to Rule 49, adopted by the Senate May 20, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 343.)

Page 19, delete lines 32 to 36

Page 20, delete lines 1 to 7

Page 34, delete lines 12 to 32

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 21 and nays 28, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kronebusch	Ramstad	Ulland
Belanger	Isackson	Laidig	Renneke	
Benson	Kamrath	McQuaid	Sietoff	
Berg	Knaak	Olson	Storm	
Dieterich	Knutson	Peterson, D.L.	Taylor	

Those who voted in the negative were:

Berglin	Freeman	Lantry	Novak	Vega
Chmielewski	Hughes	Lessard	Peterson, R. W.	Waldorf
Dahl	Johnson, D.J.	Luther	Petty	Wegscheid
DeCramer	Jude	Merriam	Pogemiller	Willet
Diessner	Kroening	Moe, D. M.	Reichgott	
Frank	Langseth	Nelson	Spear	

The motion did not prevail. So the amendment was not adopted.

Mr. Laidig moved to amend H.F. No. 449, as amended pursuant to Rule 49, adopted by the Senate May 20, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 343.)

Mr. Laidig moved to amend S.F. No. 343, as follows:

Pages 2 to 11, delete section 1

Page 11, after line 1, insert:

“ARTICLE 1”

Page 13, delete section 5

Pages 17 to 43, delete sections 11 to 25

Pages 44 and 45, delete sections 27 and 28

Page 45, delete section 30

Page 45, line 19, delete “act” and insert “article”

Page 45, after line 19, insert:

“ARTICLE 2

Section 1. Minnesota Statutes 1982, section 10A.01, is amended to read:

10A.01 [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 10A.01 to 10A.34, the terms defined in this section have the meanings given them unless the context clearly indicates otherwise.

Subd. 2. [ADMINISTRATIVE ACTION.] “Administrative action” means an action by any official, board, commission or agency of the executive branch to adopt, amend, or repeal a rule pursuant to chapter 14. “Administrative action” does not include the application or administration of an adopted rule, except in cases of rate setting, power plant and powerline siting and granting of certificates of need under chapter 116J.

Subd. 3. [ASSOCIATION.] “Association” means a business, corporation, firm, partnership, committee, labor organization, club, or any other group of two or more persons, which includes more than *members of an immediate family, acting in concert.*

Subd. 4. [BUSINESS WITH WHICH HE IS ASSOCIATED.] “Business with which he is associated” means any association in connection with which the individual is compensated in excess of \$50 except for actual and reasonable expenses in any month as a director, officer, owner, member, partner, employer or employee, or is a holder of securities worth \$2,500 or more at fair market value.

Subd. 5. [CANDIDATE.] “Candidate” means an individual who seeks nomination or election to any statewide or legislative office for which reporting is not required under federal laws. The term candidate ~~shall~~ ~~also include~~ *includes* an individual who seeks nomination or election to supreme court, *court of appeals*, district court, county court, probate court, or county municipal court judgeships of the state. An individual shall be deemed to seek nomination or election if he has taken the action necessary under the law of the state of Minnesota to qualify himself for nomination or election, has received contributions or made expenditures in excess of \$100, or has given his implicit or explicit consent for any other person to receive contributions or make expenditures in excess of \$100, for the purpose of bringing about his nomination or election. A candidate remains a candidate until his principal campaign committee is dissolved as provided in section 10A.24.

Subd. 5a. [CONGRESSIONAL CANDIDATE.] “Congressional candidate” means an individual who seeks nomination or election to the United States senate or house of representatives and who is a “candidate” as that term is defined in United States Code, title 2, section 431, paragraph (2), as amended through December 31, 1982.

Subd. 6. [BOARD.] “Board” means the state ethical practices board.

Subd. 7. [CONTRIBUTION.] “Contribution” means:

(a) *with respect to a candidate, a transfer of funds or a donation in kind-*

~~Contribution includes~~ *including* any loan or advance of credit to a political

committee, political fund, or principal campaign committee, which loan or advance of credit is ~~(a)~~ (1) forgiven, or ~~(b)~~ (2) paid by an ~~entity~~ individual or any association other than the political committee, political fund, or principal campaign committee to which the loan or advance of credit is made. If an advance of credit or a loan is forgiven or paid as provided in this ~~subdivision~~ paragraph, it is a contribution in the year in which the loan or advance of credit is made. A contribution made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate. A contribution does not include services provided without compensation by an individual volunteering his time on behalf of a candidate, ballot question, political committee or political fund, or the publishing or broadcasting of news items or editorial comments by the news media; and

(b) with respect to a congressional candidate, a "contribution" as that term is defined in United States Code, title 2, section 431, paragraph (8), as amended through December 31, 1982.

Subd. 7a. [TRANSFER OF FUNDS; TRANSFER.] "Transfer of funds" or "transfer" means money or negotiable instruments given by an individual or association to a political committee, political fund, or principal campaign committee for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question.

Subd. 7b. [DONATION IN KIND.] "Donation in kind" means anything of value other than money or negotiable instruments given by an individual or association to a political committee, political fund, or principal campaign committee for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question. Donation in kind includes an approved expenditure.

Subd. 7c. [QUALIFYING CONTRIBUTION.] "Qualifying contribution" means a contribution made during the election year by an individual, other than the congressional or other candidate or the candidate's immediate family, to a principal campaign committee of a congressional candidate which is \$100 or less, or of a candidate for:

(a) state constitutional office which is \$100 or less; or

(b) legislative office which is \$50 or less.

Not more than \$100 of the aggregate contribution to a congressional candidate or candidate for state constitutional office and not more than \$50 of the aggregate contribution to a candidate for legislative office made in the election year by an individual may be certified by the board as a qualifying contribution. Money in the account of the principal campaign committee of a candidate or congressional candidate on January 1 of the election year for the office held or sought may only be considered qualifying contributions for the purpose of determining whether a candidate or congressional candidate has raised the threshold amount of qualifying contributions in accordance with section 10A.31, subdivision 7a; provided that not more than \$100 of the aggregate contributions to a candidate for state constitutional office or a congressional candidate and not more than \$50 of the aggregate contributions to a candidate for legislative office made prior to January 1 by an individual may be certified by the board as a qualifying contribution.

Subd. 8. [DEPOSITORY.] "Depository" means any bank, savings and loan association, or credit union, organized under federal or state law and transacting business within Minnesota.

Subd. 9. [ELECTION.] "Election" means a primary, special primary, general, or special election.

Subd. 10. [CAMPAIGN EXPENDITURE; EXPENDITURE.] "Campaign expenditure" or "expenditure" means:

(a) *with respect to a candidate*, a purchase or payment of money or anything of value, or an advance of credit, made or incurred for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question. An expenditure is considered to be made in the year in which the goods or services for which it was made are used or consumed. An expenditure made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate. Except as provided in clause ~~(a)~~ (1) of this paragraph, an expenditure includes the dollar value of a donation in kind. An expenditure does not include:

~~(a)~~ (1) noncampaign disbursements as defined in subdivision 10c;

~~(b)~~ (2) transfers as defined in subdivision 7a;

~~(c)~~ (3) services provided without compensation by an individual volunteering his time on behalf of a candidate, ballot question, political committee, or political fund; or

~~(d)~~ The (4) publishing or broadcasting of news items or editorial comments by the news media; and

(b) *with respect to a congressional candidate*, an "expenditure" as that term is defined in United States Code, title 2, section 431, paragraph (9), as amended through December 31, 1982.

Subd. 10a. [APPROVED EXPENDITURE.] "Approved expenditure" means an expenditure made on behalf of a candidate by an entity other than the principal campaign committee of that candidate, which expenditure is made with the authorization or expressed or implied consent of, or in cooperation or in concert with, or at the request or suggestion of that candidate, ~~his~~ or the candidate's principal campaign committee or ~~his~~ agent. An approved expenditure is a contribution to that candidate.

Subd. 10b. [INDEPENDENT EXPENDITURE.] "Independent expenditure" means:

(a) *with respect to a candidate*, an expenditure expressly advocating the election or defeat of a clearly identified candidate, which expenditure is made without the express or implied consent, authorization, or cooperation of any candidate, ~~his~~ or the candidate's principal campaign committee or ~~his~~ agent and is not made in concert with or at the request or suggestion of any candidate, ~~his~~ or the candidate's principal campaign committee or ~~his~~ agent. An independent expenditure is not a contribution to that candidate; and

(b) *with respect to a congressional candidate*, an "independent expenditure" as that term is defined in United States Code, title 2, paragraph (17), as amended through December 31, 1982.

Subd. 10c. [NONCAMPAIGN DISBURSEMENT.] "Noncampaign disbursement" means a purchase or payment of money or anything of value made, or an advance of credit incurred, by a political committee, political fund, or principal campaign committee for any purpose other than to influence the nomination or election of a candidate or to promote or defeat a ballot question.

Noncampaign disbursement includes:

- (a) payment for accounting and legal services;
- (b) return of a contribution to the source;
- (c) repayment of a loan made to the political committee, political fund, or principal campaign committee by that committee or fund;
- (d) return of moneys from the state elections campaign fund matching funds to the board, pursuant to section 25;
- (e) payment for food and beverages consumed at a fundraising event;
- (f) services for a constituent by a member of the legislature or a constitutional officer in the executive branch, performed from the beginning of the term of office to 60 days after adjournment sine die of the legislature in the election year for the office held; and
- (g) a donation in kind given to the political committee, political fund, or principal campaign committee for purposes listed in clauses (e) and (f). The board shall determine whether an activity involves a noncampaign disbursement within the meaning of this subdivision.

Subd. 10d. [QUALIFIED EXPENDITURE.] "Qualified expenditure" means an expenditure by the principal campaign committee of a candidate or congressional candidate or an approved expenditure for services, materials, facilities, transportation, or other things of value to further the candidate's or congressional candidate's nomination or election to office during the election year for the office held or sought. Qualified expenditure does not include:

- (a) an expenditure in violation of any law of the United States or this state;
- (b) a payment to the extent clearly in excess of the fair market value of the service or item received in exchange;
- (c) gifts or charitable contributions;
- (d) noncampaign disbursements as defined in subdivision 10c; or
- (e) a transfer to the principal campaign committee of a candidate or congressional candidate, unless the transfer is to a principal campaign committee registered in the candidate's or congressional candidate's name to influence his own nomination or election to a different congressional office or state constitutional or legislative office.

Subd. 11. [LOBBYIST.] "Lobbyist" means any individual:

- (a) engaged for pay or other consideration, or authorized by another individual or association to spend money, who spends more than five hours in any month or more than \$250, not including his own travel expenses and membership dues, in any year, for the purpose of attempting to influence

legislative or administrative action by communicating or urging others to communicate with public officials; or

(b) who spends more than \$250, not including his own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials.

“Lobbyist” does not include any:

(a) public official or employee of the state or any of its political subdivisions or public bodies acting in his official capacity;

(b) party or his representative appearing in a proceeding before a state board, commission, or agency of the executive branch unless the board, commission, or agency is taking administrative action;

(c) individual while engaged in selling goods or services to be paid for by public funds;

(d) news media or their employees or agents while engaged in the publishing or broadcasting of news items, editorial comments, or paid advertisements which directly or indirectly urge official action;

(e) paid expert witness whose testimony is requested by the body before which he is appearing, but only to the extent of preparing or delivering testimony;

(f) stockholder of a family farm corporation as defined in section 500.24, subdivision 1, who does not spend over \$250, excluding his own travel expenses, in any year in communicating with public officials; or

(g) party or his representative appearing to present a claim to the legislature and communicating to legislators only by the filing of a claim form and supporting documents and by appearing at public hearings on the claim.

Subd. 12. [MAJOR POLITICAL PARTY.] “Major political party” means a major political party as defined in section 200.02, subdivision 7.

Subd. 13. [MINOR POLITICAL PARTY.] “Minor political party” means any *political* party other than a major political party:

(a) ~~Under whose name in the last applicable general election a candidate filed for legislative office and received not less than 10 percent of the vote for that office, or filed for statewide office; or~~

(b) ~~Which files a petition with the secretary of state containing the names of 2,000 individuals registered to vote in Minnesota and declaring that the signers desire that the party be eligible to receive money from the state elections campaign fund in the same manner as a major political party.~~

~~For the purposes of this chapter, all individuals who are eligible to vote in areas where there is no permanent system of registration shall be considered registered voters.~~

Subd. 15. [POLITICAL COMMITTEE.] “Political committee” means:

(a) *with respect to a candidate*, any association as defined in subdivision 3 whose major purpose is to influence the nomination or election of a candidate or to promote or defeat a ballot question; *and*

(b) with respect to a congressional candidate, a "political committee" as that term is defined in United States Code, title 2, section 431, paragraph (4), as amended through December 31, 1982.

"Political committee" includes a major political party as defined in subdivision 12, a minor political party as defined in subdivision 13, and any a principal campaign committee formed pursuant to section 10A.19 of a candidate or congressional candidate, and any authorized committee of a congressional candidate.

Subd. 15a. [PRINCIPAL CAMPAIGN COMMITTEE.] "Principal campaign committee" means:

(a) with respect to a candidate, a political committee designated and caused to be formed by that candidate under section 10A.19; and

(b) with respect to a congressional candidate, a political committee designated and authorized by that congressional candidate under United States Code, title 2, section 432, subsection (e)(1), as amended through December 31, 1982.

Subd. 15b. [AUTHORIZED COMMITTEE.] "Authorized committee" means the principal campaign committee or any other political committee designated and authorized by a congressional candidate under United States Code, title 2, section 432, subsection (e)(1), as amended through December 31, 1982, to receive contributions or make expenditures on behalf of that congressional candidate.

Subd. 16. [POLITICAL FUND.] "Political fund" means any accumulation of dues or voluntary contributions by an association other than a political committee, which accumulation is collected or expended for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting or defeating a ballot question.

Subd. 17. [POLITICAL PARTY.] "Political party" means either a major political party or a minor political party.

Subd. 18. [PUBLIC OFFICIAL.] "Public official" means any:

(a) member of the legislature;

(b) constitutional officer in the executive branch and his chief administrative deputy;

(c) member, chief administrative officer, or deputy chief administrative officer of a state board or commission which has at least one of the following powers: (i) the power to adopt, amend or repeal rules, or (ii) the power to adjudicate contested cases or appeals;

(d) commissioner, deputy commissioner, or assistant commissioner of any state department as designated pursuant to in section 15.01;

(e) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules or adjudicate contested cases;

(f) executive director of the state board of investment;

(g) executive director of the Indian affairs intertribal board;

(h) commissioner of the iron range resources and rehabilitation board;

- (i) director of mediation services;
- (j) deputy of any official listed in clauses (e) to (i);
- (k) judge of the workers' compensation court of appeals;

(l) hearing examiner or compensation judge in the state office of administrative hearings or hearing examiner in the department of economic security;

(m) solicitor general or deputy, assistant, or special assistant attorney general;

(n) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher or attorney in the office of senate research, senate counsel, or house research; or

(o) member or chief administrative officer of the metropolitan council, metropolitan transit commission, metropolitan waste control commission, metropolitan parks and open spaces commission, metropolitan airports commission, or metropolitan sports facilities commission.

Subd. 19. [OFFICE HOLDER.] "Office holder" means an individual who holds any statewide or legislative office, except a federal office for which candidates are required to report under federal laws, state supreme court justice ~~or~~, *court of appeals judge*, district court judge, *county court judge*, *probate court judge*, or *county municipal court judge*.

Subd. 20. [ADVANCE OF CREDIT.] "Advance of credit" means any money owed for goods provided or services rendered. An advance of credit is an expenditure or a noncampaign disbursement in the year in which the goods or services are used or consumed. Advance of credit does not mean loan as defined in subdivision 21.

Subd. 21. [LOAN.] "Loan" means an advance of money or anything of value made to a political committee, political fund, or principal campaign committee.

Subd. 22. [FINANCIAL INSTITUTION.] "Financial institution" means a lending institution chartered by an agency of the federal government or regulated by the commissioner of banks.

Subd. 23. [BALLOT QUESTION.] "Ballot question" means a question or proposition which is placed on the ballot and which may be voted on by all voters of the state. "Promoting or defeating a ballot question" includes activities related to qualifying the question for placement on the ballot.

Sec. 2. [10A.105] [LIMITATION ON APPLICABILITY.]

The provisions of sections 10A.11 to 10A.24 relating to the organization, registration, and administration of and reporting and disclosure by political committees, including principal campaign committees, and political funds are not applicable to congressional candidates and authorized committees of congressional candidates. The organization, registration, and administration of and reporting and disclosure by authorized committees of congressional candidates is governed by the relevant provisions of United States Code, title 2, chapter 14, as amended through December 31, 1982.

Sec. 3. Minnesota Statutes 1982, section 10A.13, is amended by adding a subdivision to read:

Subd. 3. [ADDITIONAL RECORDS.] The treasurer of a principal campaign committee for a candidate who wishes to qualify for matching funds shall keep the additional records described in section 10A.31, subdivision 6b.

Sec. 4. Minnesota Statutes 1982, section 10A.15, subdivision 1, is amended to read:

Subdivision 1. No anonymous contribution in excess of \$20 shall be retained by any political committee or political fund, but shall be forwarded to the board and deposited in ~~the general account~~ of the state elections campaign fund.

Sec. 5. Minnesota Statutes 1982, section 10A.19, subdivision 1, is amended to read:

Subdivision 1. [MAY NOT ACCEPT CONTRIBUTIONS WITHOUT FORMING COMMITTEE.] *Except as otherwise permitted by federal law, no candidate or congressional candidate shall accept contributions from any source, other than himself, in aggregate in excess of \$100 or any moneys matching funds from the state elections campaign fund board pursuant to section 10A.31, subdivisions 10a and 10b unless he designates and causes to be formed a single principal campaign committee.*

Sec. 6. [10A.245] [CAMPAIGN REPORTS; CONGRESSIONAL CANDIDATES.]

A congressional candidate who agrees to be bound by the expenditure limits in section 10A.25, as adjusted by section 10A.255, as a condition of receiving a public subsidy for his campaign shall file with the board copies of all reports that he or his principal campaign committee treasurer acting for him is required to file under United States Code, title 2, chapter 14, as amended through December 31, 1982. The reports shall be filed with the board at the times required in United States Code, title 2, section 434, as amended through December 31, 1982. The treasurer of a principal campaign committee for a congressional candidate who wishes to qualify for matching funds shall keep the additional records described in section 10A.31, subdivision 6b.

Sec. 7. Minnesota Statutes 1982, section 10A.25, is amended to read:

10A.25 [LIMITS ON CAMPAIGN EXPENDITURES.]

Subdivision 1. [GOVERNOR AND LIEUTENANT GOVERNOR CONSIDERED AS SINGLE CANDIDACY.] ~~For the purposes of sections 10A.14 to 10A.34~~ A candidate for governor and a candidate for lieutenant governor, running together, shall be deemed to be a single candidate. ~~Except as provided in subdivision 3~~ *After the candidates for governor and lieutenant governor have filed for office, all expenditures made by and all approved expenditures made on behalf of the candidate for lieutenant governor shall be considered to be expenditures by and approved expenditures on behalf of the candidate for governor.*

Subd. 2. [CANDIDATES.] In a year in which an election is held for an

office sought by a candidate, no expenditures shall be made by the principal campaign committee of that candidate, nor any approved expenditures made on behalf of that candidate which expenditures and approved expenditures result in an aggregate amount in excess of the following:

(a) for governor and lieutenant governor, running together, ~~12 1/2 cents per capita or \$600,000, whichever is greater~~ \$1,270,000;

(b) for attorney general, ~~2 1/2 cents per capita or \$100,000, whichever is greater~~ \$211,800;

(c) for secretary of state, state treasurer, and state auditor, separately, ~~4 1/4 cents per capita or \$50,000, whichever is greater~~ \$105,900;

(d) for state senator, ~~20 cents per capita or \$15,000, whichever is greater~~ \$31,770;

(e) for state representative, ~~20 cents per capita or \$7,500, whichever is greater~~ \$15,885.

Subd. 2a. [CONGRESSIONAL CANDIDATES.] In a year in which an election is held for an office sought by a congressional candidate, no expenditures shall be made by the authorized committees of that congressional candidate which result in an aggregate amount in excess of the following:

(a) for United States senator, \$2,500,000;

(b) for representative in congress, \$300,000.

Subd. 3. [LIEUTENANT GOVERNOR ENDORSEMENT.] Notwithstanding subdivision 2, clause (a), a candidate for endorsement for the office of lieutenant governor at the convention of a political party may make expenditures and approved expenditures of \$30,000 or five percent of the amount in subdivision 2, clause (a), whichever is greater, to seek endorsement. This amount ~~shall be~~ *is* in addition to the amount which may be expended pursuant to subdivision 2, clause (a).

Subd. 4. [EXCEPTION.] The limits prescribed in section 10A.25 shall not apply to any expenditure or approved expenditure made or advance of credit incurred before February 28, 1978 unless the goods or services for which they were made or incurred are consumed or used after February 28, 1978.

Subd. 5. [CANDIDATES IN CONTESTED PRIMARY RACES.] Notwithstanding the limits imposed by subdivision 2, the winning candidate in a contested race in a primary who receives less than twice as many votes as any one of his opponents in that primary may make aggregate expenditures and approved expenditures equal to 120 percent of the applicable amount as set forth in subdivision 2.

Subd. 5a. [CONGRESSIONAL CANDIDATES IN CONTESTED PRIMARY RACES.] Notwithstanding the limits imposed by subdivision 2a, the winning congressional candidate in a contested race in a primary who receives less than twice as many votes as any one of his opponents in that primary may make aggregate expenditures equal to 120 percent of the applicable amount in subdivision 2a.

Subd. 6. [POST-ELECTION YEAR EXPENDITURES BY OR ON BEHALF OF CANDIDATES.] In any year following an election year for the

office held or sought, the aggregate amount of expenditures by and approved expenditures on behalf of a candidate for or holder of that office shall not exceed 20 percent of the expenditure limit set forth in subdivision 2, as adjusted by section 10A.255.

Subd. 6a. [POST-ELECTION YEAR EXPENDITURES BY CONGRESSIONAL CANDIDATES.] In any year following an election year for the office held or sought, the aggregate amount of expenditures on behalf of a congressional candidate for or holder of that office shall not exceed 20 percent of the expenditure limit in subdivision 2a, as adjusted by section 10A.255.

Subd. 7. [POPULATION ESTIMATES.] On or before December 1 of each year, the state demographer shall certify to the board the estimated population of the state of Minnesota for the next calendar year. On or before December 31 of each year the board shall determine and publish in the state register the expenditure limits for each office for the next calendar year as prescribed by subdivision 2, using the following estimated population figures:

(a) For the offices of governor and lieutenant governor, attorney general, secretary of state, state treasurer and state auditor, the total estimated population of the state;

(b) For the office of state senator, 1/67 of the total estimated population of the state;

(c) For the office of state representative, 1/134 of the total estimated population of the state;

The limits prescribed by subdivisions 2 and 2a shall be rounded off to the nearest \$100.

Subd. 10. [APPLICABILITY OF EXPENDITURE LIMITS.] The expenditure limits imposed by this section apply only to candidates and congressional candidates who agree to be bound by the limits as a condition of receiving a public subsidy for their campaigns in the form of:

(a) An allocation of money from the state elections campaign fund; or

(b) Credits against the tax due of individuals who contribute to that candidate or congressional candidate.

Subd. 11. [NO LIMITS ON INDEPENDENT EXPENDITURES.] Nothing in this section shall be construed as limiting independent expenditures on behalf of a candidate or congressional candidate.

Sec. 8. Minnesota Statutes 1982, section 10A.255, is amended to read:

10A.255 [ADJUSTMENT BY CONSUMER PRICE INDEX.]

Subdivision 1. [PROCEDURE FOR ADJUSTMENT.] The dollar amounts provided in section 10A.25, ~~subdivision subdivisions 2 and 2a~~, shall be adjusted for general election year 1984 and subsequent general election years as provided in this section. By June 1 of the general election year, the executive director of the board shall determine the percentage increase in the consumer price index from April of the last general election year to April of the year in which the determination is made. The dollar amounts used for the preceding general election year shall be multiplied by that percentage. The

product of the calculation shall be added to each dollar amount to produce the dollar limitations to be in effect for the next general election. The product shall be rounded up to the next highest whole dollar. The index used shall be the revised consumer price index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States department of labor with 1967 as a base year.

Subd. 2. [EXCEPTION.] The dollar amounts provided in section 10A.25, subdivision 2 *2a*, shall be adjusted for ~~1982~~ 1984 in the manner provided in subdivision 1, except that the ~~percentage increase in the consumer price index shall be determined from April of 1974 to April of 1982 and the adjustment shall be calculated by the executive director by June 1, 1982~~ dollar amounts used for the preceding general election year for the offices of United States senator and representative in congress shall be \$1,500,000 and \$250,000 respectively.

Subd. 3. [PUBLICATION OF EXPENDITURE LIMIT.] *On or before June 15 of each year, the board shall publish in the state register the expenditure limits for each office for that calendar year, as provided in section 10A.25.*

Sec. 9. Minnesota Statutes 1982, section 10A.27, is amended to read:

10A.27 [ADDITIONAL LIMITATIONS LIMITS ON CAMPAIGN CONTRIBUTIONS AND LOANS.]

Subdivision 1. [CONTRIBUTIONS TO A CANDIDATE.] Except as provided in subdivisions 2 and 6, no candidate shall permit his principal campaign committee to accept contributions from any individual, political committee, or political fund *in an aggregate amount* in excess of the following:

(a) to candidates for governor and lieutenant governor running together, ~~\$60,000~~ \$30,000 in an election year for the office sought and \$12,000 in other years;

(b) to a candidate for attorney general, ~~\$10,000~~ \$5,000 in an election year for the office sought and \$2,000 in other years;

(c) to a candidate for the office of secretary of state, state treasurer, or state auditor, ~~\$5,000~~ \$2,500 in an election year for the office sought and \$1,000 in other years;

(d) to a candidate for state senator, ~~\$1,500~~ \$800 in an election year for the office sought and \$300 in other years; and

(e) to a candidate for state representative, ~~\$750~~ \$400 in an election year for the office sought and \$150 in the other year.

Subd. 2. [CONTRIBUTIONS TO CANDIDATES BY POLITICAL PARTIES.] No candidate shall permit his principal campaign committee to accept contributions from any political party *in an aggregate amount* in excess of ~~five~~ ten times the amount that may be contributed to that candidate by a political committee as set forth in subdivision 1.

Subd. 4. [POLITICAL PARTY DEFINED.] For the purposes of this section, a political party means the aggregate of the party organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts,

municipalities, and precincts.

~~Subd. 5. [INDEPENDENT EXPENDITURES.] Nothing in this section shall be construed as limiting independent expenditures on behalf of a candidate.~~

Subd. 6. [CONTRIBUTIONS BY A CANDIDATE.] Nothing in this section shall be construed as limiting the amount which may be contributed by a candidate for the purpose of influencing his own nomination or election.

Subd. 7. [EXCEPTION.] Contributions and approved expenditures made prior to February 28, 1978 which are in excess of the limits imposed by this section shall not be in violation of this section but shall be disclosed as required by this chapter.

Subd. 8. [LOANS TO A CANDIDATE.] No candidate shall permit his principal campaign committee to accept a loan from other than a financial institution for an amount in excess of the contribution limits imposed by this section. No candidate shall permit his principal campaign committee to accept any loan from a financial institution for which that financial institution may hold any endorser of that loan liable to pay any amount in excess of the amount that the endorser may contribute to that candidate.

Subd. 9. [CONTRIBUTION AND LOAN LIMITATIONS APPLICABLE TO A CONGRESSIONAL CANDIDATE.] Contributions by and to a congressional candidate and loans to a congressional candidate are governed by the relevant provisions of United States Code, title 2, chapter 14, as amended through December 31, 1982.

Sec. 10. Minnesota Statutes 1982, section 10A.275, is amended to read:

10A.275 [MULTI-CANDIDATE POLITICAL PARTY EXPENDITURES.]

Subdivision 1. [APPLICABILITY TO CANDIDATES.] Notwithstanding any other provisions of ~~Laws 1978, Chapter 463~~ this chapter, the following expenditures by a state political party or a substate unit of a state political party as described in section 10A.27, subdivision 4, shall not be considered contributions to or expenditures on behalf of any candidate for the purposes of section 10A.25 or 10A.27, and shall not be allocated to any candidates pursuant to section 10A.22, subdivision 5:

(a) expenditures on behalf of candidates of that party generally without referring to any of them specifically in any advertisement published, posted, or broadcast;

(b) expenditures for the preparation, display, mailing, or other distribution of an official party sample ballot listing the names of three or more individuals whose names are to appear on the ballot;

(c) expenditures for any telephone conversation including the names of three or more individuals whose names are to appear on the ballot; or

(d) expenditures for any political party fundraising effort on behalf of three or more candidates.

Subd. 2. [APPLICABILITY TO CONGRESSIONAL CANDIDATES.] Expenditures of the type listed in clauses (a) to (d) in subdivision 1 are governed by the relevant provisions of United States Code, title 2, section 431,

paragraph (9), as amended through December 31, 1982.

Sec. 11. Minnesota Statutes 1982, section 10A.28, is amended to read:

10A.28 [PENALTY FOR EXCEEDING EXPENDITURE AND CONTRIBUTION LIMITS.]

Subdivision 1. [CANDIDATES EXCEEDING EXPENDITURE LIMITS.] A candidate subject to the expenditure limits ~~of~~ *set forth* in section 10A.25 who permits his principal campaign committee to make expenditures or permits approved expenditures to be made on his behalf in excess of the limits imposed by section 10A.25, *as adjusted by section 10A.255*, ~~shall be~~ *is* subject to a civil fine up to four times the amount which the expenditures exceeded the limit.

Subd. 1a. [CONGRESSIONAL CANDIDATES EXCEEDING EXPENDITURE LIMITS.] *A congressional candidate subject to the expenditure limits set forth in section 10A.25 who permits his authorized committees to make aggregate expenditures on his behalf in excess of the limits imposed by section 10A.25, as adjusted by section 10A.255, is subject to a civil fine up to four times the amount which the expenditures exceed the limit.*

Subd. 2. [CONTRIBUTION LIMITS EXCEEDED WITH RESPECT TO CANDIDATES.] A candidate who permits his principal campaign committee to accept contributions in excess of the limits imposed by section 10A.27 ~~shall be~~ *is* subject to a civil fine of up to four times the amount by which the contribution exceeded the limits.

Subd. 2a. [CONTRIBUTION LIMITS EXCEEDED WITH RESPECT TO CONGRESSIONAL CANDIDATES.] *A congressional candidate who permits his authorized committees to accept contributions in excess of the limits imposed in United States Code, title 2, chapter 14, as amended through December 31, 1982, is subject to the penalties imposed by United States Code, title 2, section 437g, as amended through December 31, 1982.*

Subd. 3. [CONCILIATION AGREEMENTS.] If the board finds that there is reason to believe that excess expenditures have been made or excess contributions accepted contrary to the provisions of subdivision 1, *1a*, or 2 the board shall make every effort for a period of not less than 14 days after its finding to correct the matter by informal methods of conference and conciliation and to enter a conciliation agreement with the person involved. A conciliation agreement made pursuant to this subdivision ~~shall be~~ *is* a matter of public record. Unless violated, a conciliation agreement ~~shall be~~ *is* a bar to any civil proceeding under subdivision 4.

Subd. 4. [CIVIL ACTION.] If the board is unable after a reasonable time to correct by informal methods any matter which constitutes probable cause to believe that excess expenditures have been made or excess contributions accepted contrary to subdivision 1, *1a*, or 2, the board shall make a public finding of probable cause in the matter. After making a public finding, the board shall bring an action, or transmit the finding to a county attorney who shall bring an action, ~~in the district court of Ramsey county or, in the case of a legislative candidate, the district court of a county within the legislative district,~~ to impose a civil fine as prescribed by the board pursuant to subdivision 1, *1a*, or 2. *An action filed against a congressional candidate for United States senator or against a candidate for state constitutional office shall be*

brought in the district court of Ramsey County. An action filed against a candidate for state legislative office shall be brought in the district court of a county within the candidate's legislative district. An action filed against a congressional candidate for representative in congress shall be brought in the district court of a county within the congressional candidate's congressional district. All moneys recovered pursuant to this section shall be deposited in the general fund of the state.

Sec. 12. Minnesota Statutes 1982, section 10A.30, is amended to read:

10A.30 [STATE ELECTIONS CAMPAIGN FUND.]

Subdivision 1. [STATE ELECTIONS CAMPAIGN FUND ESTABLISHED.] There is hereby established an account within the special revenue fund of the state to be known as the "state elections campaign fund".

Subd. 2. [SEPARATE ACCOUNTS.] Within the state elections campaign fund account there shall be maintained a separate ~~account~~ *accounts* for the candidates of each political party and a general account for the offices of United States senator, representative in congress, governor and lieutenant governor, attorney general, secretary of state, state treasurer, state auditor, state senator, and state representative.

Sec. 13. Minnesota Statutes 1982, section 10A.31, subdivision 1, is amended to read:

Subdivision 1. [AMOUNTS DESIGNATED.] Every individual resident of Minnesota who files a tax return or a renter and homeowner property tax refund return with the commissioner of revenue may designate that \$2 shall be paid from the general fund of the state into the state elections campaign fund. If a husband and wife file a joint return, each spouse may designate that \$2 shall be paid. An individual who is 18 years of age or older, who is a resident of Minnesota, and who is a dependent of another individual who files a tax return or a renter and homeowner property tax refund return, may designate that \$2 shall be paid from the general fund of the state into the state elections campaign fund. No individual shall be allowed to may designate that \$2 be paid more than once in any year.

Of each \$2 designated by a taxpayer to be paid into the state elections campaign fund, \$1 is allocated to candidates and \$1 to congressional candidates.

Sec. 14. Minnesota Statutes 1982, section 10A.31, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF TAX FORMS.] The commissioner of the ~~department~~ of revenue shall provide on the first page of the income tax form and the renter and homeowner property tax refund return a space for the filing individual, and any adult dependent of that individual, to indicate whether or not he wishes to allocate \$2 (\$4 if filing a joint return) from the general fund of the state to finance the election campaigns of state candidates and congressional candidates. ~~The form shall also contain language prepared by the commissioner which permits the individual to direct the state to allocate the \$2 (or \$4 if filing a joint return) to: (i) one of the major political parties; (ii) any minor political party as defined in section 10A.01, subdivision 13, which qualifies under the provisions of subdivision 3a; or (iii) all qualify-~~

ing candidates as provided by subdivision 7. The dependent on the tax return or the renter and homeowner property tax refund return shall sign a statement which authorizes the designation of \$2. The renter and homeowner property tax refund return shall include instructions that the individual filing the return may designate \$2 on the return only if he has not designated \$2 on the income tax return.

Sec. 15. Minnesota Statutes 1982, section 10A.31, subdivision 4, is amended to read:

Subd. 4. [ANNUAL APPROPRIATION.] The amounts designated by individuals for the state elections campaign fund are appropriated from the general fund and shall be credited to the appropriate account in the state elections campaign fund and annually appropriated for allocation and distribution as set forth in subdivisions subdivision 5, 6 and 7.

Sec. 16. Minnesota Statutes 1982, section 10A.31, subdivision 5, is amended to read:

Subd. 5. [ALLOCATION OF ACCOUNTS.] (a) *Candidates.* In each calendar year the moneys money in each party account and the general account the state elections campaign fund which has been segregated for allocation to candidate offices shall be allocated to candidates as follows:

(1) 21 percent for candidates for the offices of governor and lieutenant governor together;

(2) 3.6 percent for candidates for the office of attorney general;

(3) 1.8 percent each for candidates for the offices of secretary of state, state auditor, and state treasurer;

(4) in each calendar year during the period in which state senators serve a four year term, 23-1/3 percent for candidates for the office of state senator and 46-2/3 percent for candidates for the office of state representative;

(5) in each calendar year during the period in which state senators serve a two year term, 35 percent each for candidates for the offices of state senator and state representative;

(6) To assure that moneys will be returned to the counties from which they were collected, and to assure that the distribution of those moneys rationally relates to the support for particular parties or for particular candidates within legislative districts, moneys from the party accounts for legislative candidates shall be distributed as follows:

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election shall receive moneys from his party account set aside for candidates of the state senate or state house of representatives, whichever applies, according to the following formula:

For each county within his district the candidate's share of the dollars allocated in that county to his party account and set aside for that office shall be:

(a) The sum of the votes cast in the last general election in that part of the county in his district for all candidates of his party (i) whose names appeared on the ballot in each voting precinct of the state and (ii) for the state senate and state house of representatives, divided by

(b) The sum of the votes cast in that county in the last general election for all candidates of his party (i) whose names appeared on the ballot in each voting precinct in the state and (ii) for the state senate and state house of representatives, multiplied by

(c) The amount in his party account allocated in that county and set aside for the candidates for the office for which he is a candidate.

The sum of all the county shares calculated in the formula above is the candidate's share of his party account.

In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.

For any party under whose name no candidate's name appeared on the ballot in each voting precinct in the state in the last general election, "last general election" means the last general election in which the name of a candidate of that party appeared on the ballot in each voting precinct in the state.

In a year in which the first election after a legislative reapportionment is held, "his district" means the newly drawn district, and voting data from the last general election will be applied to the area encompassing the newly drawn district notwithstanding that the area was in a different district in the last general election.

If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party shall be the average vote of all the remaining candidates of that party in each county of that district whose votes are included in the sums in clauses (a) and (b). The average vote shall be added to the sums in clauses (a) and (b) before the calculation is made for all districts in the county.

Money from a party account the fund not distributed to candidates for state senator and representative in any election year shall be returned to the general fund of the state. Money from a party account not distributed to candidates for other offices in an election year shall be returned to the party account for reallocation to candidates as provided in clauses (1) to (6) of this subdivision in the following year. Moneys from the general account refused by any candidate shall be distributed to all other qualifying candidates in proportion to their shares as provided in this subdivision retained in the state elections campaign fund for distribution in accordance with this subdivision in future years.

(b) *Congressional candidates.* In each calendar year the money in the state elections campaign fund which has been segregated for allocation to congressional candidate offices shall be allocated as follows:

- (1) 33-1/3 percent for the office of United States senator;
- (2) 66-2/3 percent for the offices of representative in congress.

Sec. 17. Minnesota Statutes 1982, section 10A.31, is amended by adding a subdivision to read:

Subd. 6a. [APPLICATION FOR MATCHING FUNDS.] After December 31, 1983, a candidate or congressional candidate who desires to receive matching funds pursuant to section 10A.31 may file an application with the

board which meets the requirements of section 10A.32, subdivision 3. An application to participate in the matching fund system must be filed with the board no earlier than January 1 nor later than the close of filings for office in the election year for the office held or sought. Once filed, an application to participate in the matching fund system may not be revoked. The board shall receive and keep a record of each application.

Sec. 18. Minnesota Statutes 1982, section 10A.31, is amended by adding a subdivision to read:

Subd. 6b. [SUBMISSION OF QUALIFYING CONTRIBUTIONS; RECORDS.] A candidate or congressional candidate or the treasurer of his principal campaign committee may submit records of contributions and the board may certify contributions as qualifying contributions after the candidate has registered a single principal campaign committee and has filed an application with the board pursuant to section 17 or a congressional candidate has registered pursuant to federal law and filed an application. A candidate or congressional candidate or the treasurer of his principal campaign committee shall not present contributions to the board for certification as qualifying contributions which do not satisfy the requirements in section 10A.01, subdivision 7c.

Records of contributions submitted for certification by the board must include the name and address of each contributor and the date of each contribution. Information submitted pursuant to this subdivision is in addition to and not in lieu of any other reporting requirements in chapter 10A.

Sec. 19. Minnesota Statutes 1982, section 10A.31, is amended by adding a subdivision to read:

Subd. 7a. [ENTITLED TO RECEIVE MATCHING FUNDS; THRESHOLD AMOUNTS.] A candidate or congressional candidate who files an application as required by section 17 may receive \$1 in matching funds from the board pursuant to section 10A.31 for each \$1 received by the candidate in certified qualifying contributions if the board has certified that the candidate or congressional candidate has raised the threshold amount of certified qualifying contributions. The threshold amounts of certified qualifying contributions which must be raised before a candidate or congressional candidate qualifies for matching funds are:

<i>Office Sought</i>	<i>Threshold Amount of Qualifying Contributions</i>
<i>Governor and Lieutenant Governor, or United States Senator</i>	<i>\$50,000</i>
<i>Attorney General or Representative in Congress</i>	<i>10,000</i>
<i>Secretary of State, State Treasurer, or State Auditor</i>	<i>5,000</i>
<i>Senate Senator</i>	<i>2,000</i>
<i>State Representative</i>	<i>1,000</i>

Qualifying contributions raised by a candidate or congressional candidate to satisfy the threshold amounts set forth in this subdivision shall not be matched by the board.

The executive director of the board shall promptly notify a candidate or

congressional candidate when the board has certified that the threshold amount of qualifying contributions has been raised.

Sec. 20. Minnesota Statutes 1982, section 10A.31, is amended by adding a subdivision to read:

Subd. 8a. [ESTIMATE OF TOTAL AVAILABLE MONEY; DISTRIBUTION.] By February 1 of the election year, the board shall estimate the total amount of money allocated to the office accounts pursuant to subdivision 5 for that general election year based upon the taxpayers' designations approved by the commissioner of revenue for the previous year. Based upon the estimates, the board shall set aside 30 percent of the total amount of money in each office account for distribution to primary candidates or congressional candidates for that office in accordance with section 22. The remaining 70 percent in each office account shall be distributed to general election candidates or congressional candidates for that office in accordance with section 23.

Sec. 21. Minnesota Statutes 1982, section 10A.31, is amended by adding a subdivision to read:

Subd. 9a. [ESTIMATES OF AVAILABLE MONEY FOR SPECIFIC OFFICES.] Not later than seven days after the close of filings for office in an election year, the board shall estimate the total amount of money available for distribution to candidates or congressional candidates for each office pursuant to sections 22 and 23 based upon the number of candidates or congressional candidates who have applied to participate in the matching system. After calculation of the estimated amounts available for distribution pursuant to sections 22 and 23, the board shall make the estimates available for public inspection, publish the estimates in the State Register and make them available to the secretary of state and, in the case of legislative candidates, the county filing officers.

Sec. 22. Minnesota Statutes 1982, section 10A.31, is amended by adding a subdivision to read:

Subd. 10a. [DISBURSEMENT OF FUNDS; PRIMARY ELECTION.] Beginning on the third day following the last day for withdrawal of candidates and congressional candidates from a primary election, the board may disburse matching funds to a candidate or congressional candidate who:

(a) has filed an application to participate in the matching fund system in accordance with section 17;

(b) is entitled to have his name appear on the primary election ballot; and

(c) has received qualifying contributions in excess of the threshold amount provided in section 19.

The board shall certify records of qualifying contributions submitted by a candidate or congressional candidate who has met the requirements in this subdivision in a timely manner and in any case not less than every 14 days after the last day for withdrawal of candidates or congressional candidates. Qualifying contributions are not eligible for matching funds under this subdivision if the records of the contributions are submitted to the board after the primary results have been canvassed by the state canvassing board. No candidate or congressional candidate is entitled to receive matching funds

under this subdivision in an aggregate amount in excess of the per candidate estimate for that office determined in section 21.

Sec. 23. Minnesota Statutes 1982, section 10A.31, is amended by adding a subdivision to read:

Subd. 10b. [DISBURSEMENT OF FUNDS; GENERAL ELECTION.] Beginning after the day of certification of primary results, the board may disburse matching funds to a candidate or congressional candidate who:

(a) has filed an application to participate in the matching fund system in accordance with section 17;

(b) is entitled to have his name appear on the general election ballot; and

(c) has received qualifying contributions in excess of the threshold amount provided in section 19.

The board shall certify records of qualifying contributions submitted by a candidate or congressional candidate who has met the requirements in this subdivision in a timely manner and in any case not less than every 14 days after the last day for withdrawal of candidates or congressional candidates. Qualifying contributions are not eligible for matching funds under this subdivision if the records of the contributions are submitted to the board after November 15 of the election year. No candidate or congressional candidate shall be entitled to receive matching funds under this subdivision in an aggregate amount in excess of the per candidate estimate for that office determined in section 21.

Sec. 24. Minnesota Statutes 1982, section 10A.31, subdivision 11, is amended to read:

Subd. 11. [UNOPPOSED CANDIDATE.] A candidate or congressional candidate who is unopposed in both the primary and general election is not entitled to receive any matching funds from the board pursuant to section 10A.31. A candidate or congressional candidate who is opposed only in the primary is not entitled to receive any matching funds pursuant to section 23. For the purposes of this section subdivision, a write-in candidate is not a candidate unless he complies with the provisions of section 10A.32, subdivision 3 or congressional candidate shall not be regarded as opposition or as creating a contested election for the office sought.

Sec. 25. Minnesota Statutes 1982, section 10A.32, is amended by adding a subdivision to read:

Subd. 1a. [MATCHING FUNDS FOR QUALIFIED EXPENDITURES ONLY.] Matching funds received by a candidate or congressional candidate from the board pursuant to section 10A.31 may be spent only for qualified expenditures. No candidate may receive or retain any matching funds in excess of the amount of qualified expenditures made by the candidate or congressional candidate during the election year for the office held or sought. Any amount of matching funds received by a candidate or congressional candidate which exceeds the amount of qualified expenditures must be returned to the board with the report of receipts and expenditures due on January 31.

Sec. 26. Minnesota Statutes 1982, section 10A.32, subdivision 3, is

amended to read:

Subd. 3. [WRITTEN AGREEMENT; MATCHING FUNDS.] As a condition of receiving any money from the state elections campaign fund, a candidate or congressional candidate shall agree by stating in writing to the board that:

(a) his expenditures and approved expenditures shall not exceed the expenditure limits as set forth in section 10A.25 and that (b) he shall not accept contributions or allow approved expenditures to be made on his behalf for the period beginning with January 1 of the election year or with the registration of his principal campaign committee, whichever occurs later, and ending December 31 of the election year, which aggregate contributions and approved expenditures exceed the difference between the amount which may legally be expended by him or on his behalf, and the amount which may legally be expended by him or on his behalf, and the amount which he receives from the state elections campaign fund;

(b) any matching funds received shall be spent only for qualified campaign expenditures; and

(c) complete and accurate records on the sources of matched contributions and qualified expenditures shall be maintained.

The agreement, insofar as it relates to the expenditure limits set forth in section 10A.25, remains shall remain effective until the dissolution of the principal campaign committee of a candidate or congressional candidate or the opening of filings for the next succeeding election to the office held or sought at the time of agreement, whichever occurs first. Money in the account of the principal campaign committee of a candidate on January 1 of the election year for the office held or sought shall be considered contributions accepted by that candidate in that year for the purposes of this subdivision. That amount of all contributions accepted by a candidate in an election year which equals the amount of noncampaign disbursements and contributions and expenditures to promote or defeat a ballot question which are made by that candidate in that year shall not count toward the aggregate contributions and approved expenditure limit imposed by this subdivision. Any amount by which his aggregate contributions and approved expenditures agreed to under clause (b) exceed the difference shall be returned to the state treasurer in the manner provided in subdivision 2. In no case shall the amount returned exceed the amount received from the state elections campaign fund.

The candidate may submit his signed agreement to the filing officer on the day he files his affidavit of candidacy or petition to appear on the ballot, or he may submit the agreement to the board no later than September 1.

The board prior to the first day of filing for office shall forward forms for the agreement to all filing officers. The filing officer shall without delay forward signed agreements to the board. An agreement may not be rescinded after September 1.

For the purposes of this subdivision only, the total amount to be distributed to each candidate is calculated to be his share of the total estimated funds in his party account as provided in subdivision 3a, plus the total amount estimated as provided in subdivision 3a to be in the general account of the state elections campaign fund and set aside for that office divided by the number of candidates

whose names are to appear on the general election ballot for that office. If for any reason the amount actually received by the candidate is greater than his share of the estimate, and his contributions thereby exceed the difference, the agreement shall not be considered violated.

A candidate or congressional candidate who accepts any matching funds from the board thereby authorizes the board, at its discretion and upon reasonable notice, to conduct a thorough examination and audit of all records kept by the candidate's principal campaign committee.

If a candidate or congressional candidate or the treasurer of his principal campaign committee cannot demonstrate through adequate records the receipt of a sufficient amount of qualifying contributions or the expenditure of a sufficient amount of qualified expenditures, the candidate or congressional candidate shall promptly return to the board any amount of matching funds received by the candidate or congressional candidate from the board which is in excess of the amount the candidate or congressional candidate was entitled to receive or in excess of the qualified expenditures made by the candidate or congressional candidate or his principal campaign committee.

Money returned by a candidate or congressional candidate pursuant to this subdivision shall be deposited in the state elections campaign fund for distribution in the next calendar year as set forth in section 10A.31, subdivision 5.

Sec. 27. [10A.338] [SIGNED AGREEMENT AS CONDITION OF RECEIVING PUBLIC SUBSIDY IN FORM OF TAX CREDITS.]

Subdivision 1. [SIGNED AGREEMENT BY CANDIDATE.] As a condition of receiving a public subsidy for his election campaign in the form of tax credits against the tax due from individuals who contribute to his principal campaign committee, a candidate shall sign a written agreement with the board that his expenditures and approved expenditures shall not exceed the expenditure limits set forth in section 10A.25, as adjusted by section 10A.255.

Subd. 2. [SIGNED AGREEMENT BY CONGRESSIONAL CANDIDATE.] As a condition of receiving a public subsidy for his election campaign in the form of tax credits against the tax due from individuals who contribute to any of his authorized committees, a congressional candidate must sign a written agreement with the board that his expenditures will not exceed the expenditure limits set forth in section 10A.25, as adjusted by section 10A.255.

Subd. 3. [SUBMISSION OF AGREEMENT.] (a) A candidate may submit his signed agreement to the board at any time beginning with or following the registration of his principal campaign committee.

(b) A congressional candidate may submit his signed agreement to the board at any time beginning with or following the registration of any of his authorized committees.

Subd. 4. [HOW LONG AGREEMENT IS EFFECTIVE.] (a) A candidate's agreement remains effective until the dissolution of the principal campaign committee of the candidate or the opening of filing for the next succeeding election for the office held or sought at the time of agreement, whichever

occurs first. An agreement signed under this subdivision may not be rescinded.

(b) A congressional candidate's agreement remains effective until the termination of the authorized committees of the congressional candidate, as provided by United States Code, title 2, section 433(d), as amended through December 31, 1982, or the opening of filing for the next succeeding election to the office held or sought at the time of the agreement, whichever occurs first. An agreement signed under this subdivision may not be rescinded.

Subd. 5. [TAX CREDIT NOT ALLOWED.] The commissioner of revenue shall not allow any individual or married couple filing jointly to take a credit against any tax due, as provided under section 290.06, subdivision 11, for any contribution to a candidate for legislative or state constitutional office or congressional candidate for representative in congress or United States senator who has not signed the agreement provided in this subdivision.

Subd. 6. [CAMPAIGN EXPENDITURES NOT LIMITED; CONSTRUCTION.] Nothing in this subdivision shall be construed to limit the campaign expenditure of any candidate or congressional candidate who does not sign an agreement under this subdivision but accepts a contribution for which the contributor claims a credit against tax due.

Subd. 7. [DUTIES OF BOARD.] The board shall forward a copy of any agreement signed under this subdivision to the commissioner of revenue. The board shall make available to any candidate or congressional candidate signing an agreement a supply of official tax credit receipt forms which state in boldface type that (a) a contributor who is given a receipt form is eligible to receive a credit against his tax due in an amount equal to 50 percent of his contribution but not more than \$50 for an individual, or not more than \$100 for a married couple filing jointly, and (b) the candidate or congressional candidate to whom he has contributed has voluntarily agreed to abide by campaign expenditure limits.

Subd. 8. [PENALTY.] If a candidate or congressional candidate does not sign an agreement under this subdivision he may not issue an official tax credit receipt form or any facsimile of one to any of his contributors. Any candidate or congressional candidate who does not voluntarily agree to abide by the expenditure limits imposed in section 10A.25, as adjusted by section 10A.255, and who willfully issues official tax credit receipt forms or any facsimile of them to any contributor is guilty of a misdemeanor.

Sec. 28. Minnesota Statutes 1982, section 290.06, subdivision 11, is amended to read:

Subd. 11. [CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] In lieu of the deduction provided by section 290.21, subdivision 3, clause (e), a taxpayer may take a credit against the tax due under this chapter of 50 percent of his contributions to candidates for elective state or federal public office and to any political party. The maximum credit for an individual shall not exceed \$50 and, for a married couple filing jointly or filing a combined return, shall not exceed \$100. No credit shall be allowed under this subdivision for a contribution to any candidate, other than a candidate for elective judicial office or federal office, who has not signed an agreement to limit his campaign expenditures as provided in section

10A.32, subdivision 3b 27. For purposes of this subdivision, a political party means a major political party as defined in section 200.02, subdivision 7.

This credit shall be allowed only if the contribution is verified in the manner the commissioner of revenue shall prescribe.

Sec. 29. [REALLOCATION OF FUNDS.]

Money existing in each party account and the general account within the state elections campaign fund as of the effective date of this section shall be reallocated to the appropriate accounts within the state elections campaign fund in accordance with section 16.

Sec. 30. [REPEALER.]

Minnesota Statutes 1982, sections 10A.31, subdivisions 2, 3a, 6, 7, 8, 9, and 10; 10A.32, subdivisions 3a, 3b, and 4; and 10A.335, are repealed.

Sec. 31. [EFFECTIVE DATE.]

Sections 1 to 13, 15 to 27, 29, and 30 are effective the day following final enactment. Sections 14 and 28 are effective for taxable years beginning after December 31, 1982."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 21 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Hughes	Kronebusch	Ramstad	Ulland
Belanger	Isackson	Laidig	Renneke	
Benson	Kamrath	McQuaid	Sieloff	
Berg	Knaak	Olson	Storm	
Frederickson	Knutson	Peterson,D.L.	Taylor	

Those who voted in the negative were:

Berglin	Dieterich	Lantry	Novak	Solon
Bertram	Frank	Lessard	Peterson,D.C.	Spear
Chmielewski	Freeman	Luther	Peterson,R.W.	Vega
Dahl	Johnson, D.J.	Merriam	Petty	Waldorf
Davis	Jude	Moe, D. M.	Pogemiller	Willet
DeCramer	Kroening	Moe, R. D.	Reichgott	
Diessner	Langseth	Nelson	Schmitz	

The motion did not prevail. So the amendment was not adopted.

Mr. Frederickson moved to amend H.F. No. 449, as amended pursuant to Rule 49, adopted by the Senate May 20, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 343.)

Page 41, line 35, delete everything after the period

Page 41, delete line 36

Page 42, delete lines 1 to 3

Page 42, line 7, delete everything after the period

Page 42, delete lines 8 to 11

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Knutson	Olson	Sieloff
Belanger	Isackson	Kronebusch	Peterson, D.L.	Storm
Benson	Kamrath	Laidig	Ramstad	Taylor
Berg	Knaak	McQuaid	Renneke	Ulland

Those who voted in the negative were:

Berglin	Frank	Lantry	Novak	Spear
Bertram	Freeman	Lessard	Peterson, D.C.	Vega
Chmielewski	Hughes	Luther	Peterson, R.W.	Waldorf
Dahl	Johnson, D.J.	Merriam	Petty	Willet
Davis	Jude	Moe, D. M.	Reichgott	
DeCramer	Kroening	Moe, R. D.	Schmitz	
Diessner	Langseth	Nelson	Solon	

The motion did not prevail. So the amendment was not adopted.

Mr. Renneke moved to amend H.F. No. 449, as amended pursuant to Rule 49, adopted by the Senate May 20, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 343.)

Page 24, after line 18, insert:

“Subd. 10. [LIMIT ON CONTRIBUTIONS DURING SESSION.] A member of the legislature shall not solicit or accept contributions, or allow his principal campaign committee to solicit or accept contributions, from a lobbyist between the time the legislature is convened as a body empowered to enact legislation and the end of the period during which the governor may sign acts. This subdivision does not apply to the party organization within each house of the legislature.”

Amend the title accordingly

The question was taken on the adoption of the amendment.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 20 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Knutson	Olson	Sieloff
Belanger	Isackson	Kronebusch	Peterson, D.L.	Storm
Benson	Kamrath	Laidig	Ramstad	Taylor
Berg	Knaak	McQuaid	Renneke	Ulland

Those who voted in the negative were:

Berglin	Frank	Lantry	Novak	Spear
Bertram	Freeman	Lessard	Peterson, D.C.	Vega
Chmielewski	Hughes	Luther	Peterson, R.W.	Waldorf
Dahl	Johnson, D.J.	Merriam	Petty	Willet
Davis	Jude	Moe, D. M.	Pogemiller	
DeCramer	Kroening	Moe, R. D.	Reichgott	
Diessner	Langseth	Nelson	Schmitz	

The motion did not prevail. So the amendment was not adopted.

Mr. Frederickson moved to amend H.F. No. 449, as amended pursuant to Rule 49, adopted by the Senate May 20, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 343.)

Page 28, line 3, delete "\$2.50" and insert "\$2.00"

Page 28, delete lines 8 to 12 and insert:

(2) \$3.00 for allocation to the Minnesota department of education for distribution to school districts. The department shall designate these funds for educational programs about representative government, fair campaign laws and the influence of special interests on legislatures."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 30, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Knutson	Olson	Sieloff
Belanger	Isackson	Kronebusch	Peterson, D.L.	Storm
Benson	Kamrath	Laidig	Ramstad	Taylor
Berg	Knaak	McQuaid	Renneke	Ulland

Those who voted in the negative were:

Berglin	Diessner	Kroening	Moe, R. D.	Reichgott
Bertram	Frank	Langseth	Nelson	Schmitz
Chmielewski	Freeman	Lantry	Peterson, D.C.	Spear
Dahl	Hughes	Lessard	Peterson, R.W.	Vega
Davis	Johnson, D.J.	Luther	Petty	Waldorf
DeCramer	Jude	Merriam	Pogemiller	Willet

The motion did not prevail. So the amendment was not adopted.

Mr. Laidig moved to amend H.F. No. 449, as amended pursuant to Rule 49, adopted by the Senate May 20, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 343.)

Page 13, line 33, delete the new language and reinstate the stricken language.

Mr. Sieloff moved that the Call of the Senate imposed for the proceedings on H.F. No. 449 be lifted. The motion did not prevail.

The question recurred on the Laidig amendment.

The roll was called, and there were yeas 20 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Knutson	Merriam	Renneke
Belanger	Isackson	Kronebusch	Olson	Sieloff
Benson	Kamrath	Laidig	Peterson, D.L.	Storm
Berg	Knaak	McQuaid	Ramstad	Ulland

Those who voted in the negative were:

Adkins	Diessner	Langseth	Novak	Spear
Berglin	Frank	Lantry	Peterson, D.C.	Vega
Bertram	Freeman	Lessard	Peterson, R.W.	Waldorf
Chmielewski	Hughes	Luther	Petty	Willet
Dahl	Johnson, D.J.	Moe, D. M.	Pogemiller	
Davis	Jude	Moe, R. D.	Reichgott	
DeCramer	Kroening	Nelson	Schmitz	

The motion did not prevail.

H.F. No. 449 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 35 and nays 20, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kroening	Moe, R. D.	Reichgott
Berglin	Diessner	Langseth	Nelson	Schmitz
Bertram	Frank	Lantry	Novak	Solon
Chmielewski	Freeman	Lessard	Peterson, D.C.	Spear
Dahl	Hughes	Luther	Peterson, R.W.	Vega
Davis	Johnson, D.J.	Merriam	Petty	Waldorf
DeCramer	Jude	Moe, D. M.	Pogemiller	Willet

Those who voted in the negative were:

Anderson	Frederickson	Knutson	Olson	Sieloff
Belanger	Isackson	Kronebusch	Peterson, D.L.	Storm
Benson	Kamrath	Laidig	Ramstad	Taylor
Berg	Knaak	McQuaid	Renneke	Ulland

So the bill, as amended, passed and its title was agreed to.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Davis and Ms. Olson introduced—

S.F. No. 1284: A bill for an act relating to vocational-technical education; making the state board of vocational-technical education when established the sole state agency for receipt and disbursement of federal and state vocational funds.

Referred to the Committee on Education.

Messrs. Merriam and Peterson, R. W. introduced—

S.F. No. 1285: A bill for an act relating to courts; providing procedures for collection of conciliation court judgments; requiring conciliation court clerks to explain procedures of conciliation court to litigants and to assist them in filling out forms; amending Minnesota Statutes 1982, sections 418A.13, subdivision 2; 418A.16, subdivision 8; 487.30, by adding subdivisions; 488A.30, subdivision 2; and 488A.33, subdivision 7.

Referred to the Committee on Judiciary.

Messrs. Lessard, Chmielewski, Stumpf, Bertram and Wegscheid introduced—

S.F. No. 1286: A bill for an act relating to elections; permitting voters at primaries to vote for candidates of more than one party; amending Minne-

sota Statutes 1982, sections 204C.13, subdivision 3; 204C.22, subdivision 3; 204D.08, subdivision 4; 206.026, subdivision 1; 206.07, subdivisions 4 and 5; and 206.09; repealing Minnesota Statutes 1982, section 206.01, subdivision 8.

Referred to the Committee on Elections and Ethics.

Messrs. Dahl, Kroening and Solon introduced—

S.F. No. 1287: A bill for an act relating to commerce; motor fuel franchises; authorizing franchisees to purchase fuel from other sources in certain circumstances; requiring notices; providing remedies; proposing new law coded in Minnesota Statutes, chapter 80C.

Referred to the Committee on Economic Development and Commerce.

Messrs. Dahl, Kroening and Solon introduced—

S.F. No. 1288: A bill for an act relating to commerce; prohibiting the imposition of gasoline credit card charges on the seller; proposing new law coded in Minnesota Statutes, chapter 80C.

Referred to the Committee on Economic Development and Commerce.

Messrs. Dahl, Kroening and Solon introduced—

S.F. No. 1289: A bill for an act relating to commerce; prohibiting unfair, predatory, and discriminatory pricing practices by persons engaged in the refining, distribution, or sale of motor fuel; defining terms; providing remedies; proposing new law coded in Minnesota Statutes, chapter 325E.

Referred to the Committee on Economic Development and Commerce.

Messrs. Dahl, Kroening and Solon introduced—

S.F. No. 1290: A bill for an act relating to commerce; petroleum products; requiring producers or refiners to sell retail service stations to franchisees in certain circumstances; requiring the producer or refiner to provide financing; providing remedies; prescribing penalties; proposing new law coded in Minnesota Statutes, chapter 325E.

Referred to the Committee on Economic Development and Commerce.

Messrs. Dahl, Kroening and Solon introduced—

S.F. No. 1291: A bill for an act relating to commerce; motor fuel franchises; requiring agreements to contain certain building alteration and business hours limitation provisions; proposing new law coded as Minnesota Statutes, chapter 80C.

Referred to the Committee on Economic Development and Commerce.

Messrs. Dahl, Kroening and Solon introduced—

S.F. No. 1292: A bill for an act relating to commerce; prohibiting producers or refiners of petroleum from operating retail service stations with

company personnel; providing exceptions; defining certain terms; providing for enforcement; proposing new law coded in Minnesota Statutes, chapter 325E.

Referred to the Committee on Economic Development and Commerce.

Mr. Purfeerst, Mrs. Lantry, Mr. Hughes, Ms. Olson and Mrs. McQuaid introduced—

S.F. No. 1293: A bill for an act relating to bicycles; allowing bicycle registrants to donate in excess of the registration fee to pay for costs of administering and publicizing the bicycle registration program and for developing bicycle education programs and recreational facilities and trails; providing criteria for fund allocation to political subdivisions; providing for reports to the legislature; providing for appointment of deputy registrars of bicycles; continuing the bicycle study review commission; amending Minnesota Statutes 1982, sections 168C.04; 168C.11; Laws 1976, chapter 199, section 14, subdivision 1.

Referred to the Committee on Transportation.

Mr. Langseth introduced—

S.F. No. 1294: A bill for an act relating to motor vehicles; providing for collection of a surcharge on leases for traffic fine reimbursement; proposing new law coded in Minnesota Statutes, chapter 168.

Referred to the Committee on Transportation.

Ms. Peterson, D.C.; Messrs. Kroening and Dahl introduced—

S.F. No. 1295: A bill for an act relating to housing; authorizing the Minnesota housing finance agency to establish and maintain an assisted rental program for residential housing; appropriating money; amending Minnesota Statutes 1982, sections 462A.05, by adding a subdivision; 462A.21, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 462A.

Referred to the Committee on Energy and Housing.

Mr. Jude and Mrs. Adkins introduced—

S.F. No. 1296: A bill for an act relating to real property; regulating the division of real estate interests into shares defined by time; enacting a model real estate time-share act; proposing new law coded as Minnesota Statutes, chapter 515B.

Referred to the Committee on Economic Development and Commerce. Mr. Spear questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Messrs. Bertram; Johnson, D.E.; Benson; Chmielewski and Waldorf introduced—

S.F. No. 1297: A bill for an act relating to public assistance; authorizing the commissioner of public welfare to pay rewards for information in certain

cases of crimes involving public assistance; requiring restitution for certain crimes involving public assistance; providing a penalty; appropriating money; amending Minnesota Statutes 1982, section 256.01, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 256; proposing new law coded as Minnesota Statutes, chapter 611B.

Referred to the Committee on Health and Human Services.

Messrs. Freeman; Moe, R.D.; Schmitz; Kamrath and Mrs. McQuaid introduced—

S.F. No. 1298: A bill for an act relating to local government; providing procedures for the publication of legal notices; removing various requirements for publication of notices; amending Minnesota Statutes 1982, sections 3.21; 48.48, subdivision 1; 88.48, subdivision 2; 94.10, subdivision 1; 94.344, subdivision 7; 123.33, subdivision 11; 123.71, subdivision 1; 160.17, subdivision 2; 205.20, subdivision 5; 206.17, subdivision 2; 279.07; 279.08; 279.09; 300.13, subdivision 4; 302A.727, subdivision 1; 306.023, subdivision 2; 306.111, subdivision 2; 306.16, subdivision 2; 306.21, subdivision 1; 307.06; 315.25; 326.18; 346.02; 365.37; 368.01, subdivision 21; 370.04; 370.07; 371.04; 372.02; 372.08; 374.13; 374.34; 375.025, subdivision 4; 375.12; 375.17; 375.21, subdivision 1; 375.51, subdivision 3; 375.52; 383A.27, subdivision 2; 412.191, subdivisions 3 and 4; 412.311; 414.09, subdivision 3; 415.021; 429.061, subdivision 2; 430.02, subdivisions 3, 7, 11, and 12; 430.04; 430.07, subdivision 5; 430.102, subdivision 3; 435.202, subdivision 2; 441.04; 462.427, subdivision 3; 465.32; 465.38; 471.697, subdivision 1; 471.698, subdivision 1; 471.6985; 472.04, subdivision 2; 484.30; and 492.02, subdivision 3; proposing new law coded in Minnesota Statutes, chapters 375 and 471; proposing new law coded as Minnesota Statutes, chapter 331A; repealing Minnesota Statutes 1982, sections 55.09; 306.16, subdivision 1; 331.01; 331.02; 331.03; 331.04; 331.05; 331.06; 331.07; 331.08; 331.10; 331.11; and 441.51.

Referred to the Committee on Local and Urban Government.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 851.

H.F. No. 851: A bill for an act relating to agriculture; making certain changes in the family farm security loan program; amending Minnesota Statutes 1982, sections 15.38, by adding a subdivision; 16.02, subdivision 14; 41.52, by adding a subdivision; 41.53, subdivision 2; 41.54, subdivision 2; 41.55; 41.56, subdivisions 4, 5, and by adding subdivisions; 41.57, subdivision 2; 41.58, subdivision 1; 41.59, subdivisions 1, 2, and 3; 41.61, subdivision 1; and 48.19, by adding a subdivision.

And the House respectfully requests that a Conference Committee of three

members be appointed thereon.

Graba, Kalis and Valan have been appointed as such committee on the part of the House.

House File No. 851 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted May 21, 1983

Mr. Bertram moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 851, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

MEMBERS EXCUSED

Mr. Willet was excused from the Session of today at 12:30 p.m. Mr. Wegscheid was excused from the Session of today from 3:30 to 5:40 p.m. Mr. Dahl was excused from the Session of today from 11:00 a.m. to 12:10 p.m. Mr. Wegscheid was excused from the Session of today from 9:00 p.m. to 1:15 a.m. Messrs. Bernhagen and Stumpf were excused from the Session of today from 2:30 to 4:25 a.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 10:00 a.m., Monday, May 23, 1983. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTIETH DAY

St. Paul, Minnesota, Monday, May 23, 1983

The Senate met at 10:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Mrs. Lantry imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Sister Michelle McGurran.

The roll was called, and the following Senators answered to their names:

Adkins	Diessner	Kroening	Olson	Sieloff
Anderson	Dieterich	Kronebusch	Pehler	Solon
Belanger	Frank	Laidig	Peterson, C.C.	Spear
Benson	Frederick	Langseth	Peterson, D.C.	Storm
Berg	Frederickson	Lantry	Peterson, D.L.	Stumpf
Berglin	Freeman	Lessard	Peterson, R.W.	Taylor
Bernhagen	Hughes	Luther	Petty	Ulland
Bertram	Isackson	McQuaid	Pogemiller	Vega
Brataas	Johnson, D.E.	Mehrkens	Purfeerst	Waldorf
Chmielewski	Johnson, D.J.	Merriam	Ramstad	Wegscheid
Dahl	Jude	Moe, D.M.	Reichgott	Willet
Davis	Kamrath	Moe, R.D.	Renneke	
DeCramer	Knaak	Nelson	Samuelson	
Dicklich	Knutson	Novak	Schmitz	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 510.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1983

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 147: A bill for an act relating to retirement; employee and employer contributions to the Minnesota state retirement system; amending Minnesota Statutes 1982, section 352.92, subdivisions 1 and 2.

Senate File No. 147 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1983

Mr. Moe, R.D. moved that S.F. No. 147 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 415, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 415: A bill for an act relating to state government; providing for salaries for constitutional officers, agency heads, metropolitan agency heads, and certain judicial positions; providing an expense allowance; establishing a compensation council; limiting local government salaries; prohibiting cash payments for accumulated vacation pay; expanding the authority of the commissioner of employee relations to set salaries; requiring the governor to recommend certain salaries; removing salary setting authority of certain state agencies; removing additional compensation for the career executive service; requiring the percentage of women in the career executive service to be increased; ratifying state and University of Minnesota labor agreements, compensation plans, and plans for early retirement incentives; amending Minnesota Statutes 1982, sections 3.855, subdivision 3; 3.922, subdivision 5; 15A.081, subdivisions 1, 6, and 7, and by adding a subdivision; 15A.083, subdivisions 1, 2, and 4; 43A.17, by adding subdivisions; 43A.18, subdivisions 3, 4, and 5; 43A.21, by adding a subdivision; 105.71, subdivision 2; 136.034; 136A.03; 179.741, subdivision 1; 244.09, subdivision 10; 256.482, subdivision 2; 298.22, subdivision 1; 326.241, subdivision 2; 352.03, subdivision 4; 354.06, subdivision 2; 484.68, subdivision 6; and Laws 1980, chapter 564, article XII, section 1, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 15A; repealing Minnesota Statutes 1982, sections 16A.16; 136.063; and 136A.035.

Senate File No. 415 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 21, 1983

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 1137.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 21, 1983

FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the committee

indicated.

H.F. No. 1137: A bill for an act relating to taxation; providing an income tax credit for employers who create new permanent jobs; proposing new law coded in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes and Tax Laws.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 242 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F.No.	S.F.No.
242	183				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 242 be amended as follows:

Page 2, lines 20 and 21, after "*contamination.*" do not begin a new paragraph

Page 2, line 22, after "*under*" insert "*this*"

Page 2, line 22, after the first "*clause*" delete "*(b)*"

Page 2, line 22, after the second "*clause*" delete "*(c)*" and insert "*(b)*"

Page 2, line 26, delete "*Z129.1-1982*" and insert "*Z129.1-1976*"

Page 3, line 1, delete "*This*"

Page 3, delete lines 2 to 4

Page 3, line 21, delete "*This exemption*"

Page 3, delete lines 22 to 24

Page 3, line 28, delete "*professional or technical*"

Page 3, line 29, delete "*, at the time of exposure,*"

Page 3, line 30, delete "*and the necessary safety precautions*"

Page 3, line 32, after "*person*" insert "*or, under the person's supervision, by other technically qualified individuals*"

Page 3, delete lines 33 to 35

Page 5, after line 2, insert:

"*(a) products labeled pursuant to the Federal Insecticide, Fungicide and Rodenticide Act, as amended, and the Federal Food, Drug, and Cosmetic Act, as amended;*"

- Page 5, line 3, delete "(a)" and insert "(b)"
- Page 5, line 5, delete "(b)" and insert "(c)"
- Page 5, line 8, delete "or"
- Page 5, line 9, delete "(c)" and insert "(d)"
- Page 5, line 12, delete the period and insert "; or
(e) products labeled pursuant to 6 MCAR sections 4.9214 and 4.9216."
- Page 5, line 17, delete the new comma
- Page 5, line 30, delete "sections" and insert "section"
- Page 7, delete lines 12 to 20
- Page 7, delete lines 24 and 25
- Page 8, line 13, after "number" delete the comma
- Page 8, delete lines 19 to 27
- Page 8, line 30, delete "16" and insert "13"
- Page 9, line 15, delete everything after "waste."
- Page 9, delete line 16
- Page 9, line 17, delete everything before "The"
- Page 9, line 20 to page 11, line 10, delete sections 12, 13, and 14
- Page 11, line 21, delete everything after "An employee"
- Page 11, delete line 22
- Page 11, line 23, delete "labor camp,"
- Page 11, line 26, delete "sections 9, 10, 11, or 12" and insert "section 9
or 10"
- Page 11, line 27, delete "27" and insert "24"
- Page 11, delete lines 34 to 36
- Page 12, delete lines 1 to 5
- Page 12, line 15, delete the first comma and insert "or"
- Page 12, line 15, delete ", or contagious"
- Page 12, line 16, delete "animate agent"
- Page 12, line 18, after "(f)," insert "or"
- Page 12, delete line 19 and insert "13."
- Page 12, line 35, delete the comma and insert "or"
- Page 12, line 36, delete ", or 12"
- Page 13, line 3, delete "sections" and insert "section"
- Page 13, line 4, delete ", or 12"
- Page 13, line 4, delete "16" and insert "13"

Page 14, line 17, delete "*substantially*"

Page 14, line 18, after "9" delete the comma and insert "or"

Page 14, line 18, delete ", or 12"

Page 14, line 20, after "9" delete the comma and insert "or"

Page 14, line 20, after "10" delete the comma

Page 14, line 21, delete "or 12"

Page 15, line 10, after "*employer*" insert "*to the commissioner and*"

Page 17, line 11, delete "22" and insert "11"

Page 17, line 18, delete "*Subject to the restrictions*"

Page 17, delete line 19

Page 17, line 20, delete "1.7001,"

Page 17, line 21, delete "8,"

Page 17, line 21, after "9" delete the comma and insert "or"

Page 17, line 21, delete "or 12"

Page 17, line 22, delete "16" and insert "13"

Page 18, line 31, delete "12,"

Page 18, line 31, delete "16" and insert "13"

Page 19, line 13, after "*may*" insert "*, absent a provision in a labor agreement to the contrary,*"

Page 19, delete lines 34 and 35

Page 20, line 3, delete "14,"

Page 20, line 4, after "16," insert "17,"

Page 20, line 4, delete "26," and insert "and"

Page 20, line 4, delete ", 28, and 30"

Page 20, line 5, delete "17" and insert "14"

Page 20, line 6, delete "29" and insert "26"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 13, delete "requiring" and insert "creating a presumption"

Page 1, line 14, after "agents" insert "must"

Page 1, line 15, delete "requiring"

Page 1, delete line 16

And when so amended H.F. No. 242 will be identical to S.F. No. 183, and further recommends that H.F. No. 242 be given its second reading and substituted for S.F. No. 183, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 452: A resolution memorializing the Postmaster General; urging the issuance of a postal stamp to commemorate the centennial of the first shipment of iron ore from Minnesota.

Reports the same back with the recommendation that the resolution do pass. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 533: A bill for an act relating to state government; providing for legislative expenses; amending Minnesota Statutes 1982, section 3.101; repealing Minnesota Statutes 1982, section 3.102.

Reports the same back with the recommendation that the bill do pass. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. Nos. 242, 452 and 533 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Moe, R.D. moved that H.F. Nos. 452 and 533 be laid on the table. The motion prevailed.

Mr. Purfeerst moved that S.F. No. 1204, No. 18 on Special Orders, be stricken and returned to its author. The motion prevailed.

Mr. DeCramer moved that the name of Mr. Schmitz be added as a co-author to S.F. No. 1010. The motion prevailed.

Mr. Davis moved that the name of Mr. Merriam be added as a co-author to S.F. No. 1284. The motion prevailed.

S.F. No. 201 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 201

A bill for an act relating to intoxicating liquor; authorizing off-sale licensees to dispense samples of wine, liqueurs and cordials; amending Minnesota Statutes 1982, section 340.11, subdivision 15.

May 22, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 201, report that we have

agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 201 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 340.034, subdivision 1, is amended to read:

Subdivision 1. No sale of non-intoxicating malt liquor shall be made between the hours of one a.m. and eight a.m. on any weekday Monday through Saturday inclusive. Neither shall any sale of such liquor be made on any Sunday between the hours of one a.m. and twelve o'clock noon, ~~nor between the hours of one a.m. and eight o'clock p.m. on the day of any statewide election.~~

Sec. 2. Minnesota Statutes 1982, section 340.11, subdivision 11, is amended to read:

Subd. 11. [ON-SALE LICENSES, INCLUDING HOTELS, CLUBS, RESTAURANTS, AND ON-SALE EXCLUSIVE LIQUOR STORES.] “On-sale” licenses may be issued by municipalities for the sale of intoxicating liquors in hotels, clubs, restaurants and establishments for the sale of “on-sale” liquors exclusively within the number authorized by this section. In addition to the number of licenses authorized by this section, an “on-sale” license may be issued, if approved by the commissioner of public safety, to a bona fide club ~~which has been in existence for 15 years or more~~ or to a congressionally chartered veterans’ organization which has been in existence for ~~five~~ *at least three* years. The club or veterans’ organization must be incorporated in order to be eligible to apply for a license, and the license issued must be for the sale of intoxicating liquors to members and bona fide guests only. The license fee for an “on-sale” license issued by a municipality pursuant to this subdivision shall be in an amount determined by the governing body thereof subject to the following limitations: up to \$300 for a veterans organization or fraternal club with a membership of 200 or less; up to \$500 for a veterans organization or fraternal club with a membership of between 201 and 500; up to \$650 for a veterans organization or fraternal club with a membership of between 501 and 1,000; up to \$800 for a veterans organization or fraternal club with a membership of between 1,001 and 2,000; up to \$1,000 for a veterans organization or fraternal club with a membership between 2,000 and 4,000; up to \$2,000 for a veterans organization or fraternal club with a membership of between 4,001 and 6,000; and up to \$3,000 for a veterans organization or fraternal club with a membership of more than 6,000. For purposes of the maximum license fee which may be imposed by a municipality pursuant to this subdivision, “fraternal club” means a club which serves only members and their guests and which uses any profits derived from these sales principally for sponsoring activities beneficial to the community and not for the benefit of any individual. Except in cities of the first, second, and third class, a license may be issued jointly to congressionally chartered veterans’ organizations that otherwise qualify under this subdivision.

Sec. 3. Minnesota Statutes 1982, section 340.11, subdivision 15, is amended to read:

Subd. 15. [LICENSES NOT REQUIRED.] It is lawful for a brewer to sell intoxicating malt beverages to his employee or to a former employee who is retired because of age or physical disability. Such beverages shall be sold for consumption off the premises only, and the amount sold to any one person in any one week shall not exceed 768 fluid ounces. The requirements of law relating to minimum prices for the sale of intoxicating malt beverages shall not apply to sales made under this subdivision, nor shall any license be required for the making of such sales. It is also lawful for a collector of commemorative bottles, as these terms are defined in section 340.44, to sell commemorative bottles to another collector without obtaining a license. *It is also lawful for an off-sale licensee or municipal liquor store to provide samples of wine, liqueurs, and cordials which the licensee or municipal liquor store currently has in stock and is offering for sale to the general public without obtaining an additional license, provided the wine, liqueur, and cordial samples are dispensed at no charge and consumed on the licensed premises during the permitted hours of off-sale in a quantity less than 50 milliliters of wine per variety per customer and 25 milliliters of liqueur or cordial per variety per customer.*

Sec. 4. Minnesota Statutes 1982, section 340.14, subdivision 1, is amended to read:

Subdivision 1. [HOURS AND DAYS OF SALE.] No sale of intoxicating liquor shall be made after one a.m. on Sunday, nor until eight a.m. on Monday, ~~nor between the hours of one a.m. and eight o'clock p.m. on the day of any statewide election.~~ No "on-sale" shall be made between the hours of one a.m. and eight o'clock a.m. on any weekday. *No "on-sale" shall be made after eight o'clock p.m. on December 24.* No "off-sale" shall be made before eight o'clock a.m. or after ten o'clock p.m. of any day. However, in cities of the first class, and in all cities located within a radius of 15 miles of a city of the first class within the same county, "off-sale" may be made only until eight o'clock p.m. of any day except Friday and Saturday, on which days "off-sale" may be made until ten o'clock p.m. No "off-sale" shall be made on New Years Day, January 1; Independence Day, July 4; Thanksgiving Day; or Christmas Day, December 25; but on the evenings preceding such days, if the sale of liquor is not otherwise prohibited on such evenings, "off-sales" may be made until ten o'clock p.m., except that no "off-sale" shall be made on December 24 after eight o'clock p.m. It shall be beyond the power of any municipality of this state to authorize or permit the sale of intoxicating liquors when such sale is prohibited by this section, however, any municipality may further limit the hours of sale of intoxicating liquors, provided that such further restricted hours for "on-sale" shall apply to both intoxicating liquors and non-intoxicating malt liquors.

Sec. 5. Minnesota Statutes 1982, section 340.15, is amended by adding a subdivision to read:

Subd. 3. This section does not apply to advertising of liquor prices by an off-sale licensee in a newspaper of general circulation published in a bordering state if the newspaper is the primary newspaper of general circulation in the area in which the off-sale licensee is located.

Sec. 6. Minnesota Statutes 1982, section 340.408, is amended to read:

340.408 [JOINT PURCHASES.]

No variable volume price or discount shall be offered to a retailer for a quantity of distilled spirits or wine in excess of 300 liter or smaller bottles. The joint purchase for resale to the general public of 300 or fewer quart liter or smaller bottles of ~~intoxicating liquor~~ distilled spirits or wine by more than one person lawfully permitted to sell ~~intoxicating liquor~~ distilled spirits or wine to the general public is lawful. No rule or regulation pursuant to this chapter shall prohibit a lawful purchase pursuant to this section.

Sec. 7. Minnesota Statutes 1982, section 340.983, is amended to read:

340.983 [FILING OF WHOLESALE PRICE SCHEDULE.]

No brand owner or wholesaler of distilled ~~liquor~~ spirits or wine shall sell, offer for sale, or solicit any order for distilled liquor or wine unless a schedule of wholesale prices, which shall include varying volume prices, is filed with the commissioner, on a form prescribed by him, and no sales shall be made except in accordance with ~~such~~ these prices. ~~Such~~ Forms shall provide for the listing of the price, including any varying volume prices, at which each brand distributed by the filing wholesaler or brand owner is sold. The commissioner shall maintain ~~such~~ filings in such a manner as to make their contents easily accessible to the public. The filings required under this section shall be made not later than the first day of each month, and the schedule of filed prices shall be effective from that day until the first day of the next month, provided that any filing may be amended within five days after its filing. The commissioner shall provide copies of ~~such~~ filings to any person requesting them, and may charge a reasonable fee therefor. Any person may examine ~~such~~ filings in the office of the commissioner, and no charge shall be made for such examination.

~~No volume price filed pursuant to this section shall be for a quantity in excess of 300 quarts.~~

Sec. 8. [ST. PAUL; PARK CLUB HOUSES; LIQUOR.]

Notwithstanding any contrary provision of law, charter or ordinance, the city of St. Paul may by ordinance authorize any holder of an "on-sale" liquor license issued by the city to dispense intoxicating liquor at any event of definite duration on the public premises known as the Phalen Park club house. The event may not be profit making except as a fund raising event for a nonprofit organization or a political committee as defined in Minnesota Statutes, section 210A.01, subdivision 8. The licensee must be engaged to dispense liquor at the event by a person or organization permitted to use the premises and may dispense liquor only to persons attending the event. A licensee's authority shall expire upon termination of the event. The authority to dispense liquor shall be granted in accordance with the statutes applicable to the issuance of "on-sale" liquor licenses in cities of the first class consistent with this act. The dispensing of liquor shall be subject to all laws and ordinances governing the dispensing of intoxicating liquor that are consistent with this act. All dispensing of liquor shall be in accordance with the conditions prescribed by the city. The conditions may limit the dispensing of liquor to designated areas of the facility. The city may fix and assess a fee to be paid to the city by an "on-sale" licensee for each event for which the licensee is engaged to dispense liquor. The authority granted by this subdivision shall not count as an additional "on-sale" intoxicating liquor license for purposes of determining the number of liquor licenses permitted to

be issued under the provisions of Minnesota Statutes, section 340.11.

Sec. 9. [ST. PAUL; ON-SALE NONINTOXICATING MALT LIQUOR AND ON-SALE WINE LICENSES FOR THE DOWNTOWN COUNCIL.]

Notwithstanding sections 340.11, subdivision 20, 340.14, subdivision 3, and any other contrary provision of law, charter, or ordinance, the governing body of the city of St. Paul may issue "on-sale" nonintoxicating malt liquor and "on-sale" wine licenses to the St. Paul Downtown Council for use only at the annual Taste of Minnesota Festival to commemorate the July 4th holiday at the state capitol and on its surrounding property. The fee for each license issued under this section is \$53.50.

Sec. 10. [MINNETONKA ON-SALE LIQUOR LICENSES.]

The city of Minnetonka may issue three on-sale licenses for the sale of intoxicating liquor, which licenses shall be in addition to the number authorized by Minnesota Statutes, section 340.11, subdivision 5a. All other provisions of chapter 340 shall apply to licenses issued pursuant to this section.

Sec. 11. [LONG PRAIRIE ON-SALE LICENSE.]

Notwithstanding the period of incorporation requirement of section 340.11, subdivision 11, or any law to the contrary, the city of Long Prairie may issue one club on-sale intoxicating liquor license to a Moose Lodge located within the city. The fee shall be that required by section 340.11, subdivision 11, and all other provisions of chapter 340 not inconsistent with this section shall apply to the license.

Sec. 12. [EFFECTIVE DATES.]

Section 8 is effective upon approval by the governing body of the city of St. Paul and compliance with Minnesota Statutes, section 645.021, subdivision 3. Section 9 is effective upon approval by the governing body of the city of St. Paul and compliance with Minnesota Statutes, section 645.021, subdivision 3. Section 10 is effective upon approval by the governing body of the city of Minnetonka and compliance with Minnesota Statutes, section 645.021, subdivision 3. Section 11 is effective upon approval by the governing body of the city of Long Prairie and compliance with Minnesota Statutes, section 645.021, subdivision 3. Sections 1 to 7 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to liquor; authorizing election day sales; reducing the period of existence required for a club license; authorizing off-sale licenses to dispense certain samples and advertise in bordering states' newspapers in certain instances; regulating volume discounts; authorizing the city of St. Paul to issue an on-sale liquor license to the Phalen Park club house; authorizing the city of St. Paul to issue a special beer and wine license to the Downtown Council; authorizing the city of Minnetonka to issue three additional on-sale licenses; authorizing the city of Long Prairie to issue a club license to a certain Moose Lodge; amending Minnesota Statutes 1982, sections 340.034, subdivision 1; 340.11, subdivisions 11 and 15; 340.14, subdivision 1; 340.15, by adding a subdivision; 340.408; and 340.983."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Allan H. Spear, Ron Sieloff

House Conferees: (Signed) Joel Jacobs, Pat Piper

Mr. Spear moved that the foregoing recommendations and Conference Committee Report on S.F. No. 201 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 201 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 35 and nays 30, as follows:

Those who voted in the affirmative were:

Anderson	Dieterich	Mehrkens	Peterson, D.C.	Sieloff
Belanger	Johnson, D.J.	Merriam	Peterson, R.W.	Solon
Benson	Jude	Moe, D. M.	Petty	Spear
Bertram	Langseth	Moe, R. D.	Pogemiller	Storm
Brataas	Lantry	Nelson	Purfeerst	Stumpf
DeCramer	Luther	Novak	Samuelson	Taylor
Dicklich	McQuaid	Pehler	Schmitz	Vega

Those who voted in the negative were:

Adkins	Davis	Hughes	Kroening	Reichgott
Berg	Diessner	Isackson	Kronebusch	Renneke
Berglin	Frank	Johnson, D.E.	Laidig	Ulland
Bernhagen	Frederick	Kamrath	Olson	Waldorf
Chmielewski	Frederickson	Knaak	Peterson, D.L.	Wegscheid
Dahl	Freeman	Knutson	Ramstad	Wilflet

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 87 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 87

A bill for an act relating to public welfare; requiring reporting of abuse or neglect of children; exempting determinations of eligibility for day care and foster care licenses from application of the Minnesota criminal offenders rehabilitation law; requiring arrest information and reports to be made available to the commissioner of public welfare for the purpose of investigating applicants for a day care or residential facility license; establishing the burden of proof in certain appeals; providing for appointment of guardianship of children whose parents are deceased; clarifying investigative authority of welfare agencies in making mandated investigations of physical or sexual abuse and neglect; amending Minnesota Statutes 1982, sections 245.783, subdivision 3; 245.801, subdivision 4; 260.011, subdivision 2; 260.242, subdivision 2, and by adding a subdivision; 364.09; and 626.556, subdivisions 2, 4, 7, and 10.

May 21, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 87, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 87 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 245.783, subdivision 3, is amended to read:

Subd. 3. [STUDY OF APPLICANT.] Before issuing a license or renewing a license, the commissioner shall conduct a study of the applicant and the agency or the day care or residential facility. The bureau of criminal apprehension, a county attorney, a county sheriff, and a chief of a local police department ~~with the informed consent of~~, *after notice to* the subject of the data, shall assist in this study by providing to the commissioner, the director of any local agency responsible for licensing, or their representatives all criminal conviction data, *arrest information, reports regarding abuse or neglect of children, and investigation results* available from local, state, and national criminal history record repositories, including the criminal justice data communications network, pertaining to the following individuals connected with the application for or renewal of a license: applicants, operators, all persons living in the household, all staff of any day care or residential facility and all staff of agencies placing children for care. If the commissioner is satisfied that the provisions of sections 245.781 to 245.812 and 252.28, subdivision 2 and the applicable rules ~~and regulations~~ promulgated by him are substantially met, a license shall be issued. If the results of the study indicate that all of the applicable laws, ~~and rules and regulations~~ cannot be met immediately, but can and will be met within one year or less, and the deviations do not threaten the health, rights, or safety of persons to be served, a provisional license may be issued for a period not to exceed one year from the date of issuance.

The commissioner may request advice from persons using the facility, agency, or service, operators of a similar facility, agency, or service, and relevant professionals as part of the evaluation of an applicant.

Sec. 2. Minnesota Statutes 1982, section 245.801, subdivision 4, is amended to read:

Subd. 4. [SUSPENSION; APPEAL.] An operator whose license the commissioner proposes to suspend, revoke, or make probationary shall be given notice by certified mail addressed to the location shown on the license. The notice shall contain a statement of, and the reasons for, the proposed action and shall inform the operator of his right to appeal the decision to the commissioner, in writing, within ten days after receipt of the notice of the proposed action. Upon receiving a timely written appeal, the commissioner shall give the operator reasonable notice and an opportunity for a prompt

hearing before an impartial hearing examiner. *The local welfare agency may demonstrate reasonable cause to revoke, suspend, not renew, or make probationary a family foster care or family day care license by submitting reports, statements, affidavits, or other reliable hearsay to substantiate the allegations of noncompliance with rules promulgated by the commissioner pursuant to section 245.802 governing family foster care licensing and family day care licensing. Upon demonstration by the agency that reasonable cause exists to take the proposed action with respect to a family foster care or family day care license, the burden of proof shifts to the licensee to demonstrate compliance with the rule by a preponderance of the evidence.* The hearing examiner shall make a recommendation to the commissioner as to whether the license shall be suspended, revoked, or made probationary. However, if the commissioner finds that the health, safety or rights of the persons served by the facility or agency are in imminent danger, he shall order the immediate suspension of the license. The operator shall be given written notice of the order by personal service. The notice shall contain a statement of the reasons for the suspension and shall inform the operator of his right to petition the commissioner for reconsideration of the order. The petition shall be in writing and shall be made within five days after the personal service of the order. Upon receiving a timely written petition, the commissioner shall give the operator reasonable notice and an opportunity for a prompt hearing before an impartial hearing examiner with respect to the order of suspension of the license. The hearing examiner shall make a recommendation to the commissioner as to whether the order of suspension should be affirmed or reversed. The commissioner shall not be bound by the recommendation of the hearing examiner. The final decision of the commissioner shall be served on the operator by personal service, and shall inform the applicant of his rights under chapter 14 *and as stated in this section.*

Sec. 3. Minnesota Statutes 1982, section 260.242, is amended by adding a subdivision to read:

Subd. 1a. [BOTH PARENTS DECEASED.] If upon petition to the juvenile court by a reputable person, including but not limited to an agent of the commissioner of public welfare, and upon hearing in the manner provided in section 260.155, the court finds that both parents are deceased and no appointment has been made or petition for appointment filed pursuant to sections 525.615 to 525.6185, the court shall order the guardianship and legal custody of the child transferred to:

(a) the commissioner of public welfare;

(b) a licensed child placing agency; or

(c) an individual who is willing and capable of assuming the appropriate duties and responsibilities to the child.

Sec. 4. Minnesota Statutes 1982, section 260.242, subdivision 2, is amended to read:

Subd. 2. [GUARDIAN'S POWERS.] (a) A guardian appointed under the provisions of ~~subdivision 1~~ *this section* has legal custody of his ward unless the court which appoints him gives legal custody to some other person. If the court awards custody to a person other than the guardian, the guardian

nonetheless has the right and responsibility of reasonable visitation, except as limited by court order.

(b) The guardian may make major decisions affecting the person of his ward, including but not limited to giving consent (when consent is legally required) to the marriage, enlistment in the armed forces, medical, surgical, or psychiatric treatment, or adoption of the ward. When, pursuant to ~~subdivision 1, clause (a) this section~~, the commissioner of public welfare is appointed guardian, he may delegate to the welfare board of the county in which, after the appointment, the ward resides, the authority to act for him in decisions affecting the person of his ward, including but not limited to giving consent to the marriage, enlistment in the armed forces, medical, surgical, or psychiatric treatment of the ward.

(c) A guardianship created under the provisions of ~~subdivision 1 this section~~ shall not of itself include the guardianship of the estate of the ward.

Sec. 5. Minnesota Statutes 1982, section 364.09, is amended to read:

364.09 [LAW ENFORCEMENT; EXCEPTION.]

This chapter shall not apply to the practice of law enforcement; ~~but or to eligibility for a family day care license or a family foster care license~~. Nothing in this section shall be construed to preclude the Minnesota police and peace officers training board from recommending policies set forth in this chapter to the attorney general for adoption in his discretion *to apply to law enforcement.*''

Delete the title and insert:

''A bill for an act relating to public welfare; exempting determinations of eligibility for day care and foster care licenses from application of the Minnesota criminal offenders rehabilitation law; requiring arrest information and reports to be made available to the commissioner of public welfare for the purpose of investigating applicants for a day care or residential facility license; establishing the burden of proof in certain appeals; providing for appointment of guardianship of children whose parents are deceased; amending Minnesota Statutes 1982, sections 245.783, subdivision 3; 245.801, subdivision 4; 260.242, subdivision 2, and by adding a subdivision; and 364.09.''

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Eric D. Petty, Allan H. Spear, Ron Sieloff

House Conferees: (Signed) Ann Wynia, Janet Clark, Connie Levi

Mr. Petty moved that the foregoing recommendations and Conference Committee Report on S.F. No. 87 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 87 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Moe, R. D.	Reichgott
Anderson	Diessner	Knaak	Nelson	Renneke
Belanger	Dieterich	Knutson	Novak	Samuelson
Berg	Frank	Kroening	Olson	Sieloff
Berglin	Frederick	Kronebusch	Pehler	Spear
Bernhagen	Frederickson	Laidig	Peterson, D.C.	Stumpf
Bertram	Freeman	Langseth	Peterson, D.L.	Taylor
Brataas	Hughes	Lantry	Peterson, R.W.	Ulland
Chmielewski	Isackson	McQuaid	Petty	Vega
Dahl	Johnson, D.E.	Mehrkens	Pogemiller	Waldorf
Davis	Johnson, D.J.	Merriam	Purfeerst	Wegscheid
DeCramer	Jude	Moe, D. M.	Ramstad	Willet

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 889 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 889

A bill for an act relating to local government; clarifying powers of municipalities and redevelopment agencies with respect to acquisition, construction, leasing, selling, loan of funds, and issuance of revenue bonds for industrial development projects; amending Minnesota Statutes 1982, sections 474.03 and 474.06.

May 21, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 889, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 889 be amended as follows:

Page 8, line 9, after "law" insert "*and bonds issued to refund bonds previously issued pursuant to this chapter may be issued in amounts as may be determined by the municipality or redevelopment agency notwithstanding the provisions of section 475.67, subdivision 3*"

Page 8, after line 14, insert:

"Sec. 3. Minnesota Statutes 1982, section 475.65, is amended to read:

475.65 [DELIVERY OF BONDS; USE OF PROCEEDS.]

Upon payment to the treasurer of the purchase price by the successful bidder, the obligations shall be delivered, and the treasurer shall account for the receipt and disbursement of the proceeds thereof for the use named in the resolution or other instrument or instruments authorizing such obligations, in a separate fund or account in the official financial records of the municipi-

pality. Pending such use the proceeds may be invested and reinvested in accordance with law, and the income and gain therefrom shall be held as part of the proceeds and applied to such use or to the payment of the obligations and interest thereon or otherwise as provided in any city charter or any other law. The purchaser shall not be obligated to see to the application of the purchase price. When the use authorized is the acquisition or betterment of any land, easements, buildings, structures, machinery, or equipment, the proceeds may be used to pay all expenses, incurred and to be incurred, which are reasonably necessary and incidental to such acquisition or betterment, including, but without limitation, the cost of necessary professional planning studies to determine desirable locations, architectural, engineering, legal, financial advisory, and other professional services, printing and publication, and interest to accrue on the obligations prior to the anticipated date of commencement of the collection of taxes or special assessments to be levied or other funds pledged for the payment of the obligations and interest thereon. When the obligations are payable wholly from the income from a utility or other project, for the acquisition or betterment of which the obligations are issued, the proceeds may be used in part to establish a reserve as further security for the payment of such principal and interest when due. If the contemplated use be afterward abandoned, or if any balance of the proceeds of the obligations remains after the use is accomplished, ~~such~~ *or if the governing body determines that at least 85 percent of the cost of the use has been paid or finally determined and retains in the fund an amount sufficient to pay the estimated costs of completion, the remainder of the fund* may be devoted to any other public use authorized by law, and approved by resolution adopted or vote taken in the manner required to authorize bonds for such new use and purpose. Any balance remaining after the improvement has been completed and paid for, unless devoted to a new use as herein authorized, shall become a part of the debt service fund of the municipality."

Renumber the remaining sections

Amend the title as follows:

Page 1, line 7, delete "and" and insert a comma

Page 1, line 7, after "474.06" insert ", and 475.65"

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Carl W. Kroening, Michael O. Freeman, Randy P. Kamrath

House Conferees: (Signed) Thomas R. Berkelman, Leonard Price, William Schreiber

Mr. Kroening moved that the foregoing recommendations and Conference Committee Report on S.F. No. 889 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 889 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Novak	Schmitz
Anderson	Diessner	Knaak	Pehler	Sieloff
Belanger	Dieterich	Knutson	Peterson, C. C.	Spear
Benson	Frank	Kroening	Peterson, D. C.	Storm
Berg	Frederick	Kronebusch	Peterson, D. L.	Stumpf
Berglin	Frederickson	Laidig	Peterson, R. W.	Taylor
Bernhagen	Freeman	Langseth	Petty	Ulland
Bertram	Hughes	Lantry	Pogemiller	Vega
Brataas	Isackson	Luther	Purfeerst	Waldorf
Dahl	Johnson, D. E.	Mehrkens	Ramstad	Wegscheid
Davis	Johnson, D. J.	Merriam	Renneke	Willet
DeCramer	Jude	Nelson	Samuelson	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 964 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 964

A bill for an act relating to corporations; providing for the determination of eligibility for the indemnification of certain persons; prohibiting the use of corporate information obtained improperly; authorizing the use of protective orders and other relief to prevent the premature disclosure of certain confidential information or the use of corporate information obtained improperly; permitting the use of corporate names of corporations not filing the active status report; restricting the right of a corporation to deny cumulative voting; protecting preemptive rights of shareholders; clarifying when equitable relief is available to minority stockholders; providing for the retention of cumulative voting and preemptive rights after incorporation; amending Minnesota Statutes 1982, sections 300.083, subdivision 6; 302A.115, by adding a subdivision; 302A.215; 302A.413, by adding a subdivision; 302A.461, subdivisions 4, 6, and by adding a subdivision; 302A.521, subdivision 6; and 302A.751, subdivision 1, and by adding a subdivision.

May 21, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 964, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate accede to the House amendments and that S.F. No. 964 be further amended as follows:

Pages 4 and 5, delete section 5

Page 5, line 6, delete everything after "[PROTECTIVE ORDERS.]"

Page 5, delete lines 7 to 12

Page 5, line 13, delete "(b)"

Page 9, delete line 5, and insert:

"This act is effective the day following final enactment."

Renumber the remaining sections

Amend the title as follows:

Page 1, line 19, delete "subdivisions 4," and insert "subdivision"

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Eric D. Petty, Randolph W. Peterson, Fritz Knaak

House Conferees: (Signed) Bob Ellingson, Lee Greenfield, Jim Heap

Mr. Petty moved that the foregoing recommendations and Conference Committee Report on S.F. No. 964 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 964 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knutson	Pehler	Sieloff
Anderson	Dieterich	Kroening	Peterson, C.C.	Solon
Belanger	Frank	Kronebusch	Peterson, D.C.	Spear
Benson	Frederick	Laidig	Peterson, D.L.	Storm
Berg	Frederickson	Langseth	Peterson, R.W.	Stumpf
Bernhagen	Freeman	Lantry	Petty	Taylor
Bertram	Hughes	Luther	Pogemiller	Ulland
Brataas	Isackson	McQuaid	Purfeerst	Vega
Chmielewski	Johnson, D.E.	Mehrrens	Ramstad	Waldorf
Dahl	Johnson, D.J.	Merriam	Reichgott	Wegscheid
Davis	Jude	Nelson	Renneke	Willet
DeCramer	Kamrath	Novak	Samuelson	
Dicklich	Knaak	Olson	Schmitz	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1097 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1097

A bill for an act relating to agriculture; making certain changes in the grain buyers act; changing the place of filing of farm product liens; imposing a penalty; amending Minnesota Statutes 1982, sections 223.16, subdivisions

1, 7, 8, 11, and by adding subdivisions; 223.17; 223.18; 223.19; and 336.9-401; Laws 1982, chapter 635, section 9; proposing new law coded in Minnesota Statutes, chapter 223.

May 22, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1097, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1097 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 223.16, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] For the purpose of sections 223.15 to 223.19 and sections 13 to 15, the terms defined in this section have the meanings given them.

Sec. 2. Minnesota Statutes 1982, section 223.16, is amended by adding a subdivision to read:

Subd. 2a. [CASH SALE.] “Cash sale” means:

(a) a sale for which payment is tendered to the seller not later than the close of business on the next business day after the sale, either in cash or by check, or by mailing or wiring funds to the seller's account in the amount of at least 80 percent of the value of the grain at delivery; or

(b) a sale of a shipment of grain which is part of a multiple shipment sale, for which a scale ticket clearly marked “CASH” has been received by the seller before completion of the entire sale, and for which payment is tendered in cash or by check not later than ten days after the sale of that shipment, except that when the entire sale is completed, payment is tendered in cash or by check not later than the close of business on the next business day, or within 48 hours, whichever is later.

Sec. 3. Minnesota Statutes 1982, section 223.16, subdivision 4, is amended to read:

Subd. 4. [GRAIN.] “Grain” means any cereal grain, coarse grain or oilseed in unprocessed form for which a standard has been established by the United States secretary of agriculture or the Minnesota board of grain standards, or any other agricultural crop which the commissioner may designate by rule.

Sec. 4. Minnesota Statutes 1982, section 223.16, subdivision 7, is amended to read:

Subd. 7. [ITINERANT INDEPENDENT GRAIN BUYER.] “~~Itinerant Independent~~ *Itinerant Independent* grain buyer” means a person who travels from place to place to purchase grain for resale using a truck, semitrailer or trailer owned or operated

by that person without a private or public grain warehouse license who is licensed to engage in the business of purchasing grain for resale.

Sec. 5. Minnesota Statutes 1982, section 223.16, subdivision 11, is amended to read:

Subd. 11. [PRODUCER.] "Producer" means a person who ~~owns or manages a grain producing or growing operation and holds or shares the responsibility for marketing the grain produced~~ grows grain on land that he owns or leases.

Sec. 6. Minnesota Statutes 1982, section 223.16, is amended by adding a subdivision to read:

Subd. 12a. [SCALE TICKET.] "Scale ticket" means a memorandum issued by a grain elevator or warehouse operator to a depositor at the time grain is delivered, showing the weight and kind of grain.

Sec. 7. Minnesota Statutes 1982, section 223.16, is amended by adding a subdivision to read:

Subd. 16. [VOLUNTARY EXTENSION OF CREDIT CONTRACT.] "Voluntary extension of credit contract" means a contract for the purchase of a specific amount of grain from a producer in which the title to the grain passes to the grain buyer upon delivery, but the price is to be determined or payment for the grain is to be made at a date later than the date of delivery of the grain to the grain buyer. Voluntary extension of credit contracts include deferred or delayed payment contracts, unpriced sales, no price established contracts, average pricing contracts, and all other contractual arrangements with the exception of cash sales and grain storage agreements evidenced by a grain warehouse receipt.

Sec. 8. Minnesota Statutes 1982, section 223.17, is amended to read:

223.17 [LICENSES; BONDING; CLAIMS; DISBURSEMENTS.]

Subdivision 1. [LICENSES.] An application for a grain buyer's license must be filed with the commissioner and the license issued before any grain may be purchased. The types of grain buyers' licenses are:

- (a) private grain warehouse operator's license;
- (b) public grain warehouse operator's license; and
- (c) nonwarehouse grain buyer's license; and
- (d) ~~itinerant~~ independent grain buyer's license.

~~Public grain warehouse operators' licenses cover both grain buying and grain storage.~~ The applicant for a grain buyer's license shall identify all grain buying locations owned or controlled by the grain buyer and all vehicles owned or controlled by the grain buyer used to transport purchased grain. Every applicant for a grain buyer's license shall have a permanent established place of business at each licensed location. An "established place of business" means a permanent enclosed building, including a house or a farm, either owned by the applicant or leased by the applicant for a period of at least one year, and where the books, records, and files necessary to conduct the business are kept and maintained. The commissioner may maintain information on grain buyers by categories including, but not limited to, the

categories provided in clauses (a) to (c) and grain buyers that are licensed to purchase grain using trucks but that do not have a public or private warehouse license.

Subd. 2. [LICENSE RENEWAL.] A license must be renewed annually. *Beginning July 1, 1984, the commissioner may stagger the renewal dates of licenses issued under this chapter, subject to the policy expressed in section 116J.69, subdivision 2, paragraph (d). If a person receives more than one license from the commissioner, the licenses shall be issued at the same time, but only after all conditions for each license are met. Multiple licenses should be combined into one license if possible.*

Subd. 3. [GRAIN BUYERS AND STORAGE FUND; FEES.] The commissioner shall set the fees for inspections and licenses under sections 223.15 to 223.19 and sections 13 to 15 at levels necessary to pay the expenses of administering and enforcing sections 223.15 to 223.19 and sections 13 to 15. *These fees may be adjusted pursuant to the provisions of section 16A.128.*

The fee for any license issued or renewed prior to June 30, 1984, is \$100. The fee for any license issued or renewed after June 30, 1984, shall be set according to the following schedule:

(a) \$100 plus \$50 for each additional location for grain buyers whose gross annual purchases are less than \$1,500,000;

(b) \$200 plus \$50 for each additional location for grain buyers whose gross annual purchases are at least \$1,500,000, but not more than \$3,000,000; and

(c) \$300 plus \$50 for each additional location for grain buyers whose gross annual purchases are more than \$3,000,000.

There is created in the state treasury the grain buyers and storage fund. Money collected pursuant to sections 223.15 to 223.19 shall be paid into the state treasury and credited to the grain buyers and storage fund and is appropriated to the commissioner for the administration and enforcement of sections 223.15 to 223.19 and sections 13 to 15.

Subd. 4. [BOND.] Before a *grain buyer's* license is issued, the applicant for a ~~grain buyers~~ license ~~shall~~ *must* file with the commissioner a bond in a penal sum prescribed by the commissioner but not ~~more~~ *less* than the following amounts:

(a) \$10,000 for each private or public grain warehouse up to a maximum of five grain warehouses;

(b) \$10,000 for each semitrailer used by an itinerant grain buyer up to a maximum of five semitrailers;

(c) \$5,000 for each truck used by an itinerant grain buyer up to a maximum of five trucks;

(d) \$5,000 for each trailer used by an itinerant grain buyer up to a maximum of five trailers; and

(e) \$50,000 for each nonwarehouse grain buyer \$10,000 for grain buyers whose gross annual purchases are \$100,000 or less;

(b) \$20,000 for grain buyers whose gross annual purchases are more than \$100,000 but not more than \$750,000;

(c) \$30,000 for grain buyers whose gross annual purchases are more than \$750,000 but not more than \$1,500,000;

(d) \$40,000 for grain buyers whose gross annual purchases are more than \$1,500,000 but not more than \$3,000,000; and

(e) \$50,000 for grain buyers whose gross annual purchases exceed \$3,000,000. A grain buyer who has filed a bond with the commissioner prior to July 1, 1983 is not required to increase the amount of the bond to comply with this section until July 1, 1984. The commissioner may postpone an increase in the amount of the bond until July 1, 1985, if a licensee demonstrates that the increase will impose undue financial hardship on the licensee, and that producers will not be harmed as a result of the postponement. The commissioner may impose other restrictions on a licensee whose bond increase has been postponed. The amount of the bond shall be based on the most recent financial statement of the grain buyer filed under subdivision 6.

A first-time applicant for a grain buyer's license after July 1, 1983 shall file a \$20,000 bond with the commissioner. This bond shall remain in effect for the first year of his license. Thereafter, the licensee shall comply with the applicable bonding requirements contained in clauses (a) to (e) of this section.

In lieu of the bond required by this subdivision the applicant may deposit with the state treasurer cash, a certified check, a cashier's check, a postal bank, or express money order, assignable bonds or notes of the United States, or an assignment of a bank savings account or investment certificate or an irrevocable bank letter of credit as defined in section 336.5-103, in the same amount as would be required for a bond.

Subd. 5. [VOLUNTARY EXTENSION OF CREDIT CASH SALES; MANNER OF PAYMENT.] Upon demand by a seller of grain, a grain buyer shall pay 90 percent of the estimated or actual value of grain purchased at the time the physical possession of the grain is conveyed from the seller to the grain buyer. For a cash sale of a shipment of grain which is part of a multiple shipment sale, the grain buyer shall tender payment to the seller in cash or by check not later than ten days after the sale of that shipment, except that when the entire sale is completed, payment shall be tendered not later than the close of business on the next day, or within 48 hours, whichever is later. For other cash sales the grain buyer, before the close of business on the next business day after the sale, shall tender payment to the seller in cash or by check, or shall wire or mail funds to the seller's account in the amount of at least 80 percent of the value of the grain at the time of delivery. The grain buyer shall complete final settlement as rapidly as possible through ordinary diligence. Any transaction wherein this demand is not exercised which is not a cash sale in compliance with the provisions of this subdivision constitutes a voluntary extension of credit and which is not afforded protection under the grain buyer's bond, and which must comply with sections 9 and 10.

Subd. 5a. [GRAIN PURCHASES FROM UNLICENSED PRODUCERS.] No grain buyer may refuse to purchase grain from a producer solely because the producer is not bonded or is not licensed by the commissioner; provided,

that any producer who buys grain from other producers shall be licensed and bonded as required by this chapter.

Subd. 6. [~~CONFIDENTIAL STATEMENTS REQUIRED FINANCIAL STATEMENTS.~~] For the purpose of fixing or changing the amount of a required bond or for any other proper reason, the commissioner shall require an annual financial ~~statements~~ statement from a licensee which has been prepared in accordance with generally accepted accounting principles and which meets the following requirements:

(a) *The financial statement shall include, but not be limited to the following: (1) a balance sheet; (2) a statement of income (profit and loss); (3) a statement of retained earnings; (4) a statement of changes in financial position; and (5) a statement of the dollar amount of grain purchased in the previous fiscal year of the grain buyer.*

(b) *The financial statement shall be accompanied by a compilation report of the financial statement which is prepared by a grain commission firm or a management firm approved by the commissioner or by an independent public accountant, in accordance with standards established by the American Institute of Certified Public Accountants.*

(c) *The financial statement shall be accompanied by a certification by the chief executive officer or his designee of the licensee, under penalty of perjury, that the financial statement accurately reflects the financial condition of the licensee for the period specified in the statement.*

Only one financial statement must be filed for a chain of warehouses owned or operated as a single business entity, unless otherwise required by the commissioner. Any grain buyer having a net worth in excess of \$500,000,000 need not file the financial statement required by this subdivision but must provide the commissioner with a certified net worth statement. All financial statements filed with the commissioner are private or nonpublic data as provided in section 13.02.

Subd. 6a. [~~SUSPENSION, REVOCATION, OR REFUSAL TO ISSUE LICENSE.~~] (a) *If ~~the~~ a license applicant or a licensee fails to furnish financial statements or to furnish any new bond required, the commissioner may ~~immediately~~ refuse to issue or renew the license or may suspend the license and the licensee shall surrender the license to the commissioner. Within 15 days ~~the~~.*

(b) *The commissioner may refuse to issue or renew a license or may suspend a license if he determines, based upon the financial statement filed under this section or other financial information obtained by him, that the applicant or licensee is not financially able to properly perform the services and operate the business for which the license is issued.*

(c) *When a license is suspended the licensee shall surrender the license to the commissioner. An applicant or licensee may request an administrative hearing subject to chapter 14 within 15 days after the commissioner suspends a license or refuses to issue or renew a license under clause (b) to determine whether the license should be issued, renewed, or revoked. If no request is made within 15 days after suspension, the commissioner shall revoke the license. ~~All financial statements submitted to the commissioner are confidential.~~*

Subd. 7. [*PRODUCER BOND AND CONTRACT CLAIMS.*] A producer claiming to be damaged by a breach of ~~the conditions of a bond of a contract for the purchase of grain~~ by a licensed grain buyer may file a written claim with the commissioner. The claim must state the facts constituting the claim. The claim must be filed with the commissioner within 180 days of the breach of ~~the conditions of the bond contract~~. If ~~the commissioner believes that~~ a claim is valid, the commissioner may immediately suspend the license, in which case the licensee shall surrender the license to the commissioner. Within 15 days the licensee may request an administrative hearing subject to chapter 14 to determine whether the license should be revoked. If no request is made within 15 days, the commissioner shall revoke the license.

Subd. 8. [*BOND DISBURSEMENT.*] (a) The bond *required under subdivision 4* shall provide for payment of loss caused by the grain buyer's failure to pay, upon the owner's demand, the purchase price of grain sold to the grain buyer *in the manner provided by subdivision 5, including loss caused by failure to pay within the time required*. The bond shall be conditioned upon the grain buyer being duly licensed as provided herein. ~~The bond shall not cover any transaction which constitutes a voluntary extension of credit.~~

(b) ~~Upon notification of default,~~ The commissioner shall *promptly* determine the validity of all claims *filed with him* and notify ~~all parties having filed claims~~ *the claimants of the determination*. An aggrieved party may appeal the commissioner's determination by requesting, within 15 days, that the commissioner initiate a contested case proceeding. In the absence of such a request, or following the issuance of a final order in a contested case, the surety company shall issue payment *promptly* to those claimants entitled to payment. ~~When the commissioner determines it necessary,~~ The commissioner may apply to the district court for an order appointing a trustee or receiver to manage and supervise the operations of the grain buyer in default. The commissioner may participate in any resulting court proceeding as an interested party.

(c) If a grain buyer has become liable to more than one producer by reason of breaches of the conditions of the bond and the amount of the bond is insufficient to pay the entire liability to all producers entitled to the protection of the bond, the proceeds of the bond shall be apportioned among the bona fide claimants.

(d) The bond shall not be cumulative from one licensing period to the next. The maximum liability of the bond shall be its face value for the licensing period.

Subd. 9. [*DEFAULTS; VIOLATIONS.*] *If the commissioner finds, after an investigation is conducted, that a complaint is valid or that a licensee is in violation of the provisions of this chapter, the commissioner may immediately suspend the license, in which case the licensee shall surrender the license to the commissioner. Within 15 days, the licensee may request an administrative hearing subject to chapter 14 to determine whether the license should be revoked. If no request is made within 15 days, the commissioner shall revoke the license.*

Sec. 9. [223.175] [WRITTEN VOLUNTARY EXTENSION OF CREDIT

CONTRACTS; FORM.]

A written confirmation required under section 10, subdivision 2, and a written voluntary extension of credit contract must include those items prescribed by the commissioner by rule. A contract shall include a statement of the legal and financial responsibilities of grain buyers and sellers established in this chapter. A contract shall also include the following statement in not less than ten point, all capital type, framed in a box with space provided for the seller's signature: "THIS CONTRACT CONSTITUTES A VOLUNTARY EXTENSION OF CREDIT. THIS CONTRACT IS NOT COVERED BY ANY GRAIN BUYER'S BOND." If a written contract is provided at the time the grain is delivered to the grain buyer, the seller shall sign the contract in the space provided beneath the statement.

Sec. 10. [223.177] [PURCHASE BY VOLUNTARY EXTENSION OF CREDIT CONTRACTS.]

Subdivision 1. [INDICATION OF INTENTION.] Every grain buyer who intends to purchase grain by voluntary extension of credit contracts shall indicate his intention to do so annually to the commissioner on a form provided by the commissioner.

Subd. 2. [ORAL CONTRACTS.] Any grain buyer entering into a voluntary extension of credit contract orally or by phone shall give or mail to the seller a written confirmation conforming to the requirements of section 9 before the close of the next business day.

Subd. 3. [CONTRACTS REDUCED TO WRITING.] A voluntary extension of credit contract must be reduced to writing by the grain buyer and mailed or given to the seller before the close of the next business day after the contract is entered into or, in the case of an oral or phone contract, after the written confirmation is received by the seller. Provided, however, that if a scale ticket has been received by the seller prior to the completion of the grain shipment, the contract must be reduced to writing within ten days after the sale, but not later than the close of the next business day after the completion of the entire sale. The form of the contract shall comply with the requirements of section 9.

Subd. 4. [GRAIN, RIGHTS, OR PROCEEDS HELD.] A licensed grain buyer purchasing grain by voluntary extension of credit contracts shall at all times maintain grain, rights in grain, or proceeds from the sale of grain totaling 90 percent of the grain buyer's obligation for grain purchased by voluntary extension of credit contracts. That amount must be evidenced or represented by one or more of the following:

(a) grain owned and actually held by the grain buyer in a grain warehouse owned or controlled by the grain buyer;

(b) rights in grain evidenced or represented by warehouse receipts issued by a state or federally licensed grain warehouse;

(c) cash on hand or cash held on account in federally or state licensed institutions;

(d) short-term investments held in time accounts with federally or state licensed institutions;

(e) balances on grain margin accounts;

(f) *voluntary extension of credit contracts for grain shipped to a processor or terminal as purchaser, less any payment or advance that has been received;*

(g) *an irrevocable letter of credit, as defined in section 336.5-103; or*

(h) *other evidence of proceeds from the sale of grain acceptable to the commissioner.*

Subd. 5. [VALUE OF GRAIN.] For the purpose of computing the dollar value of inventories of voluntary extension of credit obligations, the value of grain must be figured at the current market price on the day of delivery.

Subd. 6. [TRANSFER OF TITLE.] The title to grain delivered on a voluntary extension of credit contract transfers to the grain buyer upon delivery.

Subd. 7. [STORAGE CHARGES PROHIBITED.] No storage charges may be charged with respect to grain purchased on voluntary extension of credit contracts.

Subd. 8. [RECORDS.] A grain buyer shall keep sufficiently detailed books and records of voluntary extension of credit contracts and evidences of grain, rights in grain, and the proceeds from the sale of grain so as to clearly show compliance with this section. The commissioner or his authorized agent may inspect these books and records to determine whether grain buyers are complying with the provisions of this chapter, and for this purpose the commissioner may enter upon any public or private premises during regular business hours.

Sec. 11. Minnesota Statutes 1982, section 223.18, is amended to read:

223.18 [PENALTY.]

A person buying grain without first obtaining a grain buyer's license is guilty of a misdemeanor. Each day of operation without a grain buyer's license constitutes a separate offense. In case of license revocation, no new license shall be granted to the person whose license was revoked nor to anyone either directly or indirectly engaged with him in the licensed business for two years. A grain dealer who withholds records from the commissioner, keeps or files records which he knows to be false, alters records fraudulently, or presents to the commissioner any records which he knows to be false, is guilty of a gross misdemeanor.

Sec. 12. Minnesota Statutes 1982, section 223.19, is amended to read:

223.19 [RULES.]

The commissioner may promulgate make temporary or permanent rules pursuant to chapter 14 to carry out the provisions of sections 223.15 to 223.19, and sections 13 to 15.

Sec. 13. [223.20] [REGULATION OF GRAIN BUYERS AND GRAIN STORAGE.]

The commissioner may create a separate division within the department of agriculture for the purpose of administering this chapter and chapter 232.

Sec. 14. [223.21] [ATTORNEY GENERAL; ENFORCEMENT.]

The attorney general, upon request of the commissioner, shall assist the

commissioner in enforcing this chapter.

Sec. 15. [223.22] [INVESTIGATION; EDUCATION.]

Subdivision 1. [LEGISLATIVE INVESTIGATION.] The legislature recommends that the standing committees of the house and senate with jurisdiction over agriculture investigate methods of protecting producers when marketing grain using voluntary extension of credit contracts, including establishment of a state administered trust fund, private insurance, or reinsurance, and methods which grain buyers can use to protect themselves and grain producers from grain price fluctuations.

Subd. 2. [EDUCATION.] The commissioner shall make every effort to inform grain producers and grain buyers of the protections and exposures which result from application of this chapter.

Sec. 16. Minnesota Statutes 1982, section 232.22, subdivision 4, is amended to read:

Subd. 4. [BONDING.] Before a license is issued, the applicant for a public grain warehouse operator's license shall file with the commissioner a bond in a penal sum prescribed by the commissioner. The penal sum on a condition one bond shall be established by rule by the commissioner pursuant to the requirements of chapter 14 for all grain outstanding on grain warehouse receipts. The penal sum on a condition two bond shall not be less than \$10,000 for each location up to a maximum of five locations. ~~No condition two bond shall be required under this subdivision after June 30, 1983.~~

Sec. 17. Minnesota Statutes 1982, section 232.22, subdivision 7, is amended to read:

Subd. 7. [BOND DISBURSEMENT.] (a) The condition one bond of a public grain warehouse operator must be conditioned that the public grain warehouse operator issuing a grain warehouse receipt is liable to the depositor for the delivery of the kind, grade and net quantity of grain called for by the receipt.

(b) The condition two bond shall provide for payment of loss caused by the grain buyer's failure to pay, upon the owner's demand, the purchase price of grain sold to the grain buyer. The bond shall be conditioned upon the grain buyer being duly licensed as provided herein. The bond shall not cover any transaction which constitutes a voluntary extension of credit. ~~This clause expires July 1, 1983.~~

(c) Upon notification of default, the commissioner shall determine the validity of all claims and notify all parties having filed claims. Any aggrieved party may appeal the commissioner's determination by requesting, within 15 days, that the commissioner initiate a contested case proceeding. In the absence of such a request, or following the issuance of a final order in a contested case, the surety company shall issue payment to those claimants entitled to payment. If the commissioner determines it is necessary, the commissioner may apply to the district court for an order appointing a trustee or receiver to manage and supervise the operations of the grain warehouse operator in default. The commissioner may participate in any resulting court proceeding as an interested party.

(d) For the purpose of determining the amount of bond disbursement

against all valid claims under a condition one bond, all grain owned or stored in the public grain warehouse shall be sold and the combined proceeds deposited in a special fund. Payment shall be made from the special fund satisfying the valid claims of grain warehouse receipt holders.

(e) If a public grain warehouse operator has become liable to more than one depositor or producer by reason of breaches of the conditions of the bond and the amount of the bond is insufficient to pay, beyond the proceeds of the special fund, the entire liability to all valid claimants, the proceeds of the bond and special fund shall be apportioned among the valid claimants on a pro rata basis.

(f) A bond is not cumulative from one licensing period to the next. The maximum liability of the bond shall be its face value for the licensing period.

Sec. 18. Minnesota Statutes 1982, section 336.9-401, is amended to read:

336.9-401 [PLACE OF FILING; ERRONEOUS FILING; REMOVAL OF COLLATERAL.]

(1) The proper place to file in order to perfect a security interest is as follows:

(a) When the collateral is ~~equipment used in farming operations, or farm products, or accounts or general intangibles arising from or relating to the sale of farm products by a farmer, or consumer goods, or motor vehicles which are not inventory, then in the office of the county recorder in the county of the debtor's residence if the debtor is an individual who is a resident of this state but if the debtor is an individual who is not a resident of this state or is a corporation, partnership or other organization then in the office of the secretary of state, and in addition when the collateral is crops growing or to be grown in the office of the county recorder in the county where the land is located;~~

(b) When the collateral is equipment to be used in farming operations, or farm products, or accounts or general intangibles arising from or relating to the sale of farm products by a farmer, or crops growing or to be grown, then in the office of the county recorder in the county of the debtor's residence if the debtor is an individual or organization with residence in this state, but if the debtor is not a resident of this state, then in the office of the secretary of state;

(c) When the collateral is timber to be cut or is minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 336.9-103, or when the financing statement is filed as a fixture filing (section 336.9-313) and the collateral is goods which are or are to become fixtures, then in the office where a mortgage on the real estate would be filed or recorded;

(e) (d) In all other cases, in the office of the secretary of state.

(2) A filing which is made in good faith in an improper place or not in all of the places required by this section is nevertheless effective with regard to any collateral as to which the filing complied with the requirements of this article and is also effective with regard to collateral covered by the financing statement against any person who has knowledge of the contents of such

financing statement.

(3) A filing which is made in the proper place in this state continues effective even though the debtor's residence in this state or the use of the collateral, whichever controlled the original filing, is thereafter changed.

(4) The rules stated in section 336.9-103 determine whether filing is necessary in this state.

(5) Notwithstanding the preceding subsections, the proper place to file in order to perfect a security interest in collateral, including fixtures, of a transmitting utility is the office of the secretary of state. Such a filing shall not be deemed a separate filing from the filings required by other laws, if applicable, set forth in subsection (3) of section 336.9-302. This filing constitutes a fixture filing (section 336.9-313) as to the collateral described therein which is or is to become fixtures.

(6) For the purposes of this section, the residence of an organization is its place of business if it has one or its chief executive office if it has more than one place of business.

(7) "Motor vehicle" means any device propelled or drawn by any power other than muscular power in, upon, or by which any person or property is or may be transported or drawn upon a highway, excepting building and road construction equipment.

Sec. 19. Laws 1982, chapter 635, section 9, is amended to read:

Sec. 9. [REPEALER.]

Minnesota Statutes 1980, sections 223.04; 223.07; 223.08; 223.09; 223.10; 223.11; 232.01; 232.02, subdivisions 4, 5, 6, 7, 8 and 9; 232.03; 232.04; and 232.06, subdivision 5; Minnesota Statutes 1981 Supplement, sections 223.01; 223.02; 223.03; 223.05; and 232.02, subdivisions 1, 2 and 3, are repealed. ~~Sections 4 to 6 are repealed July 1, 1983. Any claims under sections 4 to 6 which are not settled before July 1, 1983, may be settled under the provisions of section 4, subdivisions 7 and 8, as they existed prior to July 1, 1983.~~

Sec. 20. [STATUTES REMAIN IN EFFECT.]

Notwithstanding Minnesota Statutes, section 645.36, Minnesota Statutes, sections 223.15 to 223.19, and section 232.22, subdivision 7, clause (b), remain in effect without interruption.

Sec. 21. [APPROPRIATION.]

The sum of \$95,000 is appropriated from the general fund for the biennium ending June 30, 1985, to the commissioner of agriculture for the purposes of administering and enforcing this chapter. The personnel complement of the department of agriculture is increased by two.

Sec. 22. [REPEALER.]

Minnesota Statutes 1982, section 223.16, subdivision 8, is repealed.

Sec. 23. [EFFECTIVE DATE.]

Sections 1 to 23 are effective July 1, 1983."

Delete the title and insert:

“A bill for an act relating to agriculture; making certain changes in the grain buyers act; providing additional protection to grain producers selling on cash sales and voluntary extensions of credit; setting license fees and bonding requirements; requiring filing of financial statements; retaining certain bonding requirements for public grain warehouses; changing the place of filing of farm product liens; imposing a penalty; appropriating money; amending Minnesota Statutes 1982, sections 223.16, subdivisions 1, 4, 7, 11, and by adding subdivisions; 223.17; 223.18; 223.19; 232.22, subdivisions 4 and 7; and 336.9-401; Laws 1982, chapter 635, section 9; proposing new law coded in Minnesota Statutes, chapter 223; repealing Minnesota Statutes 1982, section 223.16, subdivision 8.”

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) LeRoy A. Stumpf, Clarence M. Purfeerst, John Bernhagen

House Conferees: (Signed) Tom J. Shea, Henry J. Kalis, Chuck Dimler

Mr. Stumpf moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1097 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1097 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 60 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Novak	Renneke
Anderson	Diessner	Knaak	Olson	Samuelson
Belanger	Dieterich	Knutson	Pehler	Schmitz
Benson	Frank	Kroening	Peterson, C.C.	Sieloff
Berg	Frederick	Kronebusch	Peterson, D.C.	Spear
Berglin	Frederickson	Laidig	Peterson, D.L.	Storm
Bernhagen	Freeman	Langseth	Peterson, R.W.	Stumpf
Bertram	Hughes	Lantry	Petty	Taylor
Chmielewski	Isackson	Luther	Pogemiller	Vega
Dahl	Johnson, D.E.	McQuaid	Purfeerst	Waldorf
Davis	Johnson, D.J.	Mehrkens	Ramstad	Wegscheid
DeCramer	Jude	Nelson	Reichgott	Willet

Mr. Merriam voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 380, and

repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 380 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 23, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 380

A bill for an act relating to negligence; regulating the liability of good samaritans; amending Minnesota Statutes 1982, section 604.05.

May 21, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 380, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and H.F. No. 380 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 604.05, is amended to read:

604.05 [GOOD SAMARITAN LAW.]

Subdivision 1. [DUTY TO ASSIST.] Any person at the scene of an emergency who knows that another person is exposed to or has suffered grave physical harm shall, to the extent that he can do so without danger or peril to himself or others, give reasonable assistance to the exposed person. Reasonable assistance may include obtaining or attempting to obtain aid from law enforcement or medical personnel. Any person who violates this section is guilty of a petty misdemeanor.

Subd. 2. [GENERAL IMMUNITY FROM LIABILITY.] A Any person, including a public or private nonprofit volunteer firefighter, volunteer police officer, volunteer ambulance attendant, and volunteer first provider of emergency medical services, who in good faith and in the exercise of reasonable care without compensation or the expectation of compensation renders emergency care at the scene of an emergency or during transit to a location where professional medical care can be rendered, is not liable for any civil damages as a result of acts or omissions by that person in rendering the emergency care unless that person acts in a willful and wanton or reckless manner in providing the care. Any person rendering emergency care during the course of regular employment, and receiving compensation or expecting to receive compensation for rendering such care, shall be excluded from the protection of this section.

For the purposes of this section, the scene of an emergency shall be those areas not within the confines of a hospital or other institution which has hospital facilities, or an office of a person licensed to practice one or more of the healing arts pursuant to chapters 147, 148, 150A, or 153.

For the purposes of this section, compensation does not include nominal payments, reimbursement for expenses, or pension benefits.

Sec. 2. [EFFECTIVE DATE.]

Section 1, subdivision 1, is effective August 1, 1983. Section 1, subdivision 2, is effective the day following final enactment for causes of action arising on and after that date."

Delete the title and insert:

"A bill for an act relating to negligence; regulating the liability of good samaritans; creating a duty to assist in certain circumstances; making it a petty misdemeanor to refuse to assist; amending Minnesota Statutes 1982, section 604.05."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Randolph W. Staten, Paul Anders Ogren, Joe Quinn

Senate Conferees: (Signed) William P. Luther, Gene Merriam, Jim Ramstad

Mr. Luther moved that the foregoing recommendations and Conference Committee Report on H.F. No. 380 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 380 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 54 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kamrath	Novak	Samuelson
Anderson	Dicklich	Knaak	Olson	Schmitz
Belanger	Diessner	Kroening	Pehler	Sieloff
Benson	Frank	Kronebusch	Peterson,C.C.	Spear
Berglin	Frederickson	Laidig	Peterson,D.C.	Storm
Bernhagen	Freeman	Langseth	Petty	Stumpf
Bertram	Hughes	Lantry	Pogemiller	Ulland
Brataas	Isackson	Luther	Purfeerst	Vega
Chmielewski	Johnson, D.E.	McQuaid	Ramstad	Wegscheid
Dahl	Johnson, D.J.	Merriam	Reichgott	Willet
Davis	Jude	Nelson	Renneke	

Messrs. Dieterich; Knutson; Peterson, D.L. and Peterson, R.W. voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommen-

dation and report of the Conference Committee on Senate File No. 455, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 455: A bill for an act relating to nonprofit corporations; providing for approval of certain actions by boards of directors without formal board meetings; amending Minnesota Statutes 1982, section 317.20, subdivision 12.

Senate File No. 455 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 23, 1983

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 722.

H.F. No. 722: A bill for an act relating to cable communications; authorizing cable communications companies to use public roads for certain purposes; defining terms; requiring access by cable communications companies; providing residences with freedom of choice of cable communications services; imposing conditions of access; limiting certain actions of property owners; allowing appeal; specifying the measure of damages under a subsequent condemnation; specifying certain prohibitions; authorizing cable communications companies to use existing utility easements; amending Minnesota Statutes 1982, sections 222.37, subdivision 1; and 238.02, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 238.

And the House respectfully requests that a Conference Committee of three members be appointed thereon.

Jacobs, Minne and Wigley have been appointed as such committee on the part of the House.

House File No. 722 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 23, 1983

Mr. Frank moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 722, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. Dicklich moved that H.F. No. 452 be taken from the table. The motion prevailed.

Mr. Dicklich moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 452 and that the rules of the Senate be so far suspended as to give H.F. No. 452 its third reading and place it on its final passage. The motion prevailed.

H.F. No. 452: A resolution memorializing the Postmaster General; urging

the issuance of a postal stamp to commemorate the centennial of the first shipment of iron ore from Minnesota.

Was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Merriam	Ramstad
Anderson	Diessner	Knaak	Moe, D. M.	Reichgott
Belanger	Dieterich	Knutson	Nelson	Renneke
Berglin	Frank	Kroening	Novak	Samuelson
Bernhagen	Frederickson	Kronebusch	Olson	Schmitz
Bertram	Freeman	Laidig	Pehler	Sieloff
Brataas	Hughes	Langseth	Peterson, D.C.	Spear
Chmielewski	Isackson	Lantry	Peterson, D.L.	Storm
Dahl	Johnson, D.E.	Luther	Peterson, R.W.	Stumpf
Davis	Johnson, D.J.	McQuaid	Petty	Vega
DeCramer	Jude	Mehrkens	Pogemiller	

So the resolution passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Kroening moved that S.F. No. 541 be taken from the table. The motion prevailed.

S.F. No. 541: A bill for an act relating to counties; authorizing a jobs program.

CONCURRENCE AND REPASSAGE

Mr. Kroening moved that the Senate concur in the amendments by the House to S.F. No. 541 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 541: A bill for an act relating to counties; authorizing a jobs program; providing that members of the Hennepin county personnel board may serve as political party delegates; amending Laws 1965, chapter 855, section 3, subdivision 2, as amended by Laws 1980, chapter 573, section 3, subdivision 2.

Was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 50 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Nelson	Renneke
Anderson	Diessner	Kroening	Novak	Samuelson
Belanger	Dieterich	Kronebusch	Olson	Schmitz
Benson	Frank	Laidig	Pehler	Sieloff
Berglin	Frederickson	Langseth	Peterson, C.C.	Spear
Bernhagen	Freeman	Lantry	Peterson, D.C.	Storm
Bertram	Isackson	Luther	Petty	Stumpf
Chmielewski	Johnson, D.E.	McQuaid	Pogemiller	Ulland
Dahl	Jude	Mehrkens	Ramstad	Vega
Davis	Kamrath	Merriam	Reichgott	Willet

So the bill, as amended, was repassed and its title was agreed to.

RECESS

Mr. Luther moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 851: Messrs. Bertram, Davis and Berg.

H.F. No. 722: Messrs. Frank, Laidig and Ms. Peterson, D.C.

Mr. Luther, for Mr. Moe, R.D., moved that the foregoing appointments be approved. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Luther moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Merriam, Diessner, Laidig, Dahl and Novak introduced—

S.F. No. 1299: A bill for an act relating to health; directing the commissioner of health and the director of the pollution control agency to study the relationship between hazardous waste contamination of metropolitan water supplies and the incidence of cancer; appropriating money.

Referred to the Committee on Health and Human Services.

Mr. Mehrkens introduced—

S.F. No. 1300: A bill for an act relating to state lands; authorizing conveyance of easements to individuals or corporations for specified purposes; amending Minnesota Statutes 1982, section 84.63.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Anderson introduced—

S.F. No. 1301: A bill for an act relating to the dairy industry; amending the prohibition on sale of selected dairy products below cost; providing for injunctive relief and civil penalties; providing evidentiary presumptions; amending Minnesota Statutes 1982, section 32A.04, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 32A.

Referred to the Committee on Agriculture and Natural Resources.

Ms. Peterson, D.C. and Mr. Davis introduced—

S.F. No. 1302: A bill for an act relating to insurance; mandating coverage of premenstrual syndrome in health policies and plans; requiring medical assistance coverage for progesterone used in the treatment of premenstrual syndrome; amending Minnesota Statutes 1982, section 256B.02, subdivision 8; proposing new law coded in Minnesota Statutes, chapter 62A.

Referred to the Committee on Health and Human Services.

Messrs. Petty, Mehrkens, Chmielewski and Frank introduced—

S.F. No. 1303: A bill for an act relating to the legislature; reducing the number of members of the senate and house of representatives; amending Minnesota Statutes 1982, sections 2.021; and 2.031, subdivision 1; repealing Minnesota Statutes 1982, sections 2.031, subdivision 2; and 2.041 to 2.712.

Referred to the Committee on Elections and Ethics.

Mr. Petty, Ms. Berglin, Messrs. Langseth and Davis introduced—

S.F. No. 1304: A bill for an act proposing an amendment to the Minnesota Constitution, article IV, section 4; changing the terms of representatives to four years.

Referred to the Committee on Elections and Ethics.

Mr. Petty, Mrs. Brataas, Messrs. Freeman, Storm and Solon introduced—

S.F. No. 1305: A bill for an act relating to financial institutions; permitting certain bank mergers; proposing new law coded in Minnesota Statutes, chapter 47.

Referred to the Committee on Economic Development and Commerce.

Mr. Petty, Mrs. Brataas, Messrs. Freeman, Storm and Solon introduced—

S.F. No. 1306: A bill for an act relating to financial institutions; allowing banks and trust companies to establish trust service offices at the location of other banks; proposing new law coded in Minnesota Statutes, chapter 48.

Referred to the Committee on Economic Development and Commerce.

Messrs. Wegscheid, Sieloff, Berg, Solon and Samuelson introduced—

S.F. No. 1307: A bill for an act relating to hazardous waste; establishing a hazardous substances compensation fund; appropriating money; amending Laws 1983, chapter 121, sections 2, subdivision 7; 6, subdivision 1; 19; 20; 30; 32, subdivisions 1, 3, 4, and 5, and by adding a subdivision; proposing new law coded as Minnesota Statutes, chapter 115B.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Berg, Bernhagen, Isackson, Stumpf and Schmitz introduced—

S.F. No. 1308: A bill for an act relating to utilities; providing certain evidentiary rules for the violation and adherence to safety standards in the

installation of electric lines by electric utilities; amending Minnesota Statutes 1982, section 326.243.

Referred to the Committee on Public Utilities and State Regulated Industries.

Mr. Dicklich introduced—

S.F. No. 1309: A bill for an act relating to retirement; authorizing increases in benefits payable by the Buhl police relief association; amending Laws 1981, chapter 68, section 43.

Referred to the Committee on Governmental Operations.

Messrs. Dieterich and Merriam introduced—

S.F. No. 1310: A bill for an act relating to education; establishing a program allowing a lower income pupil to select the school which the pupil will attend from among schools participating in the program; establishing certain requirements and restrictions; amending Minnesota Statutes 1982, sections 121.11, subdivision 12; and 124.223; proposing new law coded in Minnesota Statutes, chapter 129B; repealing Minnesota Statutes 1982, section 123.35, subdivision 14.

Referred to the Committee on Education.

Mr. Merriam introduced—

S.F. No. 1311: A bill for an act relating to the city of Anoka; fire department relief association benefits and firemen's service pension; repealing Laws 1971, chapter 184, as amended.

Referred to the Committee on Governmental Operations.

Messrs. Merriam and Davis introduced—

S.F. No. 1312: A bill for an act relating to solid waste; imposing a tax on operators of solid waste disposal facilities; establishing funds for abatement, cleanup, closure, and postclosure care of solid waste disposal facilities; providing duties and authority to the pollution control agency; requiring adoption of rules for closure, postclosure care, and financial responsibility for landfill operators; providing penalties; appropriating money; proposing new law coded in Minnesota Statutes, chapter 116.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Dieterich introduced—

S.F. No. 1313: A bill for an act relating to intoxicating liquor; authorizing on-sale wine licenses outside the boundaries of liquor patrol limits; amending Minnesota Statutes 1982, section 340.11, subdivision 20.

Referred to the Committee on Public Utilities and State Regulated Industries.

Messrs. Pogemiller and Davis introduced—

S.F. No. 1314: A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article IV, section 23; article V, sections 1, 3, and 4; article VII, section 8; article VIII, section 2; article XI, sections 6, 7, 8, and 10; and article XIII, section 11; combining the offices of state treasurer, state auditor, and secretary of state into the office of state comptroller; providing that the office of the secretary of state becomes the office of the state comptroller.

Referred to the Committee on Governmental Operations.

Mr. Nelson introduced—

S.F. No. 1315: A bill for an act relating to health; establishing a state health insurance fund; limiting consumer liability for health care expenses; proposing new law coded in Minnesota Statutes, chapter 72D.

Referred to the Committee on Health and Human Services.

Messrs. Peterson, R.W.; Merriam and Davis introduced—

S.F. No. 1316: A bill for an act relating to water; providing for comprehensive local water management; requiring counties to develop and implement county water and land resources plans; authorizing the environmental quality board to make comprehensive water planning grants to counties; providing additional authorities to counties; providing additional duties of the environmental quality board; appropriating money; proposing new law coded in Minnesota Statutes, chapter 116C.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Peterson, R.W. introduced—

S.F. No. 1317: A bill for an act proposing an amendment to the Minnesota Constitution, article 1, section 16; providing citizens with a right to privacy.

Referred to the Committee on Judiciary.

Mr. Pogemiller, Ms. Peterson, D.C. and Mr. Petty introduced—

S.F. No. 1318: A bill for an act relating to peace officers; requiring prompt investigation of reports of missing children; proposing new law coded in Minnesota Statutes, chapter 626.

Referred to the Committee on Judiciary.

Remaining on the Order of Business of Motions and Resolutions, Mr. Luther moved that the Senate take up the Special Orders Calendar. The motion prevailed.

SPECIAL ORDER

S.F. No. 1010: A resolution memorializing the President and Congress of the United States to provide service-connected disability compensation for former members of the military forces who were exposed in Vietnam to toxic herbicides, chemicals, medications, and other environmental hazards and conditions.

Was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Olson	Solon
Anderson	Dicklich	Kroening	Pehler	Spear
Benson	Diessner	Kronebusch	Peterson, C.C.	Storm
Berg	Frederickson	Lantry	Peterson, D.L.	Stumpf
Berglin	Freeman	Luther	Petty	Ulland
Bernhagen	Hughes	McQuaid	Pogemiller	Vega
Bertram	Isackson	Mehrkens	Ramstad	Willett
Brataas	Johnson, D.E.	Merriam	Reichgott	
Chmielewski	Jude	Moe, D. M.	Renneke	
Dahl	Kamrath	Nelson	Schmitz	
Davis	Knaak	Novak	Sieloff	

So the resolution passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 564: A bill for an act relating to the state board of investment; modifying the procedures for purchase and sale of securities; clarifying the membership of the investment advisory council; abolishing certain restrictions on stock investments; modifying procedures for the mortality adjustments for the post-retirement investment fund; authorizing additional investment alternatives; amending Minnesota Statutes 1982, sections 11A.07, subdivision 4; 11A.08, subdivision 1, as amended; 11A.17, subdivision 4; 11A.18, subdivisions 5, 9, and 11; 11A.24, subdivisions 1, 5, and 6.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Moe, D. M.	Schmitz
Anderson	DeCramer	Jude	Nelson	Sieloff
Belanger	Dicklich	Kamrath	Novak	Solon
Benson	Diessner	Knaak	Olson	Spear
Berg	Dieterich	Knutson	Pehler	Storm
Berglin	Frederick	Kroening	Peterson, D.L.	Stumpf
Bernhagen	Frederickson	Kronebusch	Petty	Ulland
Bertram	Freeman	Lantry	Pogemiller	Vega
Brataas	Hughes	McQuaid	Ramstad	Willett
Chmielewski	Isackson	Mehrkens	Reichgott	
Dahl	Johnson, D.E.	Merriam	Renneke	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 858: A bill for an act relating to veterans; clarifying eligibility for certain educational programs; standardize the definition of "veteran"; improve management of grant program; coordinate program with federal law; amending Minnesota Statutes 1982, section 197.75; proposing new law

coded in Minnesota Statutes, chapter 197; repealing Minnesota Statutes 1982, sections 197.09; 197.10; and 197.11.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Nelson	Renneke
Anderson	Dicklich	Kamrath	Novak	Schmitz
Belanger	Diessner	Knaak	Olson	Steloff
Benson	Dieterich	Knutson	Pehler	Spear
Berg	Frederick	Kroening	Peterson, C. C.	Storm
Berglin	Frederickson	Kronebusch	Peterson, D. L.	Stumpf
Bernhagen	Freeman	Lantry	Peterson, R. W.	Taylor
Bertram	Hughes	Luther	Petty	Ulland
Brataas	Isackson	McQuaid	Pogemiller	Vega
Chmielewski	Johnson, D. E.	Mehrkens	Ramstad	Willet
Dahl	Johnson, D. J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 855: A bill for an act relating to contracts; prohibiting the enforcement of indemnification agreements in construction contracts; proposing new law coded as Minnesota Statutes, chapter 337.

Mr. Peterson, R.W. moved to amend the Peterson, R.W. amendment to H.F. No. 855, adopted by the Senate May 21, 1983, as follows:

Page 3, line 14, delete "*January*" and insert "*May*"

The motion prevailed. So the amendment was adopted.

H.F. No. 855 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 45 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Merriam	Ramstad
Anderson	Dicklich	Kamrath	Nelson	Reichgott
Belanger	Dieterich	Knaak	Novak	Renneke
Benson	Frank	Kroening	Olson	Steloff
Berglin	Frederickson	Kronebusch	Pehler	Spear
Bernhagen	Hughes	Laidig	Peterson, D. L.	Storm
Bertram	Isackson	Luther	Peterson, R. W.	Stumpf
Chmielewski	Johnson, D. E.	McQuaid	Petty	Ulland
Dahl	Johnson, D. J.	Mehrkens	Pogemiller	Willet

Messrs. Freeman, Knutson and Mrs. Lantry voted in the negative.

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 440: A resolution memorializing the President and Congress of

the United States to amend the law to abolish the denial of financial aid benefits to students who refuse to register for the draft.

Was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 26 and nays 29, as follows:

Those who voted in the affirmative were:

Belanger	Hughes	Moe, D. M.	Pogemiller	Vega
Berglin	Johnson, D.J.	Nelson	Reichgott	Willet
DeCramer	Jude	Novak	Sieloff	
Dicklich	Lantry	Pehler	Spear	
Dieterich	Luther	Peterson, R. W.	Storm	
Freeman	Merriam	Petty	Ulland	

Those who voted in the negative were:

Adkins	Brataas	Frederick	Knutson	Olson
Anderson	Chmielewski	Frederickson	Kroening	Peterson, D.L.
Benson	Dahl	Isackson	Kronebusch	Ramstad
Berg	Davis	Johnson, D.E.	Laidig	Renneke
Bernhagen	Diessner	Kamrath	McQuaid	Stumpf
Bertram	Frank	Knaak	Mehrkens	

So the resolution failed to pass.

SPECIAL ORDER

H.F. No. 549: A bill for an act relating to education; establishing a lending program to fund school energy conservation investments; authorizing the issuance of state bonds pursuant to article XI of the Minnesota Constitution; appropriating money; amending Minnesota Statutes 1982, section 275.125, subdivisions 11a, 11b, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 116J.

Mr. Nelson moved to amend H.F. No. 549, as amended pursuant to Rule 49, adopted by the Senate May 19, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 409.)

Page 2, line 27, delete "must be" and insert "is"

Page 2, line 28, delete the period and insert "from the date the loan is made. Interest shall accrue from the date the loan is made, but the first payment of interest or principal shall not be due until one year after the loan was made. The principal shall be amortized in equal periodic payments over the remainder of the term of the loan. The accrued interest on the balance of the loan principal shall be due with each payment. Interest attributable to the first year of deferred payment shall be paid in the same manner as principal."

The motion prevailed. So the amendment was adopted.

Mr. Nelson then moved to amend H.F. No. 549, as amended pursuant to Rule 49, adopted by the Senate May 19, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 409.)

Page 3, after line 16, insert:

“Sec. 2. [124.477] [SCHOOL ENERGY CONSERVATION INVESTMENT BONDS.]

Notwithstanding section 475.58 or any other law, a district may issue and sell obligations to finance energy conservation investments without the approval of a majority of the electors. These obligations may be issued and sold in such manner or on such terms and conditions as the school board may determine, and shall not be subject to the net debt limit of section 475.53, subdivisions 4 and 5. These obligations may not be sold until the commissioner of energy, planning and development has certified that the proposed investment satisfies the criteria promulgated pursuant to section 1 for the approval of school energy conservation investment loans from the state.”

Page 6, line 3, delete the period and insert a semicolon

Page 6, after line 3, insert:

“(c) pay obligations issued by the district to finance energy conservation investments when those obligations have been authorized pursuant to section 2.”

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 549 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Novak	Samuelson
Anderson	Diessner	Knaak	Olson	Schmitz
Belanger	Dieterich	Knutson	Pehler	Sieloff
Benson	Frank	Kronebusch	Peterson, C.C.	Solon
Berg	Frederick	Laidig	Peterson, D.C.	Spear
Berglin	Frederickson	Langseth	Peterson, D.L.	Storm
Bernhagen	Freeman	Lantry	Peterson, R.W.	Stumpf
Bertram	Hughes	Luther	Petty	Taylor
Brataas	Isackson	McQuaid	Pogemiller	Ulland
Dahl	Johnson, D.E.	Mehrkens	Ramstad	Vega
Davis	Johnson, D.J.	Merriam	Reichgott	Willet
DeCramer	Jude	Nelson	Renneke	

So the bill, as amended, passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Frank moved that the following members be excused for a Conference Committee on H.F. No. 722 from 11:30 to 11:45 a.m.:

Messrs. Frank, Laidig and Ms. Peterson, D.C. The motion prevailed.

SPECIAL ORDER

H.F. No. 654: A bill for an act relating to outdoor recreation; requiring

licensing of cross country skiers; creating a cross country ski trail grant-in-aid program; imposing a penalty; appropriating money for recreational purposes; proposing new law coded in Minnesota Statutes, chapter 85.

Mr. Luther moved to amend H.F. No. 654, as amended pursuant to Rule 49, adopted by the Senate May 21, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 912.)

Page 5, delete section 7 and insert:

“Sec. 7. [APPROPRIATION.]

There is appropriated to the department of natural resources from the general fund \$175,000 in fiscal year 1984 and \$175,000 in fiscal year 1985 to carry out the purposes of sections 1 to 6. The department shall publicize and promote the use of cross country skier licensing.”

The motion prevailed. So the amendment was adopted.

Mr. Luther then moved to amend H.F. No. 654, as amended pursuant to Rule 49, adopted by the Senate May 21, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 912.)

Page 4, line 12, before the period, insert “*for an individual license, or \$7.50 for a combination husband and wife license*”

The motion prevailed. So the amendment was adopted.

Mr. Benson moved to amend H.F. No. 654, as amended pursuant to Rule 49, adopted by the Senate May 21, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 912.)

Page 1, after line 9, insert:

“Section 1. Minnesota Statutes 1982, section 85.05, subdivision 2, is amended to read:

Subd. 2. [PERMITS FOR MOTOR VEHICLES.] (a) Except as provided in clauses (b), (c), (d) and (e), no motor vehicle shall enter or be permitted to enter any state park, state recreation area or state wayside over 50 acres in area unless it has affixed to its windshield in the lower right corner thereof a permit which is provided for hereinafter. The commissioner shall procure permits for each calendar year which by appropriate language shall grant permission to use any state park, state recreation area or state wayside over 50 acres in area. Permits for each calendar year shall be provided and placed on sale before October 1 next preceding, and may be affixed and used on or at any time after that date until the end of the calendar year for which issued. Permits in each category shall be numbered consecutively for each year of issue. A fee of \$10 shall be charged for each permit issued for a vehicle licensed in Minnesota and \$15 for a vehicle licensed outside of Minnesota, except that permits of appropriate special design may be sold individually at \$3 for a vehicle licensed in Minnesota and \$4 for a vehicle licensed outside of Minnesota covering the use of state parks, state recreation areas or state waysides under such conditions as the commissioner may prescribe for a designated period of not more than two days. The fee collected shall be deposited in the state park maintenance and operation account in the state

treasury. Appropriations from this account shall be for state park maintenance and operation. Permits shall be issued by employees of the division of parks and recreation as the commissioner of natural resources may designate in writing and as hereinbefore provided.

(b) The commissioner shall issue without charge an employee's motor vehicle permit to any state employee who, for the purpose of performing official duties, must enter places where park stickers are required. The employee shall display the permit on the motor vehicle in the same manner as state park stickers are displayed. A motor vehicle displaying only an employee's permit may not enter a place where park stickers are required if the vehicle is used for purposes other than performing official duties.

(c) The commissioner shall issue for one-half of the fees provided in clause (a) a motor vehicle permit to any individual of the age of 65 years or over who furnishes satisfactory proof of age and who is a resident of the state of Minnesota. The permit or the decal evidencing its issuance shall be valid only when displayed upon the vehicle owned and occupied by the person to whom issued.

(d) No state park permit is necessary for entry of a motor vehicle into a state park, state monument, state recreation area, or state wayside, on one day each calendar year which the commissioner may designate as state park open house day for the purpose of acquainting the public with state parks, recreation areas, and waysides, *or two days each year, if the open house is held in conjunction with a special pageant as described in subdivision 1.* The commissioner shall announce the date of state park open house day at least 30 days in advance of the open house.

(e) No state park permit is necessary, nor shall any fee, including a parking fee, be charged, for entry of a motor vehicle into that part of Fort Snelling state park commonly known as Fort Snelling Memorial Chapel Island."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 654 was then progressed.

Without objection, the Senate reverted to the Order of Business of Messages From the House and First Reading of House Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1151: A bill for an act relating to taxation; imposing or altering certain income tax, withholding tax, sales, and excise tax penalties; extending the time limitations within which certain indictments may be filed; providing for apportionment of property taxes payable with respect to certain claims for property tax refunds; requiring a study; amending Minnesota

Statutes 1982, sections 290.53, subdivision 4, and by adding a subdivision; 290.92, subdivision 15; 290A.03, subdivisions 8 and 13; 290A.05; 290A.11, subdivision 2; 297A.08; 297A.39, subdivision 4, and by adding a subdivision; and 297B.10.

Senate File No. 1151 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 23, 1983

CONCURRENCE AND REPASSAGE

Mr. Sieloff moved that the Senate concur in the amendments by the House to S.F. No. 1151 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1151 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Nelson	Renneke
Anderson	Diessner	Knutson	Novak	Samuelson
Belanger	Dieterich	Kroening	Olson	Schmitz
Benson	Frank	Kronebusch	Pehler	Sieloff
Berg	Frederickson	Laidig	Peterson, D.C.	Spear
Berglin	Freeman	Lantry	Peterson, D.L.	Stumpf
Bernhagen	Hughes	Lessard	Peterson, R.W.	Taylor
Bertram	Isackson	Luther	Petty	Ulland
Dahl	Johnson, D.E.	McQuaid	Pogemiller	Waldorf
Davis	Jude	Mehrkens	Purfeerst	Wegscheid
DeCramer	Kamrath	Merriam	Ramstad	Willet

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1081 and 1269.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 23, 1983

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 1081: A resolution memorializing the President and Congress of the United States to provide service-connected disability compensation for former members of the military forces who were exposed in Vietnam to toxic herbicides, chemicals, medications, and other environmental hazards and conditions.

Mr. Merriam moved that H.F. No. 1081 be laid on the table. The motion prevailed.

H.F. No. 1269: A resolution memorializing the governments of the United States and the Republic of China that the State of Minnesota adopts the Province of Taiwan as a sister state.

Mr. Davis moved that H.F. No. 1269 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Merriam moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1312. The motion prevailed.

Ms. Berglin introduced—

Senate Resolution No. 60: A Senate resolution expressing gratitude to the Department of Public Welfare for its work on Senate File No. 695.

Referred to the Committee on Rules and Administration.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 862: A bill for an act relating to public employment; providing rights for certain part-time employees; amending the definition of supervisory employee; providing that the public employer's duty to bargain supersedes all municipal charters, ordinances or resolutions; amending Minnesota Statutes 1982, sections 179.63, subdivisions 7 and 9; 179.66, subdivision 2; and 179.71, subdivision 8.

Senate File No. 862 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 23, 1983

Mr. Chmielewski moved that the Senate do not concur in the amendments by the House to S.F. No. 862, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

RECESS

Mr. Luther moved that the Senate do now recess until 1:15 p.m. The motion prevailed.

The hour of 1:15 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 862: Messrs. Chmielewski, Kroening and Nelson.

Mr. Luther, for Mr. Moe, R.D., moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Peterson, C.C. moved that S.F. No. 596 be taken from the table. The motion prevailed.

S.F. No. 596: A bill for an act establishing an agricultural resource loan guaranty program, board, and fund, and the terms of guaranties by the state of project loans in the program; appropriating money, taxes, tax increments, and other governmental charges; authorizing the issuance of state bonds; amending Minnesota Statutes 1982, sections 116B.03, subdivision 1; 290.01, by adding a subdivision; 297A.44, subdivision 1; and 362A.01, subdivision 1; and 362A.05; proposing new law coded as Minnesota Statutes, chapter 41A; proposing new law coded in Minnesota Statutes, chapter 362A.

Mr. Peterson, C.C. moved to amend S.F. No. 596 as follows:

Page 2, line 16, delete "6" and insert "7"

Page 2, line 19, delete "cereal" and insert "agricultural crop"

Page 5, lines 4 and 20, delete "95" and insert "90"

Page 5, line 14, delete "95" and insert "80"

Page 7, after line 31, insert:

"(m) The loan agreement shall require the borrower to establish a reserve, from the proceeds of the loan or otherwise, to be maintained with the lender or with a trustee for the holders of the borrower's obligations in cash or securities of a specified market value not less than the annual amount which would be required to amortize the entire amount of the loan over the term (or at the rate of yield resulting from the interest rates) provided in the loan agreement."

Page 8, line 31, after "[REQUIREMENTS.]" insert "(a)"

Page 10, after line 25, insert:

"(b) The applicant shall pay upon filing of the application a fee equal to .25 percent of the amount of the loan guaranty requested. The fee shall be paid to the commissioner of finance and deposited in the general fund. If the board determines not to issue a commitment for the project, the fee shall be re-

funded to the applicant, less the board's cost of processing, reviewing, and evaluating the application. If the board issues a commitment for the project and the application fee exceeds the board's cost of processing, reviewing, and evaluating the application, the balance shall be transferred from the general fund to the project account in the guaranty fund and credited against the amount of the commitment fee required in section 3, subdivision 3, clause (j). The county or rural development finance authority may require the proposed borrower under the project to pay the application fee."

Page 10, line 26, delete "Notwithstanding any"

Page 10, delete lines 27 to 36

Page 11, delete lines 1 to 4 and insert "Notwithstanding any other law or rule, no environmental impact statement or environmental worksheet shall be required to be completed prior to the approval of an application and the issuance of a conditional commitment for the guaranty of a loan for an agricultural resource project, or the taking of any other action permitted by sections 1 to 7, including the issuance of bonds, which is considered necessary or desirable by the board to prepare for a final commitment and to make it effective. Environmental review, to the extent required by law, shall be made in conjunction with the issuance by state agencies of environmental permits for the project. Permits may be applied for prior to the issuance of a conditional commitment. Action shall be taken as expeditiously as possible on environmental review and all permits required. Environmental review shall be completed within 180 days after the initial filing of an application to the pollution control agency for the first permit. Final action shall be taken on permits within 90 days after completion of environmental review or, as to any permit requiring a public hearing, within 90 days after the receipt of the hearing examiner's report."

Page 11, lines 12 to 14, delete "and it has determined the adequacy of the environmental impact statement if one is required,"

Page 11, line 17, after the period, insert "No action shall be allowable under section 116B.03, subdivision 1, with respect to acts of any person authorized or required in order to execute the resolution."

Page 12, delete lines 11 to 15 and insert:

"Subd. 4. [RULE MAKING AUTHORITY.] In order to effectuate the purposes of sections 1 to 7, the board may adopt rules which shall not be subject to the provisions of chapter 14."

Page 13, line 9, delete "except that the commissioner may"

Page 13, delete line 10

Page 13, line 11, delete "negotiation,"

Page 13, line 28, delete "The interest on state"

Page 13, delete lines 29 to 31 and insert "In"

Page 14, delete lines 35 and 36 and insert "therein."

Page 15, delete lines 1 to 7

Page 16, delete section 7 and insert:

“Sec. 7. [41A.06] [ADVISORY COMMISSION.]

The board may appoint an advisory commission, consisting of at least five members. The members of the commission shall include individuals with expertise in agricultural processing, commercial lending and financing of similar or related projects, agricultural economics, and engineering, chemistry, and other natural sciences related to the projects. The commission shall advise the board on establishing a workable program pursuant to sections 1 to 6 and may provide assistance in evaluating applications for loan guarantees. The terms and compensation of commission members shall be governed by section 15.059, except that subdivision 5 shall not apply.”

Page 19, line 7, after the period, insert “*The tax increment for an agricultural resource project shall be discharged when either of the following occurs: (a) the loan obligation has been satisfied; or (b) the amount in the project account equals the amount of the guaranteed portion of the outstanding principal and interest on the guaranteed loan.*”

Page 19, line 19, delete “\$.” and insert “\$25,000,000”

Amend the title as follows:

Page 1, line 8, delete “116B.03, Subdivision 1;”

CALL OF THE SENATE

Mr. Peterson, C.C. imposed a call of the Senate for the balance of the proceedings on S.F. No. 596. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the Peterson, C.C. amendment.

The motion prevailed. So the amendment was adopted.

S.F. No. 596 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 46 and nays 13, as follows:

Those who voted in the affirmative were:

Anderson	DeCramer	Kronebusch	Olson	Solon
Belanger	Dicklich	Laidig	Pehler	Storm
Benson	Diessner	Langseth	Peterson, C.C.	Stumpf
Berg	Frank	Lessard	Peterson, D.C.	Vega
Berglin	Frederickson	Luther	Peterson, D.L.	Wegscheid
Bernhagen	Hughes	McQuaid	Purfeerst	Willett
Bertram	Isackson	Mehrkens	Reichgott	
Chmielewski	Johnson, D.E.	Merriam	Renneke	
Dahl	Johnson, D.J.	Nelson	Schmitz	
Davis	Kamrath	Novak	Sieloff	

Those who voted in the negative were:

Adkins	Knaak	Lantry	Petty	Waldorf
Dieterich	Knutson	Moe, D. M.	Ramstad	
Jude	Kroening	Peterson, R. W.	Ulland	

So the bill, as amended, passed and its title was agreed to.

The question recurred on H.F. No. 654.

SPECIAL ORDER

H.F. No. 654: A bill for an act relating to outdoor recreation; requiring licensing of cross country skiers; creating a cross country ski trail grant-in-aid program; imposing a penalty; appropriating money for recreational purposes; proposing new law coded in Minnesota Statutes, chapter 85.

Was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 35 and nays 27, as follows:

Those who voted in the affirmative were:

Belanger	DeCramer	Kroening	Nelson	Reichgott
Benson	Dicklich	Kronebusch	Novak	Schmitz
Berg	Diessner	Langseth	Olson	Spear
Berglin	Dieterich	Lessard	Pehler	Storm
Bernhagen	Freeman	Luther	Peterson, R. W.	Vega
Bertram	Hughes	Merriam	Petty	Waldorf
Chmielewski	Johnson, D.J.	Moe, D. M.	Ramstad	Willet

Those who voted in the negative were:

Adkins	Frederick	Knaak	Peterson, D.L.	Taylor
Anderson	Frederickson	Knutson	Pogemiller	Ulfand
Brataas	Isackson	Laidig	Purfeerst	Wegscheid
Dahl	Johnson, D.E.	Lantry	Renneke	
Davis	Jude	McQuaid	Sieloff	
Frank	Kamrath	Mehrkens	Stumpf	

So the bill, as amended, passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Davis moved that S.F. No. 1205, No. 19 on Special Orders, be stricken and returned to its author. The motion prevailed.

Mr. DeCramer moved that H.F. No. 1081 be taken from the table. The motion prevailed.

H.F. No. 1081: A resolution memorializing the President and Congress of the United States to provide service-connected disability compensation for former members of the military forces who were exposed in Vietnam to toxic herbicides, chemicals, medications, and other environmental hazards and conditions.

SUSPENSION OF RULES

Mr. DeCramer moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1081 and that the rules of the Senate be so far suspended as to give H.F. No. 1081 its second and third reading and place it on its final passage.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 41 and nays 16, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Lessard	Peterson, R. W.	Stumpf
Berglin	Frank	Luther	Petty	Vega
Bertram	Freeman	Merriam	Pogemiller	Waldorf
Chmielewski	Hughes	Moe, D. M.	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Nelson	Reichgott	Willet
Davis	Jude	Novak	Samuelson	
DeCramer	Kroening	Pehler	Schmitz	
Dicklich	Langseth	Peterson, C. C.	Solon	
Diessner	Lantry	Peterson, D. C.	Spear	

Those who voted in the negative were:

Anderson	Frederick	Kamrath	Laidig	Ramstad
Belanger	Frederickson	Knutson	Mehrkens	Sieloff
Berg	Isackson	Kronebusch	Peterson, D. L.	Ulland
Bernhagen				

The motion did not prevail.

Mr. DeCramer moved that H.F. No. 1081 be laid on the table. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Willet moved that the following members be excused for a Conference Committee on S.F. No. 1234 at 2:25 p.m.:

Messrs. Samuelson; Spear; Knutson; Johnson, D.J. and Dicklich. The motion prevailed.

CALL OF THE SENATE

Mr. Petty imposed a call of the Senate for the proceedings on H.F. No. 674. The Sergeant at Arms was instructed to bring in the absent members.

RECONSIDERATION

Mr. Petty moved that the vote whereby H.F. No. 674 failed to pass the Senate on May 21, 1983, be now reconsidered. The motion prevailed.

H.F. No. 674: A bill for an act relating to insurance; providing for a program of continuing education; authorizing a continuing insurance education advisory task force; authorizing the commissioner of insurance to promulgate rules to implement the program; requiring certain disclosures on credit insurance policies and application; providing license and renewal fees for agents; increasing fees for insurance companies; regulating self-insurance plans and pools; appropriating money; amending Minnesota Statutes 1982, sections 60A.02, subdivision 7; 60A.03, subdivision 5; 60A.17, subdivision 1 and by adding a subdivision; 60A.14, subdivision 1; 60A.198, subdivision 3; 60A.23, subdivision 8; 471.982, subdivision 2; and proposing new law coded in Minnesota Statutes, chapter 60A.

Mr. Petty moved to amend H.F. No. 674 as follows:

Page 13, lines 5 to 8, delete the new language and reinstate the stricken language

The motion prevailed. So the amendment was adopted.

Mr. Sieloff moved to amend H.F. No. 674 as follows:

Page 8, line 16, after the period, insert "*The commissioner shall approve any educational program approved by Minnesota Continuing Legal Educa-*

tion relating to the insurance field."

The motion prevailed. So the amendment was adopted.

Mr. Sieloff then moved to amend H.F. No. 674 as follows:

Page 13, after line 32, insert:

"Sec. 9. Minnesota Statutes 1982, section 82.22, subdivision 13, is amended to read:

Subd. 13. [CONTINUING EDUCATION.] (a) After July 1, 1978, all real estate salespersons not subject to or who have completed the educational requirements contained in subdivision 6 and all real estate brokers shall be required to successfully complete 45 hours of real estate education, either as a student or a lecturer, in courses of study approved by the commissioner, within three years after their annual renewal date.

(b) For the purposes of administration, the commissioner shall classify by lot, the real estate brokers and salespersons subject to (a) above, in three classifications of substantially equal size. The first class shall complete 15 hours of approved real estate study between July 1, 1978 and June 30, 1979 inclusive. The second class shall complete 30 hours of approved real estate study between the dates of July 1, 1978 and June 30, 1980 inclusive. The third class shall complete 45 hours of approved real estate study between the dates of July 1, 1978 and June 30, 1981. After the first period, each class shall complete the prescribed educational requirements during successive three year periods.

(c) The commissioner shall adopt rules defining the standards for course and instructor approval, and may adopt rules for the proper administration of this subdivision.

(d) Any program approved by Minnesota Continuing Legal Education shall be approved by the commissioner of securities and real estate for continuing education for real estate brokers if the program or any part thereof relate to real estate."

Renumber the sections in sequence and correct internal references

Amend the title as follows:

Page 1, line 2, delete "insurance" and insert "commerce"

Page 1, line 15, after "8;" insert "82.22, subdivision 13;"

The motion prevailed. So the amendment was adopted.

H.F. No. 674 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 46 and nays 14, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Laidig	Pehler	Solon
Belanger	Dieterich	Langseth	Peterson, D. C.	Spear
Berglin	Frederick	Lessard	Peterson, R. W.	Taylor
Bertram	Frederickson	Luther	Petty	Ulland
Brataas	Freeman	McQuaid	Pogemiller	Vega
Chmielewski	Hughes	Merriam	Ramstad	Waldorf
Dahl	Johnson, D. E.	Moe, R. D.	Reichgott	
Davis	Jude	Nelson	Renneke	
DeCramer	Knutson	Novak	Schmitz	
Dicklich	Kroening	Olson	Sieloff	

Those who voted in the negative were:

Anderson	Frank	Kamrath	Lantry	Stumpf
Berg	Isackson	Knaak	Peterson, C. C.	Willet
Bernhagen	Johnson, D. J.	Kronebusch	Storm	

So the bill, as amended, passed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 466.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 23, 1983

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 862: A bill for an act relating to public employment; providing rights for certain part-time employees; amending the definition of supervisory employee; providing that the public employer's duty to bargain supersedes all municipal charters, ordinances or resolutions; amending Minnesota Statutes 1982, sections 179.63, subdivisions 7 and 9; 179.66, subdivision 2; and 179.71, subdivision 8.

There has been appointed as such committee on the part of the House:

Begich, Osthoff and Welker.

Senate File No. 862 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 23, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 889, and repassed said bill in accordance with the report of the Committee, so

Returned May 23, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1097, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1097: A bill for an act relating to agriculture; making certain changes in the grain buyers act; changing the place of filing of farm product liens; imposing a penalty; amending Minnesota Statutes 1982, sections 223.16, subdivisions 1, 7, 8, 11, and by adding subdivisions; 223.17; 223.18; 223.19; and 336.9-401; Laws 1982, chapter 635, section 9; proposing new law coded in Minnesota Statutes, chapter 223.

Senate File No. 1097 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 23, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 87 and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 87: A bill for an act relating to public welfare; requiring reporting of abuse or neglect of children; exempting determinations of eligibility for day care and foster care licenses from application of the Minnesota criminal offenders rehabilitation law; requiring arrest information and reports to be made available to the commissioner of public welfare for the purpose of investigating applicants for a day care or residential facility license; establishing the burden of proof in certain appeals; providing for appointment of guardianship of children whose parents are deceased; clarifying investigative authority of welfare agencies in making mandated investigations of physical or sexual abuse and neglect; amending Minnesota Statutes 1982, sections 245.783, subdivision 3; 245.801, subdivision 4; 260.011, subdivision 2; 260.242, subdivision 2, and by adding a subdivision; 364.09; and 626.556, subdivisions 2, 4, 7, and 10.

Senate File No. 87 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 23, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 201, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 201: A bill for an act relating to intoxicating liquor; authorizing off-sale licensees to dispense samples of wine, liqueurs and cordials; amending Minnesota Statutes 1982, section 340.11, subdivision 15.

Senate File No. 201 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 23, 1983

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 549.

H.F. No. 549: A bill for an act relating to education; establishing a lending program to fund school energy conservation investments; authorizing the issuance of state bonds pursuant to article XI of the Minnesota Constitution; appropriating money; amending Minnesota Statutes 1982, section 275.125, subdivisions 11a, 11b, and by adding a subdivision; and proposing new law coded in Minnesota Statutes, chapter 116J.

And the House respectfully requests that a Conference Committee of three members be appointed thereon:

Otis, Nelson, K. and Olsen have been appointed as such committee on the part of the House.

House File No. 549 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 23, 1983

Mr. Nelson moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 549, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 782, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 782 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 23, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 782

A bill for an act relating to courts; providing for increases in maximum

authorized fines for crimes and petty misdemeanors; increasing the value of stolen property necessary for felony theft; increasing the maximum government tort liability limits; amending Minnesota Statutes 1982, sections 3.736, subdivision 4; 466.04, subdivisions 1 and 3; 609.02, subdivisions 3, 4, and 4a; 609.03; and 609.52, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1982, sections 609.031 and 609.032.

May 22, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 782, report we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 782 be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 3.736, subdivision 4, is amended to read:

Subd. 4. [LIMITS.] The total liability of the state and its employees acting within the scope of their employment on any tort claim shall not exceed:

(a) ~~\$100,000~~ \$200,000 when the claim is one for death by wrongful act or omission and ~~\$100,000~~ \$200,000 to any claimant in any other case.

(b) ~~\$500,000~~ \$600,000 for any number of claims arising out of a single occurrence. If the amount awarded to or settled upon multiple claimants exceeds ~~\$500,000~~ \$600,000, any party may apply to any district court to apportion to each claimant his proper share of the ~~\$500,000~~ \$600,000. The share apportioned each claimant shall be in the proportion that the ratio of the award or settlement made to him bears to the aggregate awards and settlements for all claims arising out of the occurrence.

The limitation imposed by this subdivision on individual claimants includes damages claimed for loss of services or loss of support arising out of the same tort.

Sec. 2. Minnesota Statutes 1982, section 466.04, subdivision 1, is amended to read:

Subdivision 1. [LIMITS; PUNITIVE DAMAGES.] Liability of any municipality on any claim within the scope of sections 466.01 to 466.15 shall not exceed

(a) ~~\$100,000~~ \$200,000 when the claim is one for death by wrongful act or omission and ~~\$100,000~~ \$200,000 to any claimant in any other case;

(b) ~~\$300,000~~ \$600,000 for any number of claims arising out of a single occurrence.

No award for damages on any such claim shall include punitive damages.

Sec. 3. Minnesota Statutes 1982, section 466.04, subdivision 3, is

amended to read:

Subd. 3. [DISPOSITION OF MULTIPLE CLAIMS.] Where the amount awarded to or settled upon multiple claimants exceeds ~~\$300,000~~ \$600,000, any party may apply to any district court to apportion to each claimant his proper share of the total amount limited by subdivision 1. The share apportioned each claimant shall be in the proportion that the ratio of the award or settlement made to him bears to the aggregate awards and settlements for all claims arising out of the occurrence.

Sec. 4. Minnesota Statutes 1982, section 609.02, subdivision 3, is amended to read:

Subd. 3. [MISDEMEANOR.] "Misdemeanor" means a crime for which a sentence of not more than 90 days or a fine of not more than ~~\$500~~ \$700, or both, may be imposed.

Sec. 5. Minnesota Statutes 1982, section 609.02, subdivision 4, is amended to read:

Subd. 4. [GROSS MISDEMEANOR.] "Gross misdemeanor" means any crime which is not a felony or misdemeanor. *The maximum fine which may be imposed for a gross misdemeanor is \$3,000.*

Sec. 6. Minnesota Statutes 1982, section 609.03, is amended to read:

609.03 [PUNISHMENT WHEN NOT OTHERWISE FIXED.]

If a person is convicted of a crime for which no punishment is otherwise provided he may be sentenced as follows:

(1) If the crime is a felony, to imprisonment for not more than five years or to payment of a fine of not more than ~~\$5,000~~ \$10,000, or both; or

(2) If the crime is a gross misdemeanor, to imprisonment for not more than one year or to payment of a fine of not more than ~~\$1,000~~ \$3,000, or both; or

(3) If the crime is a misdemeanor, to imprisonment for not more than 90 days or to payment of a fine of not more than ~~\$500~~ \$700, or both; or

(4) If the crime is other than a misdemeanor and a fine is imposed but the amount is not specified, to payment of a fine of not more than ~~\$750~~ \$1,000, or to imprisonment for a specified term of not more than six months if the fine is not paid.

Sec. 7. [609.033] [INCREASED MAXIMUM PENALTIES FOR MISDEMEANORS.]

Any law of this state which provides for a maximum fine of \$500 as a penalty for a violation shall, on or after August 1, 1983, be deemed to provide for a maximum fine of \$700.

Sec. 8. [609.034] [INCREASED MAXIMUM PENALTY FOR ORDINANCE VIOLATIONS.]

Any law of this state or municipal charter which limits the power of any statutory or home rule charter city, town, county, or other political subdivision to prescribe a maximum fine of \$500 or less for an ordinance shall on or after August 1, 1983, be deemed to provide that the statutory or home rule charter city, town, county, or other political subdivision has the power to

prescribe a maximum fine of \$700.

Sec. 9. [609.0341] [INCREASED MAXIMUM FINES FOR GROSS MISDEMEANORS; FELONIES; OTHER FINES.]

Subdivision 1. [GROSS MISDEMEANORS.] Any law of this state which provides for a maximum fine of \$1,000 or for a maximum term of imprisonment of one year or which is defined as a gross misdemeanor shall, on or after August 1, 1983, be deemed to provide for a maximum fine of \$3,000 and for a maximum term of imprisonment of one year.

Subd. 2. [FELONIES.] (a) Any law of this state which provides for a maximum fine of \$2,000 shall, on or after August 1, 1983, be deemed to provide for a maximum fine of \$4,000.

(b) Any law of this state which provides for a maximum fine of \$3,000 shall, on or after August 1, 1983, be deemed to provide for a maximum fine of \$5,000.

(c) Any law of this state which provides for a maximum fine of \$5,000 shall, on or after August 1, 1983, be deemed to provide for a maximum fine of \$10,000.

(d) Any law of this state which provides for a maximum fine of \$7,000 shall, on or after August 1, 1983, be deemed to provide for a maximum fine of \$14,000.

(e) Any law of this state which provides for a maximum fine of \$10,000 shall, on or after August 1, 1983, be deemed to provide for a maximum fine of \$20,000.

(f) Any law of this state which provides for a maximum fine of \$15,000 shall, on or after August 1, 1983, be deemed to provide for a maximum fine of \$30,000.

(g) Any law of this state which provides for a maximum fine of \$20,000 shall, on or after August 1, 1983, be deemed to provide for a maximum fine of \$35,000.

(h) Any law of this state which provides for a maximum fine of \$25,000 shall, on or after August 1, 1983, be deemed to provide for a maximum fine of \$40,000.

(i) Any law of this state which provides for a maximum fine of \$30,000 shall, on or after August 1, 1983, be deemed to provide for a maximum fine of \$45,000.

(j) Any law of this state which provides for a maximum fine of \$40,000 shall, on or after August 1, 1983, be deemed to provide for a maximum fine of \$50,000.

Subd. 3. [EXCEPTIONS.] The provisions of subdivision 2 do not apply to any felony for which the fine was established or increased in 1983 by a legislative enactment other than this section.

Sec. 10. Minnesota Statutes 1982, section 609.52, subdivision 3, is amended to read:

Subd. 3. [SENTENCE.] Whoever commits theft may be sentenced as fol-

laws:

(1) To imprisonment for not more than ten years or to payment of a fine of not more than \$10,000, or both, if the value of the property or services stolen exceeds \$2,500; or

(2) To imprisonment for not more than five years or to payment of a fine of not more than \$5,000, or both, if the value of the property or services stolen is more than ~~\$150~~ \$250 but not more than \$2,500; or

(3) To imprisonment for not more than five years or to payment of a fine of not more than \$5,000, or both, notwithstanding the value of the property or services stolen is not more than ~~\$150~~ \$250, if any of the following circumstances exist:

(a) The property is taken from the person of another or from a corpse, or grave or coffin containing a corpse; or

(b) The property taken is a record of a court or officer, or a writing, instrument or record kept, filed or deposited according to law with or in the keeping of any public officer or office; or

(c) The property is taken from a burning building or upon its removal therefrom, or from an area of destruction caused by civil disaster, riot, bombing, or the proximity of battle; or

(d) The property taken consists of public funds belonging to the state or to any political subdivision or agency thereof; or

(4) To imprisonment for not more than ten years or to payment of a fine of not more than \$10,000, or both, if the property stolen is an article representing a trade secret; or if the property stolen is an explosive or an incendiary device; or

(5) In all other cases where the value of the property or services stolen is ~~\$150~~ \$250 or less, to imprisonment for not more than 90 days or to payment of a fine of not more than \$500, or both, provided, however, in any prosecution under clause (1), clause (2), clause (3)(a), (b) and (c), clause (4), and clause (13) of subdivision 2 the value of the money or property received by the defendant in violation of any one or more of the above provisions within any six month period may be aggregated and the defendant charged accordingly in applying the provisions of this subdivision; provided that when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

Sec. 11. [REPEALER.]

Minnesota Statutes 1982, sections 609.031 and 609.032 are repealed.

Sec. 12. [EFFECTIVE DATE.]

Sections 1, 2 and 3 are effective August 1, 1984, and apply to claims arising on or after that date. Sections 4 to 11 are effective August 1, 1983, and apply to offenses committed on or after that date."

Amend the title as follows:

Page 1, line 3, delete "and petty misdemeanors"

Page 1, line 8, delete "3, 4, and 4a" and insert "3 and 4"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Robert E. Vanasek, Janet Clark, Connie Levi

Senate Conferees: (Signed) Allan H. Spear, Randolph W. Peterson, Don A. Anderson

Mr. Spear moved that the foregoing recommendations and Conference Committee Report on H.F. No. 782 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 782: A bill for an act relating to courts; providing for increases in maximum authorized fines for crimes; increasing the value of stolen property necessary for felony theft; increasing the maximum government tort liability limits; amending Minnesota Statutes 1982, sections 3.736, subdivision 4; 466.04, subdivisions 1 and 3; 609.02, subdivisions 3 and 4; 609.03; and 609.52, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1982, sections 609.031 and 609.032.

Was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 51 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knaak	Nelson	Spear
Anderson	Diessner	Kroening	Novak	Storm
Belanger	Dieterich	Kronebusch	Pehler	Stumpf
Benson	Frank	Langseth	Peterson, C.C.	Ulland
Berg	Frederick	Lantry	Peterson, D.C.	Vega
Berglin	Freeman	Lessard	Petty	Waldorf
Bernhagen	Isackson	Luther	Pogemiller	Willet
Bertram	Johnson, D.E.	McQuaid	Ramstad	
Chmielewski	Johnson, D.J.	Mehrkens	Schmitz	
Dahl	Jude	Merriam	Sieloff	
Davis	Kamrath	Moe, R. D.	Solon	

Messrs. Frederickson and Peterson, D.L. voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1008 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1008

A bill for an act relating to courts; authorizing the appointment of court referees; amending Minnesota Statutes 1982, sections 260.031, subdivision 1; 484.65, subdivisions 4, 5, and 6; and 484.70, subdivision 1; repealing

Minnesota Statutes 1982, section 484.701.

May 20, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1008, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment.

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Michael O. Freeman, Ember D. Reichgott, Ron Sieloff

House Conferees: (Signed) Bob Ellingson, Robert E. Vanasek, David T. Bishop

Mr. Freeman moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1008 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1008 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 42 and nays 15, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Laidig	Nelson	Sieloff
Anderson	Dieterich	Langseth	Novak	Solon
Belanger	Frederick	Lantry	Olson	Storm
Benson	Freeman	Lessard	Peterson, C.C.	Taylor
Berg	Hughes	Luther	Peterson, D.C.	Ulland
Berglin	Johnson, D.E.	McQuaid	Petty	Vega
Chmielewski	Knaak	Mehrkens	Pogemiller	
Dahl	Kroening	Moe, D. M.	Ramstad	
Dicklich	Kronebusch	Moe, R. D.	Schmitz	

Those who voted in the negative were:

Bernhagen	Frank	Jude	Pehler	Spear
Bertram	Frederickson	Kamrath	Peterson, D.L.	Stumpf
Davis	Isackson	Merriam	Renneke	Willet

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 634 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 634

A bill for an act relating to game and fish; establishing the joint legislative

committee on fishing resources; imposing a surcharge on fishing licenses for development and improvement of state fishing resources; authorizing designation of experimental and specialized fishing waters; authorizing additional notice of netting season; licensing fishing guides; increasing certain license fees; prohibiting angling and use of tip-ups while spearing in a dark house; prohibiting issuance of new commercial game fish netting licenses; allowing designation of lakes for taking of certain muskellunge; imposing penalties for various offenses; amending Minnesota Statutes 1982, sections 84.027, subdivision 2; 97.48, subdivision 26, and by adding a subdivision; 97.53, by adding a subdivision; 97.55, by adding subdivisions; 98.46, subdivision 5; 98.52, by adding subdivisions; and 101.42, subdivisions 1a and 20; proposing new law coded in Minnesota Statutes, chapters 97, 98, and 102.

May 23, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 634, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 634 be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 97.48, subdivision 8, is amended to read:

Subd. 8. The commissioner shall do all things deemed by him desirable in the preservation, protection and propagation in their natural state, and artificially, of all desirable species of wild animals. *The commissioner shall make special provisions for the management of fish and wildlife to insure recreational opportunities for anglers and hunters.*

Sec. 2. Minnesota Statutes 1982, section 97.48, subdivision 22, is amended to read:

Subd. 22. The commissioner shall authorize the maintenance and operation of private fish hatcheries under such rules and regulations as the commissioner shall prescribe for the raising and disposition of any fish indigenous to Minnesota waters ~~except carp~~. No license shall be required of any person for taking fish by angling at a licensed private fish hatchery operated in accordance with the rules and regulations of the commissioner, or from an artificial pool containing only fish purchased from a private fish hatchery, provided the operator shall furnish to each person taking such fish a written certificate in such form as the commissioner shall prescribe, giving the number and description of the fish taken and such other information as the commissioner requires, whereupon such fish may be possessed, shipped, or transported within the state in like manner as fish taken by a resident under a license. Any person making a false statement in any such certificate shall be guilty of a misdemeanor and subject to the same penalties as prescribed for violations of section 97.55, subdivision 11.

Sec. 3. Minnesota Statutes 1982, section 97.48, subdivision 26, is amended to read:

Subd. 26. The commissioner may designate all or part of any lake ~~which does not exceed 2,000 acres of water area or any stream, but in aggregate not more than 15 100 lakes or five and 25 streams, nor more than 10,000 acres of water,~~ at any one time, as experimental waters and, notwithstanding any other provision of law, may establish by order the seasons, limits and methods for the taking of fish therefrom and such other regulations relating thereto as he deems desirable; provided the above may be done only on waters to which the public has free access after a public ~~hearing~~ *meeting* has been held in the county where the lake or stream, or major portion thereof, is located. *In the case of a named lake having a water area of more than 1,500 acres, a public meeting shall be held in the seven-county metropolitan area, as defined in section 473.121, subdivision 2.* Notice of ~~said the public hearing~~ *meeting* shall be published once in a legal newspaper within the county or counties where the lake or stream is located not less than seven days prior to the ~~hearing~~ *meeting*. *The commissioner shall establish methods and criteria for citizen initiation of experimental waters designation and for citizen participation in the evaluation of waters designated as experimental waters.*

Sec. 4. Minnesota Statutes 1982, section 97.48, is amended by adding a subdivision to read:

Subd. 26a. The commissioner may develop a system of classification under which waters which have been designated as experimental waters pursuant to subdivision 26 and other waters intrinsically suitable therefor are classified as primarily intended for use as trophy lakes, family fishing lakes, special species management lakes, or other categories of special use designated by the commissioner.

Sec. 5. Minnesota Statutes 1982, section 97.53, is amended by adding a subdivision to read:

Subd. 3. In addition to the publication requirements of this section, notice of opening of the netting season on whitefish, tulibee, and herring may be given by posting the date and time in the public places deemed most appropriate by the commissioner not less than 48 hours prior to the opening of the netting season.

Sec. 6. Minnesota Statutes 1982, section 97.55, is amended by adding a subdivision to read:

Subd. 14. Every person who violates the provisions of section 101.42, subdivision 11, is guilty of a gross misdemeanor.

Sec. 7. Minnesota Statutes 1982, section 97.55, is amended by adding a subdivision to read:

Subd. 15. Except as provided in section 102.23, every person who unlawfully buys or sells game fish or small game where the total amount of the sale or sales is \$50 or more, and where no penalty is provided in subdivision 8 or 9, is guilty of a gross misdemeanor.

Sec. 8. Minnesota Statutes 1982, section 97.55, is amended by adding a subdivision to read:

Subd. 16. Every person who illegally buys or sells game fish, big game, or

small game, when the total amount of the sale or sales is \$300 or more, is guilty of a gross misdemeanor punishable by a fine of not less than \$500 nor more than \$5,000 or by imprisonment in the county jail for not less than 90 days or more than one year or by both such fine and imprisonment.

Sec. 9. [97.86] [IMPROVEMENT OF FISHING RESOURCES.]

Subdivision 1. [LICENSE SURCHARGE.] A surcharge of \$2.50 shall be added to the annual license fee for each license issued pursuant to section 98.46, subdivision 2, clauses (4) and (5), subdivision 2a, subdivision 5, clauses (1), (2), and (3), and subdivision 15. The proceeds of the surcharge shall be credited to the game and fish fund.

The commissioner may spend the proceeds of the surcharge for the following purposes:

(a) Rehabilitation and improvement of marginal fish producing waters administered on a cost sharing basis under agreements between the commissioner and other parties interested in sport fishing.

(b) Expansion of fishing programs including, but not limited to, aeration, stocking of marginal fishing waters in urban areas, shore fishing areas, and fishing piers. In the expenditure of funds pursuant to this clause, preference shall be given to local units of government and other parties willing and able to share costs.

(c) Upgrading of fish propagation capabilities in order to improve the efficiency of fish production, expansion of walleyed pike production from waters subject to winter kill for stocking in more suitable waters, introduction of new species where deemed biologically appropriate by the commissioner, and purchase of fish from private hatcheries for stocking purposes.

(d) Financing the preservation and improvement of fish habitat. First priority shall be given to expansion of habitat improvement programs approved by the commissioner and implemented in cooperation with other interested parties.

(e) Increasing enforcement through use of covert operations, workteams, and added surveillance, communication, and navigational equipment.

(f) Purchase by the commissioner of the walleyed pike quota of commercial fishermen as prescribed in section 17.

(g) Not more than ten percent of the money available under this subdivision may be used for administrative or permanent personnel costs.

Subd. 2. [INTERIM STUDY.] The house environment and natural resources committee and the senate agriculture and natural resources committee shall review issues and trends in the management and improvement of fishing resources, using information obtained by and presented to the committees by public and private agencies and organizations, and other parties interested in management and improvement of fishing resources. The committees may make recommendations to the commissioner on programs and projects for management and improvement of fishing resources.

The commissioner shall prepare an annual work plan for the expenditure of money under subdivision 1 and provide copies of the plan and any subsequent amendments to the committees and to other parties interested in

management and improvement of fishing resources.

Sec. 10. Minnesota Statutes 1982, section 98.46, subdivision 5, is amended to read:

Subd. 5. Fees for the following licenses, to be issued to residents only, shall be:

- (1) To spear fish from a dark house, \$7.50;
- (2) For any fish house or dark house used during the winter fishing season, ~~\$3~~ \$5 for each fish house or dark house not rented or offered for hire, and ~~\$13~~ \$15 for each fish house or dark house rented or offered for hire. Each fish house or dark house shall have attached to the outside a metal tag at least two inches in diameter with a 3/16 inch hole in the center, which will be issued with a license. Each metal tag shall be stamped with a number to correspond with the fish house or dark house license and also shall be stamped with the year of issuance. The metal tag shall be attached to the fish house or dark house as designated by commissioner's order;
- (3) To net whitefish, tullibees or herring from inland lakes or international waters, for domestic use only, for each net, \$3;
- (4) To conduct a taxidermist business, for three consecutive years for residents 18 years of age and older, \$40; for residents under the age of 18, \$25;
- (5) To maintain fur and game farms, including deer, \$15;
- (6) To take, transport, purchase and possess for sale unprocessed turtles and tortoises within the state, \$50;
- (7) To prepare dressed game fish shipments for nonresidents as provided by section 97.45, subdivision 6, as amended, \$13;
- (8) Minnow dealer, \$70 plus \$10 for each vehicle;
- (9) Minnow dealer's helper, \$5 for each helper. Minnow dealer's helpers' licenses shall be issued to the minnow dealer and are transferable by the dealer at will to his own helpers;
- (10) Exporting minnow dealer, \$250, plus \$10 for each vehicle.

Each vehicle license shall cover a specified vehicle. The serial number, license number, make, and model shall be specified on the license which must be conspicuously posted in the vehicle licensed.

Sec. 11. Minnesota Statutes 1982, section 101.42, subdivision 1a, is amended to read:

Subd. 1a. No muskellunge less than 36 inches in length may be taken in any waters north of trunk highway No. 210. *The commissioner may designate particular lakes north of trunk highway No. 210 in which muskellunge less than 36 inches but not less than 30 inches in length may be taken.*

Sec. 12. Minnesota Statutes 1982, section 101.42, subdivision 20, is amended to read:

Subd. 20. It shall be unlawful to take fish by angling with a set or untended line except that two lines with a single hook attached to each line,

used for angling through the ice, shall not be deemed an unattended line if the owner is within sight of the line. Lines to which tip-ups are attached shall not be deemed unattended if the owner is within 80 feet of the tip-up; *except that it is unlawful to use tip-ups or take fish by angling while spearing fish in a dark house.*

Sec. 13. [102.235] [NEW LICENSES PROHIBITED.]

The commissioner shall not issue any new commercial fishing license which permits netting of game fish on Lake of the Woods and Rainy Lake.

Sec. 14. Minnesota Statutes 1982, section 102.26, is amended by adding a subdivision to read:

Subd. 3a. Beginning March 1, 1984, the commissioner shall limit the maximum poundage of walleye that may be taken by commercial fishermen in Lake of the Woods in any one season on the following schedule:

YEAR	SEASONAL COMMERCIAL WALLEYE TAKE IN POUNDS
1984	164,000
1985	150,000
1986	135,000
1987	120,000
1988	100,000
1989	80,000
1990	60,000
1991	30,000
1992	0

For the 1984 license year, 150,000 pounds of walleye shall be allocated equally among the ten existing gill net licensees according to order of the commissioner. Up to 14,000 pounds of walleye shall be allocated among existing trap or pound licensees, provided that no licensee shall take more than the highest poundage harvested in any of the last three years. For 1985 and subsequent years the allocation of walleye poundage among the licensees shall be determined by order of the commissioner.

Sec. 15. Minnesota Statutes 1982, section 102.26, is amended by adding a subdivision to read:

Subd. 3b. Beginning March 1, 1984, the commissioner shall limit the maximum poundage of walleye that may be taken by commercial fishermen in Rainy Lake in any one season on the following schedule:

YEAR	SEASONAL COMMERCIAL WALLEYE TAKE IN POUNDS
1984	14,500
1985	12,500
1986	10,500
1987	8,500
1988	6,500
1989	4,500
1990	2,500
1991	1,000
1992	0

For the 1984 license year and subsequent years, the seasonal commercial walleye take in pounds in Rainy Lake shall be allocated among the licensees by order of the commissioner.

Sec. 16. Minnesota Statutes 1982, section 102.26, is amended by adding a subdivision to read:

Subd. 3c. All gill net licenses on Lake of the Woods and Rainy Lake shall be cancelled after the 1987 license year. A gill net licensee whose license is cancelled as provided in this subdivision retains the walleye quota which he holds at the time of cancellation, subject to the quota phase-out schedule in section 14 or 15. Notwithstanding the provisions of section 13, the licensee may be issued a pound or trap net for the netting of game fish in accordance with the quota of the licensee.

Sec. 17. Minnesota Statutes 1982, section 102.26, is amended by adding a subdivision to read:

Subd. 3d. In 1984 and any subsequent year an existing licensee may transfer the walleye quota allocated to him under section 14 or 15 to any other existing licensee or, after July 1, 1985, he may sell the quota to the state. If a licensee sells the quota to the state, he must sell the quota for all years remaining in the quota schedule as provided in section 14 or 15. A sale to the state shall be at the present wholesale value of the quota as determined by applying the standard formula for computing present value assuming the following: (a) an allocation to the licensee of the same proportion of the total remaining walleye quota as allocated in the year of sale; (b) an interest rate of eight percent; and (c) a walleye wholesale price in the round of \$1.15 per pound. A licensee may elect to receive payment for a sale to the state in a lump sum or in up to four annual installments. Any quota sold to the state shall cancel and is not available for reallocation to any other licensee. When a walleye quota is sold to the state and cancelled, the gill net license of the licensee shall be cancelled.

Sec. 18. [EFFECTIVE DATE.]

Sections 9, 10, and 14 to 17 are effective March 1, 1984. The remaining sections of this act are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to game and fish; imposing a surcharge on fishing licenses for development and improvement of state fishing resources; authorizing designation of experimental and specialized fishing waters; authorizing additional notice of netting season; increasing certain license fees; prohibiting angling and use of tip-ups while spearing in a dark house; prohibiting issuance of new commercial game fish netting licenses; allowing designation of lakes for taking of certain muskellunge; reducing the seasonal commercial walleye take in Lake of the Woods and Rainy Lake; authorizing the state to buy the walleye quota of certain commercial fishermen; amending Minnesota Statutes 1982, sections 97.48, subdivisions 8, 22, and 26, and by adding a subdivision; 97.53, by adding a subdivision; 97.55, by adding subdivisions; 98.46, subdivision 5; 101.42, subdivisions 1a and 20; and 102.26, by adding subdivisions; and proposing new law coded in Minnesota Statutes, chapters 97 and 102."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Collin C. Peterson, Douglas J. Johnson, Gene Merriam, John Bernhagen, Carl W. Kroening

House Conferees: (Signed) John Sarna, Willard M. Munger, David Battaglia, Tom Osthoff, Tony Bennett

Mr. Peterson, C.C. moved that the foregoing recommendations and Conference Committee Report on S.F. No. 634 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 634 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 45 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kroening	Moe, R. D.	Pogemiller
Belanger	Diessner	Kronebusch	Nelson	Ramstad
Berg	Dieterich	Laidig	Novak	Schmitz
Berglin	Frank	Langseth	Olson	Solon
Bernhagen	Frederickson	Lantry	Peterson, C.C.	Spear
Bertram	Hughes	Lessard	Peterson, D.C.	Storm
Chmielewski	Johnson, D.E.	Luther	Peterson, D.L.	Stumpf
Dahl	Johnson, D.J.	McQuaid	Peterson, R.W.	Taylor
Davis	Knaak	Merriam	Petty	Waldorf

Those who voted in the negative were:

Anderson	Jude	Pehler	Samuelson	Ulland
Frederick	Kamrath	Renneke	Sieloff	Willet
Isackson	Knutson			

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 549: Messrs. Nelson, Bernhagen and Vega.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

SPECIAL ORDER

H.F. No. 1031: A bill for an act relating to the lower Red River watershed

management board; removing ten year limitation for tax levy by watershed districts which are members of board; transferring a position to the classified service; amending Laws 1976, chapter 162, sections 1, as amended, and 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Nelson	Samuelson
Anderson	Diessner	Knutson	Novak	Schmitz
Belanger	Dieterich	Kronebusch	Olson	Sieloff
Berg	Frank	Laidig	Pehler	Spear
Bernhagen	Frederick	Lantry	Peterson, C.C.	Storm
Bertram	Frederickson	Lessard	Peterson, D.C.	Stumpf
Chmielewski	Hughes	Luther	Petty	Ulland
Dahl	Isackson	McQuaid	Pogemitter	Vega
Davis	Jude	Merriam	Ramstad	Willet
DeCramer	Kamrath	Moe, R. D.	Renneke	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Freeman moved that the name of Ms. Peterson, D.C. be added as co-author to S.F. No. 768. The motion prevailed.

Mr. Sieloff moved that his name be stricken as a co-author to S.F. No. 1307. The motion prevailed.

Mr. Wegscheid moved that the name of Mrs. McQuaid be added as a co-author to S.F. No. 1307. The motion prevailed.

SPECIAL ORDER

H.F. No. 857: A bill for an act relating to labor; establishing the job skills partnership; creating a board; appropriating money; proposing new law coded as Minnesota Statutes, chapter 116K.

Mr. Moe, R.D. moved that the amendment made to H.F. No. 857 by the Committee on Rules and Administration in the report adopted May 21, 1983, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 857 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kronebusch	Peterson, C.C.	Spear
Anderson	Dieterich	Laidig	Peterson, D.C.	Storm
Belanger	Frank	Lantry	Peterson, D.L.	Stumpf
Benson	Frederick	Lessard	Peterson, R.W.	Taylor
Berglin	Freeman	McQuaid	Petty	Ulland
Bernhagen	Hughes	Mehrkens	Pogemiller	Vega
Bertram	Isackson	Merriam	Ramstad	Waldorf
Chmielewski	Johnson, D.E.	Moe, D. M.	Renneke	Wegscheid
Dahl	Jude	Moe, R. D.	Samuelson	Willet
Davis	Kamrath	Nelson	Schmitz	
DeCramer	Knaak	Olson	Sieloff	
Dicklich	Kroening	Pehler	Solon	

So the bill passed and its title was agreed to.

Remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Johnson, D.E.; Mrs. McQuaid, Messrs. Ramstad; Moe, D.M. and Ms. Berglin introduced—

S.F. No. 1319: A bill for an act relating to missing persons; authorizing certain procedures useful in missing person investigations; proposing new law coded as Minnesota Statutes, chapter 260A.

Referred to the Committee on Judiciary.

Messrs. Anderson, Laidig, Freeman, Isackson and Ramstad introduced—

S.F. No. 1320: A bill for an act relating to county law libraries; permitting the appointment of a nonlawyer to the library board; amending Minnesota Statutes 1982, section 140.36, subdivision 1.

Referred to the Committee on Judiciary.

Messrs. DeCramer, Lessard and Diessner introduced—

S.F. No. 1321: A bill for an act relating to the military; expanding the power of the adjutant general to sell an armory; expanding the use of the proceeds from the sale of an armory; amending Minnesota Statutes 1982, section 193.36, subdivision 2.

Referred to the Committee on Veterans and General Legislation.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 428 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 428

A bill for an act relating to state government; extending the expiration date of certain advisory committees and councils; repealing certain inactive advisory councils, committees, and task forces; amending Minnesota Statutes 1982, sections 3.9223, subdivision 1; 4.31, subdivision 5; 11A.08, subdivision 4; 15.059, subdivision 5; 16.02, subdivision 28; 16.872, subdivision 3; 21.112, subdivision 2; 41.54, subdivision 2; 52.062, subdivisions 1 and 2; 115A.12, subdivision 1; 121.938; 123.581, subdivision 1; 126.531; 145.919; 145.93, subdivision 3; 145.98, subdivision 1; 148.191, subdivision 2; 152.02, subdivision 13; 155A.06, subdivision 5; 156A.06, subdivision 1; 161.1419, by adding a subdivision; 198.055, by adding a subdivision; 241.64; 241.71; 246.017, subdivision 2; 256B.58; 268.12, subdivision 6; and 507.09; Laws 1975, chapter 235, section 2; Laws 1976, chapter 314, section 3; and Laws 1980, chapter 614, section 192; repealing

Minnesota Statutes 1982, sections 16.91; 16.853; 31.60, subdivisions 2 and 3; 43A.31, subdivision 4; 52.061; 52.062, subdivision 3; 82.30; 84.524; 86A.10; 115A.12, subdivision 2; 116J.04; 121.934; 123.581, subdivisions 2, 3, 4, 5, and 7; 124.215; 128A.03; 129B.09, subdivision 8; 136A.02, subdivision 6; 141.24; 144.011, subdivision 2; 144.571; 144A.17; 144A.55; 145.93, subdivision 2; 151.13, subdivision 2; 152.02, subdivision 11; 184.23; 214.14; 222.65; 245.84, subdivision 4; and 363.04, subdivisions 4, 4a, and 5.

May 22, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 428, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 428 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 3.922, is amended to read:

3.922 [INDIAN AFFAIRS ~~INTERTRIBAL BOARD~~ COUNCIL.]

Subdivision 1. [CREATION, MEMBERSHIP.] There is created a state Indian affairs ~~intertribal board~~ *council* to consist of the following ex-officio members: The governor or a member of his official staff designated by him, the commissioner of education, the commissioner of public welfare, the commissioner of natural resources, the commissioner of human rights, the commissioner of energy, planning and development, the commissioner of corrections, the executive director of the Minnesota housing finance agency, the commissioner of iron range resources and rehabilitation, and the commissioner of health each of whom may designate a member of his staff to serve in his place, three members of the state house of representatives appointed by the speaker of the house of representatives, and three members of the state senate appointed by the committee on committees of the senate. Voting members of the ~~board~~ *council* shall be: the duly elected tribal chairmen of the Fond du Lac reservation business committee; the Grand Portage reservation business committee; the Mille Lacs reservation business committee; the White Earth reservation business committee; the Bois Forte (Nett Lake) reservation business committee; the Leech Lake reservation business committee; the Red Lake tribal council; the Upper Sioux board of trustees; the Lower Sioux tribal council; the Shakopee-Mdewankanton general council; the Prairie Island tribal council; and two members to be selected pursuant to subdivision 2. The chairmen of the above Indian committees, trusts, or councils may designate in writing a member who shall have been elected at large to an office in the committee, trust, or council, to serve in his place. ~~Board~~ *Council* members appointed to represent the state house of representatives, the state senate or tribal governments shall no longer serve on the ~~board~~ *council* at such time as they are no longer members of the bodies which they represent, and upon such circumstances, their offices shall be vacant. A member who is a designee of a tribal chair-

man shall cease to be a member at the end of the term of the tribal chairman who designated him. Ex-officio members or their designees on the **board council** shall not be voting members of the **board council**.

Subd. 2. [ADDITIONAL MEMBERS.] Two members of the **board council** shall be elected at large by Indian residents of Minnesota who (1) are legal members and eligible voters of a federally recognized tribe in accordance with the criteria of said tribe and (2) are not members of any federally recognized tribe with a reservation in Minnesota. The election of at large members shall be in a manner prescribed by the secretary of state with the first such election for at large members to take place at a reasonable time, but no later than April 14, 1977. The manner of election, certification, and contest shall, insofar as reasonably possible, be consistent with procedures employed in general elections in the state so as to insure a fair election and ready access to the election process by eligible voters. The voting procedure shall include voting by absentee ballot. A person shall be eligible to serve as an at large member of the **board council** if at the time of the election he is a qualified voter within the requirements of the Minnesota Constitution, Article VII and a member of a federally recognized tribe that does not have a reservation in Minnesota. The at large election described herein shall be certified and regulated by the secretary of state. The term for at large members elected in 1977 shall expire on April 20, 1981. At large elections shall be held no later than April 14, 1981, and no later than every fourth April 14 thereafter, and the term of office for at large members shall be four years commencing on the April 20 following each at large election and ending at 12:01 a.m., April 20 four years thereafter.

Subd. 3. [COMPENSATION; EXPENSES.] Compensation of nonlegislator members shall be as provided for other administrative boards in chapter 15 in section 15.059. Expenses of the **board council** shall be approved by two of any three members of the **board council** designated by the **board council** and shall then be paid in the same manner as other state expenses are paid. The commissioner of finance shall be informed in writing by the executive secretary of the names of the persons authorized to approve expenses.

Subd. 4. [MEETINGS.] Meetings may be called by the chairman or at the written request of five members of the **board council**. A majority of the voting members of the **board council** constitutes a quorum.

Subd. 5. [OFFICERS, PERSONNEL.] The **board council** shall annually elect a chairman and such other officers as it may deem necessary. The chairman shall have the authority to appoint subcommittees necessary to fulfill the duties of the **board council**. It shall also employ, and prescribe the duties of such clerks, employees, and agents as it deems necessary. The chairman shall be an ex-officio member of the state board of human rights. The appropriations and other funds of this **board council** are subject to the provisions of chapter 16. The **board council** shall maintain its primary office in Bemidji and shall also maintain personnel and office space in St. Paul.

Subd. 6. [DUTIES.] The primary duties of the **board council** shall be to:

(1) Clarify for the legislature and state agencies the nature of tribal governments, the relationship of tribal governments to the Indian people of Minnesota;

(2) Assist the secretary of state in establishing an election of at large

members of the ~~board~~ *council*;

(3) Make recommendations to members of the legislature on desired and needed legislation for the benefit of the statewide Indian community and communicate to the members of the legislature when legislation has or will have an adverse effect on the statewide Indian community;

(4) Provide, through the elected apparatus of the ~~board~~ *council*, an effective conduit for programs, proposals and projects to the legislature submitted by tribal governments, organizations, committees, groups or individuals;

(5) Provide a continuing dialogue with members of the appropriate tribal governments in order to improve their knowledge of the legislative process, state agencies and governmental due process;

(6) Assist in establishing Indian advisory councils in cooperation with state agencies delivering services to the Indian community;

(7) Assist state agencies in defining what groups, organizations, committees, councils or individuals are eligible for delivery of their respective services;

(8) Assist in providing resources, tribal and other, in the delivery of services to the statewide Indian community;

(9) Act as a liaison between local, state and national units of government in the delivery of services to the Indian population of Minnesota;

(10) Assist state agencies in the implementation and updating of studies of services delivered to the Indian community;

(11) Provide, for the benefit of all levels of state government, a continuing liaison between those governmental bodies and duly elected tribal governments and officials;

(12) Interact with private organizations involved with Indian concerns in the development and implementation of programs designed to assist Indian people, insofar as they affect state agencies and departments; and

(13) Act as an intermediary, when requested and if necessary between Indian interests and state agencies and departments when questions, problems or conflicts exist or arise.

Subd. 7. [STATE OFFICIALS AND DEPARTMENTS; COOPERATION.] In carrying out these objectives and to ascertain Indian needs the ~~board~~ *council* shall have the right to confer with state officials and other governmental units, and to have access to such records as are necessary to obtain needed information. The ~~board~~ *council* also shall have the right to call upon various state departments for such technical advice and service as are needed to fulfill the purposes of the ~~board~~ *council*.

Subd. 8. [ADVISORY COUNCIL.] ~~There is created~~ An advisory council on urban Indians *is created* to advise the board on the unique problems and concerns of Minnesota Indians who are residing in urban areas of the state. The council shall be appointed by the board and shall consist of five Indians residing in the vicinity of Minneapolis, St. Paul and Duluth. At least one member of the council shall be a resident of each of the aforementioned

cities. The council shall expire, and The terms, compensation and removal of members shall be as provided in section 15.059.

Subd. 9. [ANNUAL REPORT.] The ~~board~~ *council* shall make an annual report to the governor and the legislature on its activities, its findings, and its recommendations prior to November 15 in each year.

Sec. 2. Minnesota Statutes 1982, section 3.9223, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] There is created a state council on affairs of Spanish-speaking people to consist of seven members appointed by the governor with the advice and consent of the senate. The members of the council shall be broadly representative of the Spanish-speaking community of the state. Membership, terms, compensation, removal of members and filling of vacancies shall be as provided in Minnesota Statutes, Section 15.0575. The council shall annually elect from its membership a chairperson and other officers it deems necessary. *The council shall expire on the date provided by section 15.059, subdivision 5.*

Sec. 3. Minnesota Statutes 1982, section 4.31, subdivision 5, is amended to read:

Subd. 5. The governor shall appoint an advisory committee of not more than 21 members, at least one member from each economic development region, to advise and make recommendations to him and the director of volunteer services. Notwithstanding this numerical limitation, members currently serving on an advisory group to the governor's office of volunteer services shall complete their prescribed terms of office; thereafter, appointments of successors shall be made so as to be consistent with the numerical limitation contained in this section. Membership terms, compensation, removal and filling of vacancies of members *and expiration* of the advisory committee shall be as provided in section 15.059; provided, that members shall not be eligible for a per diem.

Sec. 4. Minnesota Statutes 1982, section 11A.08, subdivision 4, is amended to read:

Subd. 4. [TERMS; COMPENSATION; REMOVAL; VACANCIES; EXPIRATION.] The membership terms, compensation ~~and~~, removal of members appointed by the state board, ~~and~~ filling of vacancies of ~~such~~ members, *and expiration of the council* shall be as provided in section 15.059 except that council members shall not receive a per diem.

Sec. 5. Minnesota Statutes 1982, section 15.059, subdivision 5, is amended to read:

Subd. 5. [EXPIRATION DATE.] Unless an earlier date is specified by law, the existence of each advisory council and committee governed by this section shall terminate on June 30, ~~1983~~ 1988.

Sec. 6. Minnesota Statutes 1982, section 15.059, subdivision 6, is amended to read:

Subd. 6. [ADVISORY TASK FORCES.] *If the existence of an advisory task forces created after July 1, 1975 and governed by this subdivision force is mandated by statute, the task force shall expire on the date specified in the*

enabling legislation. If no expiration date is specified, the task force shall expire two years after the effective date of the act creating the advisory task force or the date of appointment of the members, whichever is later, unless a shorter term is specified in statute. If the existence of a task force is authorized but not mandated by statute, the task force shall expire at the pleasure of the person or group which creates the task force, or two years after the first members of the task force are appointed, whichever is sooner. A person or group with discretionary authority to create a task force may create another task force to continue the work of a task force which expires, unless prohibited by other law.

Members of advisory task forces shall not receive the \$35 per diem specified in this section but shall receive expenses in the same manner and amount as state employees provided in the commissioner's plan under section 43A.18, subdivision 2. Members appointed to these advisory task forces shall serve until the expiration date of the advisory task force and may be removed pursuant to subdivision 4.

Sec. 7. Minnesota Statutes 1982, section 16.02, subdivision 28, is amended to read:

Subd. 28. To provide an employee assistance program comprised of training, diagnostic and referral services for state employees and their dependents. ~~In conjunction with the program, the governor shall appoint an advisory committee on state employee assistance consisting of not more than 15 members. The committee, which shall be subject to the provisions of section 15.059, shall advise the commissioner regarding the operational policies of the employee assistance program.~~

Sec. 8. Minnesota Statutes 1982, section 16.872, is amended to read:

Subdivision 1. The commissioner of administration may accept, on behalf of the state, on such terms and conditions as the donor may prescribe, a building to be used as a ~~state ceremonial building the governor's residence.~~ ~~Such~~ This building shall be used for official ceremonial functions of the state, and space shall be provided for suitable living quarters for the governor of the state.

Subd. 2. The commissioner of administration shall maintain ~~such the~~ building in the same manner as other state buildings are maintained and shall rehabilitate, decorate, and furnish ~~such ceremonial the building, and. In carrying out such~~ The decoration and furnishing shall be guided by the ~~state ceremonial building council~~ governor's residence council.

Subd. 3. The ~~state ceremonial building council~~ governor's residence council consists of the following 15 members: the commissioner of administration; the spouse, or a designee of the governor; the executive director of the board of arts; the director of the Minnesota historical society; a member of the senate appointed pursuant to the rules of the senate; a member of the house of representatives appointed pursuant to the rules of the house of representatives; seven persons appointed by the governor including one in the field of higher education, one member of the American Society of Interior Designers, Minnesota chapter, one member of the American Institute of Architects, Minnesota chapter, one member of the American Society of Landscape Architects, Minnesota chapter, one member of the family that

donated the ceremonial building to the state, if available, and four public members. Members of the council serve without compensation. Membership terms, removal, and filling of vacancies for members appointed by the governor are governed by section 15.0575. The council shall elect a chairman and a secretary from among its members. *The council shall expire on the date provided by section 15.059, subdivision 5.*

Subd. 4. The powers and duties of the council are:

(1) To develop an overall restoration plan for the ~~state ceremonial building~~ *governor's residence* and surrounding grounds;

(2) To approve alterations in the existing structure as the council deems appropriate; and

(3) Notwithstanding the gift acceptance procedures of sections 7.09 to 7.12, to solicit contributions for and maintain and improve the quality of furnishings for the public areas of the building by accepting gifts of, or acquiring with donated money, furnishings, objects of art, and other items that the council determines may have historical value in keeping with the period and purpose of the building.

Gifts for the benefit of the ~~state ceremonial building~~ *and governor's residence and surrounding grounds* are not accepted by the state unless accepted by the council. The council shall maintain a complete inventory of all gifts and articles received.

Sec. 9. Minnesota Statutes 1982, section 16.90, subdivision 4, is amended to read:

Subd. 4. The commissioner, after consultation with the ~~state information systems advisory council~~ *and the intergovernmental information systems advisory council*, shall design and maintain a master plan for information systems in the state and its political subdivisions and shall report thereon to the governor and legislature at the beginning of each regular session; establish standards for information systems; maintain a library of systems and programs developed by the state and its political subdivisions for use by agencies of government; and administer the communications for the state information system.

Sec. 10. Minnesota Statutes 1982, section 16.91, is amended to read:

16.91 [STATE INFORMATION SYSTEMS ADVISORY COUNCIL.]

~~To effectuate and facilitate the purposes and provisions of sections 16.90 to 16.96, The governor shall~~ *commissioner may* appoint a state information systems advisory council, ~~which shall task force~~ *to assist the department in the development and coordination of a state information services master plan and make recommendations from time to time to the commissioner concerning the progress, direction and needs of the state's computerization effort. The council task force shall expire and the terms, compensation and removal of members shall be as provided in section 15.059.*

Sec. 11. Minnesota Statutes 1982, section 16.911, is amended to read:

Subdivision 1. The governor shall appoint an intergovernmental information systems advisory council, to serve at his pleasure, consisting of 25 members. ~~Such council~~ *Fourteen members shall be appointed or elected of-*

*officials of local governments, seven shall be representatives of state agencies, and four shall be selected from the community at large. Further, the council shall be composed of (a) two members from each of the following groups: Counties outside of the seven county metropolitan area, ~~counties within the metropolitan area, cities of the first class, municipalities~~ cities of the second and third class outside the metropolitan area and ~~municipalities, cities of the second and third class within the metropolitan area, and cities of the fourth class;~~ (b) one member from each of the following groups: The metropolitan council, an outstate regional body, ~~Minnesota higher education coordinating board, school districts located in counties within the metropolitan area,~~ cities of the first class, school districts in the metropolitan area, and school districts outside the metropolitan area; (c) one member from each of the state departments of administration, education, *energy, planning and development*, legislative auditor, *public welfare*, and revenue; (d) one member from the office of the state auditor; and (e) four members from the state community at large. To the extent permitted by available resources the commissioner shall furnish staff and other assistance as requested by the council. The council shall expire and the terms, compensation and removal of members of the advisory council shall be as provided in section 15.059.*

Subd. 2. The council shall: assist the commissioner in the development and updating of an intergovernmental information systems ~~master plan~~, including data definitions, format, and retention standards and program budgeting systems and standards; ~~recommending~~ *recommend* to the commissioner policies and procedures governing the collection, security, and confidentiality of data; review and comment on all applications for federal or foundation funding for intergovernmental information systems and on all computer systems involving intergovernmental funding; *encourage cooperative efforts among local governments in developing information systems to meet individual and collective, operational, and external needs; bring about the necessary degree of standardization consistent with local prerogatives; yield fiscal and other information required by state and federal laws and regulations in readily usable form; foster the efficient use of available federal, state, local, and private resources for the development of systems; keep local governments abreast of the state of the art in information systems and prepare guidelines for intergovernmental systems.*

Subd. 3. The intergovernmental information systems advisory council shall (a) develop recommendations to the ~~commissioner~~ *commissioners* of ~~revenue state departments, the legislative auditor, and the state auditor~~ for the expeditious gathering and reporting of the information and data ~~specified herein~~ *between state and local governmental agencies in accordance with cooperatively developed standards;* (b) elect an executive committee, not to exceed seven members from its membership; (c) develop an annual plan, to include administration and evaluation of grants, in compliance with applicable rules; (d) provide technical information systems assistance or guidance to local governments for development, implementation, and modification of automated systems, including formation of consortiums for those systems.

Subd. 4. The state and each unit of local government including school districts shall report the following data, to the extent feasible, and such data shall be compiled and reported by the commissioner:

(a) the incidence, rates, distribution, exemption from and total revenue raised of state and local sales, property, income taxes, special assessments and other revenue sources of the state and each unit of local government;

(b) the bonded indebtedness of local units of government and the relationship of such debt to statutory debt limits;

(c) the distribution of the state funds, by category, to each local unit of government;

(d) the amounts of state and federal grant-in-aid assistance to each local unit of government and state agencies by category;

(e) and such other information as the commissioner may require *Appropriations and other funds made available to the council for staff, operational expenses, and grants must be administered through the Department of Administration. Revenues derived from royalties, reimbursements, or other fees from software programs, systems, or technical services arising out of activities funded by current or prior state appropriations is appropriated to the council for the purposes enumerated in subdivision 2.*

~~Subd. 5. The commissioner shall promulgate rules regulating the reporting and gathering of such data and the rules shall provide, to the maximum degree possible, that data is reported in a form readily processed by or convertible to EDP techniques utilized by the commissioner or state auditor.~~

~~Subd. 6. Data collected and compiled pursuant to the rules shall be available to any state or local official and employee and any private person under such reasonable conditions and fees as the commissioner shall prescribe. Compilations of such data by the commissioner shall be in a reasonable form and available not later than April 1 of each year. Reporting periods for the state and each local unit of government shall be from January 1 to June 30 and from July 1 to December 31.~~

Sec. 12. Minnesota Statutes 1982, section 21.112, subdivision 2, is amended to read:

~~Subd. 2. [ADVISORY SEED POTATO CERTIFICATION COMMITTEE TASK FORCE.] He shall *The commissioner may* appoint an advisory seed potato certification committee to consist of six members, each of whom *task force. If the task force is appointed each member* shall be a grower in Minnesota of certified seed potatoes, and shall serve ~~without compensation~~, except he shall receive his traveling expenses and other expenses necessary in attending committee meetings. The term of each committee member shall be three years from July 1 following his appointment, except that of the first committee to be appointed; two members shall serve one year, two members shall serve two years and two members shall serve three years. Vacancies shall be filled by the commissioner for the balance of the vacant term. Said committee shall hold at least one meeting each year and other meetings when deemed necessary by the commissioner. *The task force shall expire, and the terms, compensation and removal of members shall be as provided in section 15.059.*~~

Sec. 13. Minnesota Statutes 1982, section 41.54, subdivision 2, is amended to read:

Subd. 2. [TERMS AND COMPENSATION.] The compensation and removal of members and expiration of the council shall be governed by section 15.059. The council shall meet monthly or more often as needed.

The terms of the members serving on January 15, 1981, shall end on the

first Monday in April in the year indicated as follows:

(a) The dairy farmer and one officer from a commercial lending institution, 1982;

(b) The cash grain farmer and the officer from a farm credit association, 1983;

(c) The livestock farmer and one officer from a commercial lending institution, 1984; and

(d) The agricultural economist, 1985.

After a term expires as provided in clauses (a) to (d), all successors shall be appointed for four year terms. The terms of the present officers from a commercial lending institution shall be decided by lot subject to clauses (a) and (c).

Sec. 14. Minnesota Statutes 1982, section 43A.31, subdivision 4, is amended to read:

Subd. 4. [~~INSURANCE ADVISORY COUNCIL~~ *TASK FORCE*.] The commissioner ~~shall~~ *may* appoint and serve as chairman of an insurance advisory ~~council~~ *task force* consisting of ~~11~~ 12 members. ~~Two~~ *Three* members shall be selected from names submitted by exclusive representatives of state employees. One member shall be selected from names submitted by exclusive representatives of employees of the University of Minnesota. One member shall be selected from names submitted by organizations representing retired state employees. One member shall be selected from names submitted by the regents of the University of Minnesota. The commissioners of administration, insurance, health and finance, and the deputy commissioner for labor relations or their designees, shall serve as the other members. Except as provided in this section, the provisions of section 15.059 shall apply to the members of the ~~council~~ *task force*. The ~~council~~ *task force* shall advise the commissioner in ~~the selection of carriers~~ *matters relating to insurance, including the administration, design, and financing of insurance programs*. Evidence of discussions, recommendations or decisions by the council shall not be submitted to any court or arbitrator in any matter involving state or University of Minnesota employees.

Sec. 15. Minnesota Statutes 1982, section 45.17, subdivision 6, is amended to read:

Subd. 6. ~~There is hereby created the board of~~ *The director of consumer services may appoint a residential utility consumers task force* whose duties ~~shall~~ *may* include:

(1) Establishing policy guidelines concerning the utility related activities of the commerce department's consumer services section;

(2) Reviewing and commenting upon the section's staff employment decisions related to performing the responsibilities conferred in this section; and

(3) Annually reviewing and commenting upon the consumer services section's budget of estimated expenses for utility related activities.

If appointed the ~~board~~ *task force* shall consist of nine ~~voting~~ members to be

appointed by the ~~governor~~ *director*. At least one member shall represent each congressional district, and at least two members shall represent farm consumers. No more than six members shall be members of the same political party. In making appointments, the ~~governor~~ *director* shall give consideration to individuals having a special interest in the provision of utility services to residential consumers.

The ~~board~~ *task force* members shall elect from among their number a chairman and any other officers as it may deem necessary. The ~~board~~ *task force* shall meet at the call of the chairman or the director. The ~~expiration~~, terms of office, compensation, and provisions for removal and filling vacancies of members shall be as provided in section ~~45.0575~~ *15.059*.

The ~~director of the consumer services section~~ shall submit an annual budget of estimated expenses to the board for review and comment. The ~~director~~ shall also periodically seek the advice of the board concerning its operations related to the responsibilities conferred by this section. The director shall also file an annual report of the section's utility related activities with the board and the legislature on or before December 31 of each year.

Sec. 16. Minnesota Statutes 1982, section 52.061, is amended to read:

52.061 [CREDIT UNION ADVISORY COUNCIL TASK FORCE.]

~~There is established~~ *The commissioner of banks may appoint* a credit union advisory ~~council~~ *task force* to consult with, advise, and make recommendations to the commissioner of banks in all matters pertaining to credit unions. ~~If created~~, the advisory ~~council~~ *task force* shall consist of five members who shall be appointed by the commissioner of banks and who shall be persons who have had three or more years of experience as a credit union officer, director or committee member. To aid in making a selection of the five advisory ~~council~~ *task force* members, the Minnesota league of credit unions may submit a list of not less than 15 names; however, the commissioner of banks shall not be limited to this list in making his selections. ~~The chairman of the advisory council shall be elected annually by and from its members. Meetings shall be held at the times and places determined by the chairman and the commissioner of banks. Meetings may be called by either the chairman or the commissioner of banks. Three members of the advisory council shall constitute a quorum. However, at least three affirmative votes shall be needed to pass any motion. The authority and responsibility of the advisory council shall be to advise the governor and the commissioner of banks on problems concerning credit unions and to foster the interest and cooperation of credit unions in improving their methods of operation. The commissioner of banks may review with the advisory council task force the records of the banking division concerning the supervision, regulation, and examination of credit unions. The council task force expiration, terms, compensation, and removal of members shall be as provided in section 15.059.~~

Sec. 17. Minnesota Statutes 1982, section 52.062, subdivision 3, is amended to read:

Subd. 3. In lieu of immediate suspension of the operation of the credit union, the commissioner of banks may submit to the advisory ~~council~~ *task force*, with a copy to the affected credit union, a statement with respect to said practices or violations for the purpose of investigation and review by the advisory ~~council~~ *task force* so that it may attempt to cause the correction of said practices or violations. Unless said corrections shall be made within 60 days of the notice to the advisory ~~council~~ *task force* and the credit union,

the commissioner of banks, if he shall determine to proceed further, shall give to the affected credit union written notice of his intention to suspend the operation of the credit union, and shall fix a time and place for a hearing before the commissioner of banks, or such person or persons as the commissioner of banks may designate. The advisory ~~council~~ *task force* shall sit at such hearing for the purpose of providing advice and counsel to the commissioner of banks or his representative. Evidence may be produced at said hearing by any party thereto, and the commissioner of banks shall base his decision as to the suspension of operation of the credit union upon said evidence. If the commissioner of banks decides to suspend operation of the credit union, the board of directors shall be given notice by certified mail of such suspension, which notice shall include a list of reasons for such suspension and a list of any specific violations of law, bylaw, or regulation, and shall specify which operations of the credit union may continue during the period of suspension.

Sec. 18. Minnesota Statutes 1982, section 82.30, subdivision 1, is amended to read:

Subdivision 1. ~~There shall be~~ *The commissioner of real estate and securities shall appoint* a real estate advisory ~~council~~ *of seven members to be appointed by the commissioner of securities and real estate task force. Five members* *The task force shall include* real estate brokers with at least five years experience as licensed real estate brokers in Minnesota and ~~two members shall be public members. They shall meet at the call of the commissioner on a quarterly basis at publicized sessions and at such other times as the commissioner may deem necessary and~~ *The task force may advise and consult with him the commissioner* on all matters relating to education of licensees, prelicensing requirements, and ~~such other major policy matters relating to the administration of sections 82.17 to 82.34. The council task force shall expire and the terms, compensation, and removal of members shall be as provided in section 15.059. No member of the real estate advisory council task force may establish, own, operate, invest in a course designed to fulfill any requirement of Minnesota law pertaining to licenses for real estate salespersons or brokers.~~

Sec. 19. Minnesota Statutes 1982, section 84.524, subdivision 1, is amended to read:

84.524 [CITIZEN'S ADVISORY TASK FORCE ON THE BOUNDARY WATERS CANOE AREA.]

Subdivision 1. ~~There is created~~ *The commissioner of natural resources may create* a citizen's advisory task force on the Boundary Waters Canoe Area; ~~consisting of 17 members selected as follows. If the task force is created it shall include the following members:~~

- (1) Three residents of St. Louis County ~~appointed by the governor;~~
- (2) Three residents of Cook County ~~appointed by the governor;~~
- (3) Three residents of Lake County ~~appointed by the governor;~~ and
- (4) Eight residents of the state residing outside of the aforementioned counties ~~appointed by the governor.~~

~~The governor shall designate one of the appointees to serve as chairman and~~

the advisory task force may elect such other officers as it deems necessary. The advisory task force shall be subject to the provisions of section 15.059, except that the advisory task force shall not expire until June 30, 1983.

Sec. 20. Minnesota Statutes 1982, section 84.524, subdivision 2, is amended to read:

Subd. 2. The advisory task force shall conduct meetings and research into all matters related to the establishment and operation of the Boundary Waters Canoe Area, and shall make such recommendations to the United States Forest Service and other federal and state agencies concerned, regarding operation of the area, as the advisory task force deems advisable. A copy of each recommendation shall be filed with the legislative reference library. The advisory task force shall not apply for or accept funds from public or private sources other than the legislature. Subject to the availability of legislative appropriation, the advisory task force may contract for services relating to matters within its authority.

Sec. 21. Minnesota Statutes 1982, section 84B.11, subdivision 1, is amended to read:

Subdivision 1. The governor shall appoint, except for the legislative members, a citizen's committee council on Voyageurs National Park, consisting of 17 members as follows:

Four residents of Koochiching county, two of whom shall be appointed to terms ending January 1, 1979, and two of whom shall be appointed to terms ending January 7, 1980;

Four residents of St. Louis county, two of whom shall be appointed to terms ending January 7, 1980, and two of whom shall be appointed to terms ending January 1, 1979;

Five residents of the state at large from outside Koochiching and St. Louis counties, two of whom shall be appointed to terms ending January 1, 1979, and two of whom shall be appointed to terms ending January 7, 1980;

Two members of the state senate to be appointed by the committee on committees;

Two members of the state house of representatives to be appointed by the speaker of the house.

The governor shall designate one of the appointees to serve as chairman and the committee may elect such other officers as it deems necessary. Members shall be appointed so as to represent differing viewpoints and interest groups on the facilities included in and around the park. Legislator members shall serve for the term of the legislative office to which they were elected. The committee shall expire and The terms, compensation and removal of non-legislator members shall be as provided in section 15.059. This section is repealed June 30, 1987.

Sec. 22. Minnesota Statutes 1982, section 86A.10, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] The commissioner of energy, planning and development may appoint an outdoor recreation advisory task force. If appointed each regional development commission and the metropolitan

council shall designate one of its members to serve on the outdoor recreation advisory council, which is hereby created. The governor shall appoint the chairman of the council to serve at his pleasure. Areas of the state not having a regional development commission shall have one representative from each unorganized area appointed by the commissioner. The council task force shall expire and the terms, compensation, and removal of members shall be as provided in section 15.059.

Sec. 23. Minnesota Statutes 1982, section 116J.04, is amended to read:

116J.04 [ENERGY POLICY DEVELOPMENT COUNCIL TASK FORCE.]

A council of 15 members to act in The commissioner may appoint an advisory capacity task force on energy policy development to the commissioner is created. Members shall be appointed by the governor, with the advice and consent of the senate. If created the task force shall include at least one member from each congressional district and seven from the state at large. The council task force members shall broadly represent the scientific, technical, educational, business and labor fields and at least four members shall be from educational and scientific research institutions. The council task force shall develop recommendations on policy for energy issues and energy needs and shall advise the commissioner on the energy related functions of the department. The commissioner shall report to the legislature on the major energy policy recommendations of the council. The council shall organize and elect among its members such other officers as it may deem necessary. The council shall meet at the call of the chair. The expiration, terms, compensation, and removal of members shall be as provided by section 15.059. The council may advise the commissioner on the transfer of energy agency personnel and functions.

Sec. 24. Minnesota Statutes 1982, section 121.87, subdivision 1, is amended to read:

Subdivision 1. A 25 member state The state board of education may appoint a community education advisory council shall be established task force for the purpose of promoting the furtherance of sections 121.85 to 121.88, and the advancement of educational, recreational and social opportunity through the maximum utilization of public school facilities throughout the state of Minnesota. The council shall be If appointed by the governor and, the task force shall consist of two lay members include at least one member from each congressional district and nine members selected at large who shall represent government and professions most closely related to community education activities, functions and school administrative jurisdictions.

Sec. 25. Minnesota Statutes 1982, section 121.87, subdivision 3, is amended to read:

Subd. 3. Clerical, mailing, printing, and other justifiable expenses incurred by the council shall be paid from funds set aside for the administration of the office of the director of community education programs. The council task force shall expire and the terms, compensation, and removal of members shall be as provided in section 15.059.

Sec. 26. Minnesota Statutes 1982, section 123.581, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] Programs for in-service training for regular classroom teachers, assistant principals and principals in techniques of education of handicapped pupils shall be established in school districts designated by the state board of education. Funds for these programs shall be granted by the state board ~~upon the recommendation of the advisory council for in-service training in techniques of education of handicapped pupils.~~ Handicapped pupils for the purposes of this section, are those defined in section 120.03.

Sec. 27. Minnesota Statutes 1982, section 126.531, subdivision 1, is amended to read:

Subdivision 1. ~~The Minnesota Indian Affairs intertribal board shall nominate 15 persons for membership to the state board of education may create an American Indian language and culture education advisory task force. The state board of education shall appoint nine persons from those so nominated to constitute the task force.~~ *If created*, members shall include representatives of community groups, parents of children eligible to be served by the programs, American Indian administrators and teachers, persons experienced in the training of teachers for American Indian language and culture education programs, persons involved in programs for American Indian children in nonsectarian nonpublic, urban, community, tribal or alternative schools and persons knowledgeable in the field of American Indian language and culture education. Members shall be appointed so as to be representative of significant segments of the population of American Indians.

Sec. 28. Minnesota Statutes 1982, section 128A.03, is amended to read:

128A.03 [ADVISORY COUNCILS.]

Subdivision 1. The state board of education ~~shall~~ *may* appoint an advisory council *task force* on the Minnesota school for the deaf and an advisory council *task force* on the Minnesota braille and sight-saving school. ~~These councils shall to advise the state board on policies pertaining to the control, management, and administration of these schools.~~

Subd. 2. ~~Each advisory council shall consist of eight members.~~ *If created* the members shall be representative of the various geographic regions of the state, shall include parents or guardians of visually disabled or hearing impaired children, shall include a staff representative of the applicable school, and shall include two representatives from groups representing the interests of visually disabled or hearing impaired individuals, as applicable. All members shall have knowledge, experience and interest in the problems of visually disabled or hearing impaired children.

Subd. 3. ~~The councils task forces~~ shall expire and the terms, compensation and removal of members shall be as provided in section 15.059.

Sec. 29. Minnesota Statutes 1982, section 129B.09, subdivision 8, is amended to read:

Subd. 8. [ADVISORY TASK FORCE ON EARLY CHILDHOOD AND FAMILY EDUCATION.] The council on quality education ~~shall~~ *may* appoint an advisory task force on early childhood and family education programs. *If appointed*, the advisory task force shall be composed of parents of young children and persons knowledgeable in the fields of health, education

and welfare. A majority of the task force shall be parents of young children. ~~The advisory task force shall advise the council in the administration of the early childhood and family education programs. The expiration, terms, compensation, and removal of members shall be governed by the provisions of section 15.059, subdivision 6. The task force shall expire June 30, 1983.~~

Sec. 30. Minnesota Statutes 1982, section 144.011, subdivision 2, is amended to read:

Subd. 2. [~~STATE HEALTH ADVISORY COUNCIL TASK FORCE.~~] ~~The commissioner of health may appoint a state health advisory council is hereby created to consist of 15 members appointed by the governor task force. Nine if appointed, members of the council task force shall be broadly representative of the licensed health professions and six members shall be also include public members as defined by section 214.02. The council and its members shall be governed by the provisions of section 15.059. The governor shall designate a chairman of the council and such other officers as he deems necessary. The council shall advise the commissioner of health on any matter relating to the functions of the department. The task force shall expire, and the terms, compensation, and removal of members shall be as provided in section 15.059.~~

Sec. 31. Minnesota Statutes 1982, section 145.919, is amended to read:

145.919 [COMMUNITY HEALTH SERVICES ADVISORY COMMITTEE.]

An advisory committee is established to advise, consult with, and make recommendations to the state commissioner of health on matters relating to the development, maintenance, funding and evaluation of community health services. Each board of health meeting the eligibility requirements of section 145.917 may appoint a member to serve on the committee. The terms shall be two years and no member shall serve more than three consecutive terms. Continuity of membership shall be assured by having an approximately equal number of terms expire each year. Members may receive a per diem and shall be reimbursed for travel and other necessary expenses while engaged in their official duties. The committee shall meet at least quarterly and special meetings may be called by the chairman or a majority of the members. *The committee shall expire on the date provided by section 15.059, subdivision 5.*

Sec. 32. Minnesota Statutes 1982, section 145.93, subdivision 2, is amended to read:

Subd. 2. [~~ADVISORY COUNCIL TASK FORCE.~~] The commissioner of health shall ~~may~~ appoint an advisory council to serve on a ~~voluntary basis~~ task force consisting of, but not limited to, the following: one nurse; one pharmacist; one physician each from the fields of toxicology, pediatric medicine, emergency medicine, and internal medicine; and one person who has no past or present material financial interest or professional involvement in the provision of poison information or treatment services. No more than three members may be residents of the metropolitan area, as defined in section 473.02, subdivision 5; no more than one may be a resident of any single county; and none may be affiliated in any way with the currently designated poison information center. *The task force shall expire and the*

terms, compensation, and removal of members shall be as provided in section 15.059.

Sec. 33. Minnesota Statutes 1982, section 145.93, subdivision 3, is amended to read:

Subd. 3. [GRANT AWARD; DESIGNATION; PAYMENTS UNDER GRANT.] Each *odd-numbered* year the commissioner shall give reasonable public notice of the availability of moneys appropriated pursuant to Laws 1980, Chapter 577, Section 2 or otherwise available for the Minnesota poison information center. ~~After consulting with the advisory council,~~ The commissioner shall select as grantee a nonprofit corporation or unit of government which applies for the moneys and best fulfills the criteria specified in subdivision 4. The grantee selected shall be designated the Minnesota poison information center. ~~Moneys appropriated under Laws 1980, Chapter 577, Section 2~~ The grant shall be paid to the grantee quarterly beginning on July 1.

Sec. 34. Minnesota Statutes 1982, section 145.98, subdivision 1, is amended to read:

Subdivision 1. [CREATION; MEMBERSHIP.] ~~There is established in the executive branch a council~~ *The commissioner of health may appoint an advisory task force* on health promotion and wellness. Members of the ~~council~~ *task force* shall be ~~appointed by the governor.~~ *They shall be experienced or interested in health promotion and wellness. There shall be 15 members with at least one member from each congressional district. The initial membership shall include all persons holding current membership on the governor's council on health promotion and wellness established by Executive Order No. 81-6. The chairperson shall be appointed by the governor from among the members. Members shall not receive per diem pay but may be reimbursed for travel and other expenses in the same manner and amount as state employees. The task force shall expire, and the terms of office, compensation, and removal of members shall be governed by section 15.0575 15.059.*

Sec. 35. Minnesota Statutes 1982, section 145.98, subdivision 3, is amended to read:

Subd. 3. [POWERS.] ~~The council task force~~ may solicit, receive, and disburse funds made available for health promotion and wellness. ~~Subject to approval by the council, the chairperson may appoint advisory committees composed of individuals who have interest or expertise in various health promotion and wellness fields. Subject to the availability of funds, the council may hire staff to assist in its work and contract with individuals and organizations to assist it in carrying out the duties of the council. The council shall assume the duties of the governor's council on health promotion and wellness established by Executive Order No. 81-6, and section 15.039 shall apply to this transfer of responsibilities.~~

Sec. 36. Minnesota Statutes 1982, section 148.191, subdivision 2, is amended to read:

Subd. 2. The board is authorized to adopt and, from time to time, revise rules not inconsistent with the law, as may be necessary to enable it to carry into effect the provisions of sections 148.171 to 148.299. The board shall prescribe by rule curricula and standards for schools and courses preparing

persons for licensure under sections 148.171 to 148.299. It shall conduct or provide for surveys of such schools and courses at such times as it may deem necessary. It shall approve such schools and courses as meet the requirements of sections 148.171 to 148.299 and board rules. It shall examine, license and renew the license of duly qualified applicants. It shall hold examinations at least once in each year at such time and place as it may determine. It shall by rule adopt, evaluate and periodically revise, as necessary, requirements for licensure and for registration and renewal of registration as defined in section 148.231. It shall cause the prosecution of all persons violating sections 148.171 to 148.299 and have power to incur such necessary expense therefor. It shall keep a record of all its proceedings. ~~The board shall appoint an advisory task force on nursing education consisting of 11 members for the purposes of advising the board on matters pertaining to career progression and the approval and operation of nursing programs, assisting with surveys of nursing programs, collecting nursing education data and providing liaison between the board and nursing education. Three members shall be either an administrator or supervisor in one of the following types of agencies at the time of appointment and throughout his term: hospital, nursing home or community nursing service. The remaining eight members shall be either an administrator or faculty member in one of the following types of educational programs at the time of appointment and throughout his term: nursing assistant program, practical nursing program preparing for licensure, professional nursing program preparing for licensure, or advanced nursing program for licensed practical or registered nurses. The task force shall expire and the compensation and removal of members shall be as provided in section 15.059.~~

Sec. 37. Minnesota Statutes 1982, section 149.02, is amended to read:

149.02 [EXAMINATION; LICENSING.]

The state commissioner of health is hereby authorized and empowered to examine, upon submission of an application therefor and fee as prescribed by the commissioner pursuant to section 144.122, all applicants for license to practice mortuary science or funeral directing and to determine whether or not the applicants possess the necessary qualifications to practice mortuary science or funeral directing. If upon examination the commissioner shall determine that an applicant is properly qualified to practice mortuary science or funeral directing, he shall grant a license to the person to practice mortuary science or funeral directing. Licenses shall expire and be renewed as prescribed by the commissioner pursuant to section 144.122.

On or after the thirty-first day of December, 1955, separate licenses as embalmer or funeral director shall not be issued, except that a license as funeral director shall be issued to those apprentices who have been registered under regulations of the commissioner as apprentice funeral directors on the first day of July, 1955, qualify by examination for licensure under such regulations as funeral directors before the first day of August, 1957. Such applicants shall file an application for license as a funeral director in the manner as is required in section 149.03 for a license in mortuary science. It shall be accompanied by a fee in an amount prescribed by the commissioner pursuant to section 144.122. However, a single license as a funeral director shall be issued to those persons whose custom, rites, or religious beliefs forbid the practice of embalming. An applicant for a single license as a funeral director under this exception shall submit to the com-

from the water well drilling industry shall have been bona fide residents of this state for a period of at least three years prior to appointment and shall have had at least five years experience in the water well drilling business. The council shall ~~not~~ expire, ~~but~~ *and* the terms of the appointed members and the compensation and removal of all members shall be as provided in section 15.059.

Sec. 44. Minnesota Statutes 1982, section 161.1419, is amended by adding a subdivision to read:

Subd. 8. The commission shall expire on the date provided by section 15.059, subdivision 5.

Sec. 45. Minnesota Statutes 1982, section 175.007, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall appoint an advisory council on workers' compensation, which shall consist of five representatives of employers and five representatives of employees; ~~and~~ *three* members representing the general public; ~~and two persons who have received or are currently receiving workers' compensation benefits under chapter 176.~~ The council may consult with the judges of the workers' compensation court of appeals. The council shall expire and the terms, compensation and removal of members shall be as provided in section 15.059.

Sec. 46. Minnesota Statutes 1982, section 184.23, is amended to read:

184.23 [ADVISORY COUNCIL TASK FORCE CREATED.]

Subdivision 1. ~~There is created a council to be known as~~ *The commissioner of labor and industry may appoint an employment agency advisory council whose duty shall be task force* to advise the department as to the administration of the provisions of sections 184.21 to 184.40. ~~Such council shall consist of nine members, appointed by the commissioner of labor and industry. If appointed, a majority of those selected members shall be actually engaged as an owner or manager of an employment agency licensed by the state of Minnesota for a period of three years immediately preceding the time of their appointment.~~

Subd. 3. ~~The council shall meet at the call of the commissioner and advise and consult on all major policy matters relating to the licensing of an employment agent or counselor. The council shall elect annually from its members a chairman, vice-chairman and secretary. The council is also authorized to conduct its own meetings at the call of the chairman. The council task force shall expire and the terms, compensation and removal of members shall be as provided in section 15.059.~~

Sec. 47. Minnesota Statutes 1982, section 198.055, is amended by adding a subdivision to read:

Subd. 1a. [REDUCED MEMBERSHIP.] After July 1, 1983, appointments to each group of appointees on the advisory committee shall be reduced by one so that after the second group of appointments subsequent to July 1, 1983, the committee shall consist of nine members. The commissioner shall comply with Laws 1976, chapter 149, section 48, regarding the composition of the committee in all appointments made after July 1, 1983.

Sec. 48. Minnesota Statutes 1982, section 206.08, subdivision 3, is

amended to read:

Subd. 3. [~~ADVISORY COMMITTEE TASK FORCE.~~] The secretary of state may appoint a nonpartisan advisory ~~committee task force~~ to advise him in the examining and reporting duties prescribed in this section. *The task force shall expire, and the terms, compensation, and removal of members shall be as provided in section 15.059.*

Sec. 49. Minnesota Statutes 1982, section 214.13, subdivision 4, is amended to read:

Subd. 4. The commissioner of health shall wherever possible delegate the administration of regulation activities to a health related licensing board with the concurrence of that board. If the commissioner of health delegates this function, the licensing board shall regularly bill the commissioner of health for the cost of performing this function. The commissioner of health may establish an advisory ~~council task force~~ to advise him or the appropriate health related licensing board on matters relating to the registration and regulation of an occupation. A ~~council task force~~ shall have seven members appointed by the commissioner of which five are members of the registered occupation or related registered or licensed occupations, and two are public members. A ~~council task force~~ shall expire, and the terms, compensation and removal of members shall be as provided in section 15.059.

Sec. 50. Minnesota Statutes 1982, section 241.64, is amended to read:

241.64 [~~ADVISORY TASK FORCE COUNCIL.~~]

Subdivision 1. [~~CREATION.~~] Within 60 days after the effective date of sections 241.61 to 241.66, the commissioner shall appoint a nine member advisory ~~task force council~~ to advise him on the implementation of sections 241.61 to 241.66. The provisions of section 15.059, ~~subdivision 6,~~ shall govern the terms, ~~compensation, and~~ removal of members, ~~and expiration of the advisory task force council.~~ *Council members shall not receive per diem, but shall receive expenses in the same manner and amount as state employees.*

Subd. 2. [~~MEMBERSHIP.~~] Persons appointed shall be knowledgeable in the fields of health, law enforcement, social services or the law. Five members of the advisory ~~task force council~~ shall be representatives of community or governmental organizations which provide services to battered women, and four members of the advisory ~~task force council~~ shall be public members.

Subd. 3. [~~DUTIES.~~] The advisory ~~task force council~~ shall:

(a) recommend to the commissioner the names of five applicants for the position of project coordinator.

(b) advise the commissioner on the rules promulgated pursuant to section 241.63;

(c) review and comment on applications received by the commissioner for designation as a pilot program and applications for education grants; and

(d) advise the project coordinator in the performance of his duties in the administration and coordination of the programs funded under section 241.62.

Sec. 51. Minnesota Statutes 1982, section 241.71, is amended to read:

241.71 [CREATION OF ADVISORY TASK FORCE.]

~~Within 60 days after July 1, 1981,~~ The commissioner of corrections shall may appoint an advisory task force on the woman offender in corrections. The task force shall have ~~at least ten but~~ no more than 20 members and shall reflect a statewide geographical representation. The provisions of section 15.059, subdivision 6, shall govern the *expiration*, terms, expenses, and removal of members of the advisory task force.

Sec. 52. Minnesota Statutes 1982, section 245.84, subdivision 4, is amended to read:

Subd. 4. The commissioner may appoint an advisory ~~council~~ *task force* of not more than 35 members which shall advise the commissioner on grants and other child care issues. One-third of the members of the advisory council shall be parents who use child care services. The membership *expiration*, terms, compensation and removal from office of members of the advisory council shall be according to section 15.059.

Sec. 53. Minnesota Statutes 1982, section 246.017, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP, DUTIES, MEETINGS.] The commissioner of public welfare shall ~~create and establish~~ *may appoint* a medical policy directional ~~committee~~ *task force* on mental health ~~composed of seven including~~ members ~~five of whom who~~ are experts in their fields of medicine, mental health, mental retardation, or related sciences. ~~Two~~ Members shall ~~also~~ be selected from social service, rehabilitation, volunteer services, nursing, hospital administration or related fields. Not more than one member shall be selected from any one field of medicine or related sciences which shall include the field of psychiatry, neurology, physiology, biochemistry, internal medicine, pediatrics, pharmacology, and psychology. ~~The task force shall expire, and the terms, compensation, and removal of members shall be as provided in section 15.059.~~

~~One member shall be appointed whose term shall expire July 1, 1954, and his successors thereafter shall be appointed for a period of three years; two members shall be appointed whose terms expire on July 1, 1955, and their successors shall be appointed for a term of three years; two members shall be appointed whose terms shall expire on July 1, 1956, and their successors thereafter shall be appointed for a term of three years. Two members shall be appointed whose terms shall be determined by the commissioner.~~

~~The committee will meet at least six times each year at such times and in such places as the commissioner of public welfare may determine. He may call such additional meetings from time to time as he may deem necessary not exceeding a maximum of 50 meetings in any one year. Each member will receive the sum of \$50 per day for time actually spent in transacting the business of the board and shall be reimbursed for expenses actually incurred in the performance of their official duties.~~

~~The committee shall advise the commissioner of public welfare as to all phases of professional standards including patient care, training of personnel, management practices, establishment of treatment programs, obtaining ade-~~

quate staff, establishment of medical and statistical records and operation of practices in order that they be compatible with professional requirements. The committee shall advise the commissioner of public welfare in approval and guidance of research projects and distribution of research funds. They shall assist him in establishing and maintaining the best possible practices in all mental institutions.

The commissioner of public welfare shall appoint, and unless otherwise established by law, set the salary of a licensed physician to serve as medical director to assist him in establishing and maintaining the medical policies of the department of public welfare. The commissioner may place the medical director's position in the unclassified service if the position meets the criteria of section 43A.08, subdivision 1a.

Sec. 54. Minnesota Statutes 1982, section 252.31, is amended to read:

252.31 [ADVISORY COUNCIL TASK FORCE.]

The commissioner of public welfare shall ~~may~~ appoint an advisory council of ~~11 members to be known as the advisory council~~ *task force* for the mentally retarded and physically handicapped. The ~~council~~ *task force* shall advise the commissioner relative to those laws for which the commissioner is responsible to administer and enforce relating to mental retardation and physical disabilities. The ~~council~~ *task force* shall consist of persons who are providers or consumers of service for the mentally retarded or physically handicapped, or who are interested citizens. ~~The commissioner of education and the commissioner of health or their designees shall be non-voting ex-officio members and shall advise the council as to rules, regulations and services which relate to the departments of education and health.~~ The ~~council~~ *task force* shall expire and the terms, compensation and removal of ~~appointed~~ members shall be as provided in section 15.059.

Sec. 55. Minnesota Statutes 1982, section 256.481, is amended to read:

256.481 [HANDICAPPED PERSON; DEFINITION.]

For the purposes of sections 256.481 to ~~256.483~~ 256.482 "handicapped person" means ~~one who, because of a substantial physical, mental or emotional disability or dysfunction requires special services in order to enjoy the benefits of our society~~ *any person who:*

- (a) has a physical, mental, or emotional impairment which substantially limits one or more major life activities;*
- (b) has a record of such an impairment; or*
- (c) is regarded as having such an impairment.*

Sec. 56. Minnesota Statutes 1982, section 256.482, is amended to read:

256.482 [COUNCIL FOR THE HANDICAPPED.]

Subdivision 1. [ESTABLISHMENT; MEMBERS.] There is hereby established the council for the handicapped which shall consist of ~~30~~ 21 members appointed by the governor. ~~At least fifteen council members shall be handicapped persons or parents or guardians of handicapped persons. Twenty members shall be appointed from the general public, and ten shall be appointed from organizations which provide services for the handicapped.~~

Members shall be appointed from the general public and from organizations which provide services for handicapped persons. A majority of council members shall be handicapped persons or parents or guardians of handicapped persons. There shall be at least one member of the council appointed from each of the state development regions. The commissioners of the departments of education, public welfare and health, economic security, and the state commissioner of health, human rights and the directors of the division of vocational rehabilitation and state services for the blind or their designees shall serve as ex officio, without a vote, on the council, or shall designate a representative to the council members of the council without vote. In addition, there shall may be ex officio representation, without vote, from the programs serving mentally retarded persons and from the programs serving blind persons in the department of public welfare and members from other programs bureaus, divisions, or sections of state departments which are directly concerned with the provision of services for to handicapped persons. There shall be at least one member of the council appointed from each of the state development regions.

The terms of members serving as of December 31, 1983, shall expire on that date. Thereafter, notwithstanding the provisions of section 15.059, each member of the council appointed by the governor shall serve a three-year term and until his or her successor is appointed and qualified, provided that of the members initially appointed to serve starting in 1984, one-third shall be appointed for one year, one-third for two years, and one-third for three years as designated by the governor. The compensation and removal of all members and expiration of the council shall be as provided in section 15.059. The governor shall appoint a chairman chair of the council from among the members appointed from the general public or handicapped persons or their parents or guardians. Vacancies shall be filled by the appointing authority for the remainder of the unexpired term. The council shall not expire and the terms of the appointed members and the compensation and removal of all members shall be as provided in section 15.059.

Subd. 2. [EXECUTIVE DIRECTOR; STAFF.] The council may select an executive director of the council by a vote of a majority of all council members. The executive director shall be in the unclassified service of the state and shall act as secretary to the council and shall perform such other duties as the council may require of him provide administrative support for the council and provide administrative leadership to implement council mandates, policies, and objectives. The council executive director shall approve employment of such clerical help and other employees as are necessary, upon the recommendation of the executive director employ and direct staff authorized according to state law and necessary to carry out council mandates, policies, activities, and objectives. Salaries for of the executive director and staff shall be established in the manner prescribed by chapter 15A state law, and the executive director and staff shall be reimbursed for all the actual and necessary expenses incurred as a result of his their council responsibilities.

Subd. 3. [RECEIPT OF FUNDS.] Whenever any person, firm or corporation offers to the council funds by the way of gift, grant or loan, for purposes of assisting the council to carry out its powers and duties, the council may accept such offer by majority vote and upon such acceptance the chairman chair shall receive such funds subject to the terms of the offer, but no money shall be accepted or received as a loan nor shall any indebtedness be incurred except in the manner and under the limitations otherwise provided by law.

Subd. 4. [ORGANIZATION; COUNCILS AND COMMITTEES.] The council shall organize itself in conformity with its responsibilities under sections 256.481 to ~~256.483~~ 256.482 and shall establish councils and committees which shall give detailed attention to the special needs of each category of handicapped persons. The members of such councils and committees shall be designated by the chairman chair with the approval of a majority of the council and each council or committee shall have members from, and in approximately the same ratio as, the three groups represented on the council. Councils Committees established shall include a council on employment which shall carry out the duties and responsibilities formerly entrusted to the governor's commission on employment of handicapped persons, and a council on children which shall carry out the duties and responsibilities related to handicapped children formerly entrusted to the Minnesota advisory board on handicapped, gifted and exceptional children committee on children which shall study the special needs of handicapped children and a committee on employment which shall study the special employment needs of handicapped persons. The council shall serve as liaison in Minnesota for the president's committee on employment of the handicapped and for any other organization for which it is so designated by the governor or state legislature.

Subd. 5. [DUTIES AND POWERS.] The council shall have the following duties and powers:

(1) To advise and otherwise aid the governor, appropriate state agencies, including but not limited to the departments of education, public welfare, economic security, human rights, and the divisions of vocational rehabilitation and services for the blind; the state legislature; and the public on matters pertaining to public policy and the administration of programs, services and facilities for handicapped persons in Minnesota;

(2) To encourage and assist in the development of coordinated, interdepartmental goals and objectives and the coordination of programs, services and facilities among all state departments and private providers of service as they relate to handicapped persons;

(3) To serve as a source of information to the public regarding all services, programs and legislation pertaining to handicapped persons;

(4) To review and make comment to the governor, state agencies, the legislature, and the public concerning adequacy of state programs, plans and budgets for services to handicapped persons and for funding under the various federal grant programs;

(5) To research, formulate and advocate plans, programs and policies which will serve the needs of handicapped persons;

(6) To advise the ~~department~~ departments of labor and industry and the state board of education economic security on the administration and improvement of the workers' compensation law as the law relates to programs, facilities and personnel providing assistance to injured and handicapped workers;

(7) To advise the workers' compensation division of the department of labor and industry and the workers' compensation court of appeals as to the necessity and extent of any alteration or remodeling of an existing residence

or the building or purchase of a new or different residence which is proposed by a licensed architect under section 176.137.

Sec. 57. Minnesota Statutes 1982, section 256B.58, is amended to read:

256B.58 [ADMINISTRATION.]

The pilot programs shall be administered by the commissioner. The commissioner may employ staff to administer the programs. The cost of the staff shall be met solely by funds authorized to be spent for administering the programs. ~~The commissioner shall appoint a seven member advisory task force to advise the commissioner on the operation of the pilot programs. All of the members of the advisory task force shall be senior citizens. The compensation of members, their removal from office, and the filling of vacancies shall be as provided in section 15.059.~~

Sec. 58. Minnesota Statutes 1982, section 268.12, subdivision 6, is amended to read:

Subd. 6. [ADVISORY COUNCILS.] The commissioner of economic security shall appoint a state advisory council and may appoint such local advisory councils as he deems advisable, composed in each case of an equal number of employer and employee representatives who shall be selected because of their vocation, employment, or affiliation, and of such members representing the general public as he may designate. ~~The commissioner may also appoint an agricultural employment advisory council and such other advisory councils as may be found necessary for proper administration. Such~~ *The advisory councils shall aid the commissioner in formulating policies and discussing problems relating to the administration of sections 268.03 to 268.24 and in assuring impartiality and freedom from political influence in the solution of such problems. The councils shall expire and the terms, compensation and removal of members shall be as provided in section 15.059.*

Sec. 59. Minnesota Statutes 1982, section 326.41, is amended to read:

326.41 [ADVISORY COUNCIL.]

The state commissioner of health shall appoint seven persons to the advisory council on plumbing code and examinations, one of whom shall be a practical master plumber, one a practical journeyman plumber, and one a representative of the commissioner. The council shall expire and the terms, compensation and removal of members *of the council* shall be as provided in section 15.059.

Sec. 60. Minnesota Statutes 1982, section 363.04, subdivision 4, is amended to read:

Subd. 4. [COMMITTEE TASK FORCE, MEMBERSHIP, APPEALS.] ~~There is hereby established within the department~~ *The commissioner may appoint a human rights advisory committee task force. The committee shall serve in an advisory capacity to the commissioner. The committee shall consist of 15 members to be appointed by the governor. Members shall be appointed with due regard to their fitness for the efficient dispatch of the functions, powers and duties vested in and imposed upon the committee. The governor shall designate from time to time one of the members as chairman.*

Sec. 61. Minnesota Statutes 1982, section 363.04, subdivision 4a, is

amended to read:

Subd. 4a. [TERMS; COMPENSATION; REMOVAL; VACANCIES.] The *expiration*, membership terms, compensation, removal of members, and filling of vacancies on the ~~committee~~ *task force* shall be as provided in section 15.059.

Sec. 62. Minnesota Statutes 1982, section 507.09, is amended to read:

507.09 [FORMS APPROVED; AMENDMENTS.]

The several forms of deeds, mortgages, land contracts, assignments, satisfactions, and other conveyancing instruments prepared by the uniform conveyancing blanks commission and filed by the commission with the secretary of state pursuant to Laws 1929, Chapter 135, as amended by Laws 1931, Chapter 34, are approved and recommended for use in the state. Such forms shall be kept on file with and be preserved by the secretary of state as a public record. The commissioner of securities and real estate may appoint an advisory ~~committee~~ *task force* on uniform conveyancing forms to recommend to the commissioner of securities and real estate amendments to existing forms or the adoption of new forms. *The task force shall expire, and the terms, compensation, and removal of members shall be as provided in section 15.059.* The commissioner of securities and real estate may adopt amended or new forms consistent with the laws of this state by rule in accordance with chapter 14.

Sec. 63. Laws 1975, chapter 235, section 2, is amended to read:

Sec. 2. This act is effective July 1, 1975 and shall expire June 30, ~~1983~~ 1987.

Sec. 64. Laws 1976, chapter 314, section 3, is amended to read:

Sec. 3. This act is effective upon final enactment. The ~~board~~ *council* shall expire on ~~June 30, 1983~~ *the date provided by Minnesota Statutes, section 15.059, subdivision 5.*

Sec. 65. Laws 1980, chapter 614, section 192, is amended to read:

Sec. 192. [EFFECTIVE DATE.] Except as otherwise provided in this act, this act is effective the day following final enactment. Section 55 is effective retroactive to April 1, 1980. Sections 87 and 88 are effective for any notice of the objects of the petition served after the day following final enactment. Sections 85 and 86 are effective for each district named in section 86 upon approval by a majority of the board of managers of the respective districts, and upon compliance with the provisions of Minnesota Statutes, Section 645.021. Sections 168 to 180 are effective upon approval by resolution of the St. Paul city council. The resolution shall be adopted after published notice to the public and public hearing. Sections 37 to 39, 49, 51, 57, 60 to 68, 70 to 74, 79, 81 to 83, 89, 101 to 123, 126, 128, 135 to 145, 148, 152, and 155, are effective July 1, 1980. Section 187 is effective July 1, 1980 and expires ~~June 30, 1983~~ *on the date provided by Minnesota Statutes, section 15.059, subdivision 5.* Pursuant to Minnesota Statutes, Section 645.023, Subdivision 1, Clause (b), section 155 is effective without local approval July 1, 1980. Section 157 is effective March 1, 1981 and applies to causes of action accruing on or after that date. Section 191, subdivision 2 is effective July 1, 1981.

Sec. 66. [TRANSITION.]

A person or group which is given discretionary authority under this act to appoint an advisory task force may appoint any person who on the day prior to the effective date of this section was a member of an advisory group, to serve as a member of the advisory task force which replaces the advisory group. The initial appointment of former advisory group members to a successor advisory task force is not subject to the open appointments process under section 15.0597. This section is repealed 90 days after the effective date of this section.

Sec. 67. [INTERIM STUDY.]

During the interim between the 1983 and 1984 legislative sessions the governmental operations committees of the house of representatives and the senate shall study the status of advisory groups. Specifically the committees shall investigate the extent to which advisory task forces are created to serve the same functions as the groups abolished by this act. The committees shall hear testimony from persons aggrieved by the failure of an appointing authority to create an advisory task force. The committees shall report their findings and any recommendations for statutory changes to the house and the senate before the beginning of the 1984 legislative session.

Sec. 68. [REPEALER.]

Minnesota Statutes 1982, 16.853; 31.60, subdivisions 2 and 3; 84.524, subdivisions 3 and 4; 86A.10, subdivision 2; 121.87, subdivision 2; 121.938; 123.581, subdivisions 2, 3, 4, 5, and 7; 124.215; 141.24; 144.571; 144A.17; 144A.55; 145.98, subdivisions 2 and 4; 214.14; 222.65; 256.483; and 363.04, subdivision 5, are repealed.

Sec. 69. [EFFECTIVE DATE.]

Sections 1 to 68 are effective July 1, 1983."

Delete the title and insert:

"A bill for an act relating to state government; repealing or amending the statutory authority for certain executive branch advisory groups; providing authority for the creation of certain task forces in the executive branch; amending certain laws relating to the organization and expiration of executive branch advisory groups; amending Minnesota Statutes 1982, sections 3.922; 3.9223, subdivision 1; 4.31, subdivision 5; 11A.08, subdivision 4; 15.059, subdivisions 5 and 6; 16.02, subdivision 28; 16.872; 16.90, subdivision 4; 16.91; 16.911; 21.112, subdivision 2; 41.54, subdivision 2; 43A.31, subdivision 4; 45.17, subdivision 6; 52.061; 52.062, subdivision 3; 82.30, subdivision 1; 84.524, subdivisions 1 and 2; 84B.11, subdivision 1; 86A.10, subdivision 1; 116J.04; 121.87, subdivisions 1 and 3; 123.581, subdivision 1; 126.531, subdivision 1; 128A.03; 129B.09, subdivision 8; 144.011, subdivision 2; 145.919; 145.93, subdivisions 2 and 3; 145.98, subdivisions 1 and 3; 148.191, subdivision 2; 149.02; 151.13, subdivision 2; 152.02, subdivisions 11 and 13; 155A.06, subdivisions 2 and 5; 156A.06, subdivision 1; 161.1419, by adding a subdivision; 175.007, subdivision 1; 184.23; 198.055, by adding a subdivision; 206.08, subdivision 3; 214.13, subdivision 4; 241.64; 241.71; 245.84, subdivision 4; 246.017, subdivision 2; 252.31; 256.481; 256.482; 256B.58; 268.12, subdivision 6;

326.41; 363.04, subdivisions 4 and 4a; 507.09; Laws 1975, chapter 235, section 2; Laws 1976, chapter 314, section 3; and Laws 1980, chapter 614, section 192; repealing Minnesota Statutes 1982, sections 16.853; 31.60, subdivisions 2 and 3; 84.524, subdivisions 3 and 4; 86A.10, subdivision 2; 121.87, subdivision 2; 121.938; 123.581, subdivisions 2, 3, 4, 5, and 7; 124.215; 141.24; 144.571; 144A.17; 144A.55; 145.98, subdivisions 2 and 4; 214.14; 222.65; 256.483; and 363.04, subdivision 5.”

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Lawrence J. Pogemiller, Donald M. Moe, Phyllis W. McQuaid

House Conferees: (Signed) Daniel J. Knuth, Bob McEachern, K.J. McDonald

Mr. Pogemiller moved that the foregoing recommendations and Conference Committee Report on S.F. No. 428 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 428 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Nelson	Reichgott
Anderson	Diessner	Knutson	Novak	Renneke
Belanger	Dieterich	Kroening	Olson	Schmitz
Benson	Frank	Kronebusch	Pehler	Sieloff
Berg	Frederick	Laidig	Peterson, C.C.	Solon
Berglin	Frederickson	Langseth	Peterson, D.C.	Spear
Bernhagen	Freeman	Lantry	Peterson, D.L.	Storm
Bertram	Isackson	Lessard	Peterson, R.W.	Stumpf
Chmielewski	Johnson, D.E.	Luther	Petty	Ulland
Dahl	Johnson, D.J.	McQuaid	Pogemiller	Vega
Davis	Jude	Merriam	Purfeerst	Willet
DeCramer	Kamrath	Moe, R. D.	Ramstad	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1259, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1259 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 23, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1259

A bill for an act relating to the operation of government in this state; modifying the definition of gross income; adopting federal definitions of itemized deductions; updating the references to the Internal Revenue Code; extending the duration of the temporary income tax surtax and changing its computation; modifying the deduction of federal income taxes; assigning certain gambling winnings by nonresidents to Minnesota; imposing withholding tax on certain gambling winnings and horse racing purses; repealing certain income tax credits for pollution control expenditures; limiting the subtraction for unemployment compensation; providing for timely payment of withholding income taxes; modifying the dependent care credit; providing for certain studies; changing the refund method for the sales tax on electricity used in agricultural production; clarifying the uses of funds from the non-game wildlife checkoff; making the six percent sales and use tax rate permanent; increasing the motor vehicle excise tax rate to six percent; modifying the enterprise zone law; providing for state tax incentives in enterprise zones; limiting the number of enterprise zones; reducing the corporate income tax rate; eliminating the deduction for certain income and franchise taxes paid by corporations; changing the deduction for corporate capital gains; providing small business investment credits; providing an additional research credit; modifying the definition of market value; requiring additional information on the certificate of value; mandating that homestead affidavits be filed in all counties; requiring that all contracts for deed be recorded; restricting the use of sales ratio studies as evidence; eliminating the agricultural mill rate credit on farm homes; increasing the agricultural mill rate credit on certain property and providing a maximum credit amount; clarifying the property classification for certain timber property; modifying the wetlands credit; modifying the utility property tax credit; changing certain property tax classification ratios; exempting contracts for deed from the mortgage registry tax and providing penalties for failure to file; exempting cities and towns with populations under 5,000 from levy limitations; modifying the method by which levy limitations are calculated; adding a special levy for certain county purposes; establishing a new homestead credit formula for certain homestead property; modifying the property tax refund formula and increasing the maximum credit; changing the payment dates for the property tax refund; altering the sales tax on liquor, wine, and beer; changing the excise tax credit on fermented malt beverages; delaying the effective date of the rent capitalization method used in assessing agricultural land; repealing the native prairie credit and reimbursement; repealing the wetlands reimbursement; modifying school district cash flow; establishing school aid payment dates for fiscal year 1985 and thereafter; requiring that property taxes be paid 15 days earlier; altering property tax settlement dates; modifying the local government aids distribution formula for counties, cities, and towns; phasing out attached machinery aids and reduced assessment aids; enacting the multi-state tax compact; changing the definition of basic cost of cigarettes for purposes of the unfair cigarette sales act; appropriating money; amending Minnesota Statutes 1982, sections 116J.42, subdivision 7; 124.2137, subdivision 1; 272.02, subdivision 1; 272.03, subdivision 8; 272.115, subdivision 1; 273.11, subdivision 1; 273.115, subdivisions 1, 2, and 3; 273.13, subdivisions 6, 6a, 7, 8a, 9, 11, 14a, 17, 17b, 17c, 20, and by adding a subdivision; 273.1312, subdivisions 2, 3, 4, and 5; 273.1313, subdivisions 1, 2, 3, and 5; 273.138, by adding a sub-

division; 273.139, by adding a subdivision; 275.50, subdivision 2, and by adding subdivisions; 275.51, by adding subdivisions; 275.53, by adding a subdivision; 276.09; 276.10; 276.11; 278.01, subdivisions 1 and 2; 278.03; 278.05, subdivisions 4 and 5; 279.01, subdivision 1; 287.05, subdivision 1; 290.01, subdivisions 19, 20, 20a, as amended, 20b, as amended, and 20f; 290.05, subdivision 6; 290.06, subdivisions 1, 2e, as amended, 11, and 14; 290.067, subdivisions 1 and 2; 290.068, by adding a subdivision; 290.09, subdivisions 1, 2, 3, as amended, 4, 5, 28, and 29; 290.091; 290.14; 290.16, subdivision 4; 290.17, subdivision 2; 290.18, subdivisions 1 and 2; 290.21, subdivisions 1 and 3; 290.23, subdivision 5; 290.31, subdivisions 2 and 3; 290.39, subdivision 2; 290.431; 290.46; 290.92, subdivisions 2a, 6, and by adding subdivisions; 290A.03, subdivisions 3, 6, 8, 11, 13, as amended, and by adding a subdivision; 290A.04, subdivisions 1, 2, 2a, 2b, and 3; 290A.07, subdivision 2a; 290A.16; 290A.18; 290A.19; 297A.02, as amended; 297A.03, subdivision 2, as amended; 297A.14, as amended; 297A.35, subdivision 3; 297B.02, as amended; 325D.32, subdivision 9; 340.14, subdivision 1; 340.47, subdivision 2; 473F.08, subdivision 7a; 477A.011, subdivisions 6, 7, 10, and by adding subdivisions; 477A.012; 477A.013; 477A.014, subdivision 1; and Laws 1981, First Special Session chapter 1, article II, section 25; and Third Special Session chapter 2, article III, section 22, as amended; proposing new law coded in Minnesota Statutes, chapters 116C; 124; 273; 290; 477A; and 507; repealing Minnesota Statutes 1982, sections 273.116; 273.138, subdivisions 1, 2, 3, 4, 5, and 6; 273.139, subdivisions 1 and 2; 273.42, subdivision 2; 273.425; 275.51, subdivisions 3e and 5; 290.01, subdivisions 23, 27, and 28; 290.032, subdivision 5; 290.06, subdivisions 9 and 9a; 290.077, subdivision 2; 290.08, subdivision 25; 290.09, subdivisions 10, 15, 22, and 27; 290.21, subdivision 3a; 290.501; 290A.07, subdivision 3; 340.986; 352C.07; 477A.011, subdivisions 8 and 9; and Laws 1982, chapter 523, article VII, section 3; and Third Special Session chapter 1, article V, section 4.

May 22, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1259, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recedes from its amendments and that H.F. No. 1259 be further amended as follows:

Delete everything after the enacting clause and insert:

ARTICLE 1

INCOME TAX

Section 1. Minnesota Statutes 1982, section 290.01, subdivision 19, is amended to read:

Subd. 19. [NET INCOME.] The term "net income" means the gross income, as defined in subdivision 20, less the *following* deductions *allowed* by section ~~290.09~~ (and for individuals, section ~~290.21~~) to the extent allowed

by section 290.18, subdivision 1:

(a) *For corporations, the deductions allowed by section 290.09;*

(b) *For individuals, the deductions allowed in section 15, without regard to section 290.18, subdivision 1, section 16, and 290.09; and*

(c) *For estates and trusts, the deduction allowed by section 15, without regard to section 290.18, subdivision 1.*

Sec. 2. Minnesota Statutes 1982, section 290.01, subdivision 20, is amended to read:

Subd. 20. [GROSS INCOME.] Except as otherwise provided in this chapter, the term "gross income," as applied to corporations includes every kind of compensation for labor or personal services of every kind from any private or public employment, office, position or services; income derived from the ownership or use of property; gains or profits derived from every kind of disposition of, or every kind of dealing in, property; income derived from the transaction of any trade or business; and income derived from any source.

The term "gross income" in its application to individuals, estates, and trusts shall mean the adjusted gross income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision and in subdivisions 20a to 20f. For estates and trusts the adjusted gross income shall be their federal taxable income as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this subdivision and in subdivisions 20a to 20f, and with the modification that the federal deduction for personal exemptions for trusts and estates shall not be allowed.

(i) The Internal Revenue Code of 1954, as amended through December 31, 1976, including the amendments made to section 280A (relating to licensed day care centers) in H.R. 3477 as it passed the Congress on May 16, 1977, shall be in effect for the taxable years beginning after December 31, 1976. The provisions of the Tax Reform Act of 1976, P.L. 94-455, which affect adjusted gross income shall become effective for purposes of this chapter at the same time they become effective for federal income tax purposes.

The provisions of section 4 of P.L. 95-458, sections 131, 133, 134, 141, 152, 156, 157, 405, and 543 of P.L. 95-600, and section 2 of P.L. 96-608 (relating to pensions, individual retirement accounts, deferred compensation plans, the sale of a residence and to conservation payments to farmers) including the amendments made to these sections in P.L. 96-222 shall be effective at the same time that these provisions became effective for federal income tax purposes.

(ii) The Internal Revenue Code of 1954, as amended through December 31, 1979, shall be in effect for taxable years beginning after December 31, 1979.

(iii) The Internal Revenue Code of 1954, as amended through December 31, 1980, and as amended by sections 302(b) and 501 to 509 of Public Law

Number 97-34, shall be in effect for taxable years beginning after December 31, 1980 including the provisions of section 404 (relating to partial exclusions of dividends and interest received by individuals) of the Crude Oil Windfall Profit Tax Act of 1980, P.L. 96-223. The provisions of P.L. 96-471 (relating to installment sales) sections 122, 123, 126, 201, 202, 203, 204, 211, 213, 214, 251, 261, 264, 265, 311(g)(3), 313, 314(a)(1), 321(a), 501 to 507, 811, and 812 of the Economic Recovery Tax Act of 1981, Public Law Number 97-34 and section 113 of Public Law Number 97-119 shall be effective at the same time that they become effective for federal income tax purposes.

(iv) The Internal Revenue Code of 1954, as amended through December 31, 1981, shall be in effect for taxable years beginning after December 31, 1981. *The Payment-in-Kind Tax Treatment Act of 1983, Public Law Number 98-4, shall be effective at the same time that it becomes effective for federal income tax purposes.*

References to the Internal Revenue Code of 1954 in subdivisions 20a, 20b, 20c, ~~and 20e, and 20f~~ shall mean the code in effect for the purpose of defining gross income for the applicable taxable year.

Sec. 3. Minnesota Statutes 1982, section 290.01, subdivision 20a, as amended by Laws 1982, Third Special Session chapter 1, article V, section 1, is amended to read:

Subd. 20a. [MODIFICATIONS INCREASING FEDERAL ADJUSTED GROSS INCOME.] There shall be added to federal adjusted gross income:

(1) Interest income on obligations of any state other than Minnesota or a political subdivision of any other state exempt from federal income taxes under the Internal Revenue Code of 1954;

(2) ~~A business casualty loss if the taxpayer elected to deduct the loss on the current year's federal income tax return but had deducted the loss on the previous year's Minnesota income tax return;~~

(3) Income taxes imposed by this state or any other taxing jurisdiction, to the extent deductible in determining federal adjusted gross income and not credited against federal income tax;

(4) (3) Interest on indebtedness incurred or continued to purchase or carry securities the income from which is exempt from tax under this chapter, to the extent deductible in determining federal adjusted gross income;

(5) ~~Amounts received as reimbursement for an expense of sickness or injury which was deducted in a prior taxable year to the extent that the deduction for the reimbursed expenditure resulted in a tax benefit;~~

(6) ~~The amount of any federal income tax overpayment for any previous taxable year, received as refund or credited to another taxable year's income tax liability, proportionate to the percentage of federal income tax that was claimed as a deduction in determining Minnesota income tax for the previous taxable year. The amount of the federal income tax overpayment shall be reported only to the extent that the amount resulted in a reduction of the tax imposed by this chapter.~~

~~The overpayment refund or credit, determined with respect to a husband and~~

wife on a joint federal income tax return for a previous taxable year; shall be reported on joint, combined, or separate Minnesota income tax returns. In the case of combined or separate Minnesota returns, the overpayment shall be reported by each spouse proportionately according to the relative amounts of federal income tax claimed as a deduction on his or her combined or separate Minnesota income tax return for such previous taxable year;

~~(7)~~ (4) In the case of a change of residence from Minnesota to another state or nation, the amount of moving expenses which exceed total reimbursements and which were therefore deducted in arriving at federal adjusted gross income;

~~(8)~~ (5) The amount of any increase in the taxpayer's federal tax liability under section 47 of the Internal Revenue Code of 1954 to the extent of the credit under section 38 of the Internal Revenue Code of 1954 that was previously allowed as a deduction under *Minnesota Statutes 1982, section 290.01*, subdivision 20b, clause (7);

~~(9)~~ (6) Expenses and losses arising from a farm which are not allowable under section 290.09, subdivision 29;

~~(10)~~ (7) Expenses and depreciation attributable to substandard buildings disallowed by section 290.101;

~~(11)~~ (8) The amount by which the gain determined pursuant to section 41.59, subdivision 2 exceeds the amount of such gain included in federal adjusted gross income;

~~(12)~~ (9) To the extent deducted in computing the taxpayer's federal adjusted gross income for the taxable year, losses recognized upon a transfer of property to the spouse or former spouse of the taxpayer in exchange for the release of the spouse's marital rights;

~~(13)~~ (10) Interest income from qualified scholarship funding bonds as defined in section 103(e) of the Internal Revenue Code of 1954, if the nonprofit corporation is domiciled outside of Minnesota;

~~(14)~~ (11) Exempt-interest dividends, as defined in section 852(b)(5)(A) of the Internal Revenue Code of 1954, not included in federal adjusted gross income pursuant to section 852(b)(5)(B) of the Internal Revenue Code of 1954, except for that portion of exempt-interest dividends derived from interest income on obligations of the state of Minnesota, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities;

~~(15)~~ (12) The amount of any excluded gain recognized by a trust on the sale or exchange of property as defined in section 641(c)(1) of the Internal Revenue Code of 1954;

~~(16)~~ (13) To the extent not included in the taxpayer's federal adjusted gross income, the amount of any gain, from the sale or other disposition of property having a lower adjusted basis for Minnesota income tax purposes than for federal income tax purposes. This modification shall not exceed the difference in basis. If the gain is considered a long term capital gain for federal income tax purposes, the modification shall be limited to 40 percent of the portion of the gain. This modification is limited to property that qualified for the ~~energy equity investment credit~~ contained in section 290.06;

~~subdivision 14, 290.069, subdivision 4, and to property acquired in exchange for the release of the taxpayer's marital rights contained in section 290.14, clause (7);~~

~~(17) (14) The amount of any loss from a source outside of Minnesota which is not allowed under section 290.17 including any capital loss or net operating loss carryforwards or carrybacks resulting from the loss;~~

~~(18) The amount of a distribution from an individual housing account which is to be included in gross income as required under section 290.08, subdivision 25;~~

~~(19) (15) To the extent deducted in computing the taxpayer's federal adjusted gross income, interest, taxes and other expenses which are not allowed under section 290.10, clause (9) or (10);~~

~~(20) To the extent excluded from federal adjusted gross income, in the case of a city manager or city administrator who elects to be excluded from the public employees retirement association and who makes contributions to a deferred compensation program pursuant to section 353.028, the amount of contributions made by the city manager or administrator which is equal to the amount which would have been the city manager's or administrator's employee contribution pursuant to section 353.27, subdivision 2, if he were a member of the public employees retirement association;~~

~~(21) (16) The deduction for two-earner married couples provided in section 221 of the Internal Revenue Code of 1954;~~

~~(22) Interest on all savers certificates which is excluded under section 128 of the Internal Revenue Code of 1954;~~

~~(23) (17) Losses from the business of mining as defined in section 290.05, subdivision 1, clause (a) which is not subject to the Minnesota income tax;~~

~~(24) (18) Expenses and depreciation attributable to property subject to Laws 1982, Chapter 523, Article 7, Section 3 which has not been registered;~~

~~(25) (19) The amount of contributions to an individual retirement account, simplified employee pension plan, or self-employed retirement plan which is allowed under sections 311 and 312 of Public Law Number 97-34 to the extent those contributions were not an allowable deduction prior to the enactment of that law;~~

~~(26) To the extent deducted in computing federal adjusted gross income, living expenses of a member of congress in excess of that allowable under section 290.09, subdivision 2, clause (a)(3); and~~

~~(27) (20) To the extent not included in the taxpayer's federal adjusted gross income, the amount of any contributions to a qualified pension plan, designated as employee contributions but which the employing unit picks up and which are treated as employer contributions pursuant to section 414(h)(2) of the Internal Revenue Code of 1954.~~

Sec. 4. Minnesota Statutes 1982, section 290.01, subdivision 20b, as amended by Laws 1982, Third Special Session chapter 1, article V, section 2, is amended to read:

Subd. 20b. [MODIFICATIONS REDUCING FEDERAL ADJUSTED

GROSS INCOME.] There shall be subtracted from federal adjusted gross income:

(1) Interest income on obligations of any authority, commission or instrumentality of the United States to the extent includible in gross income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes, that does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to 40 per centum of the portion of the gain. This modification shall not be applicable if the difference in basis is due to disallowance of depreciation pursuant to section 290.101.

(3) Income from the performance of personal or professional services which is subject to the reciprocity exclusion contained in section 290.081, clause (a);

(4) Losses, not otherwise reducing federal adjusted gross income assignable to Minnesota, arising from events or transactions which are assignable to Minnesota under the provisions of sections 290.17 to 290.20, including any capital loss or net operating loss carryforwards or carrybacks or out of state loss carryforwards resulting from the losses, and including any farm loss carryforwards or carrybacks;

(5) If included in federal adjusted gross income, the amount of any credit received, whether received as a refund or credit to another taxable year's income tax liability, pursuant to chapter 290A, and the amount of any overpayment of income tax to Minnesota, or any other state, for any previous taxable year, whether the amount is received as a refund or credited to another taxable year's income tax liability;

(6) To the extent included in federal adjusted gross income, or the amount reflected as the ordinary income portion of a lump sum distribution under section 402(e) of the Internal Revenue Code of 1954, notwithstanding any other law to the contrary, the amount received by any person (i) from the United States, its agencies or instrumentalities, the Federal Reserve Bank or from the state of Minnesota or any of its political or governmental subdivisions or from any other state or its political or governmental subdivisions, or a Minnesota volunteer firefighter's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or (ii) as a retiree or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the Internal Revenue Code of 1954, or (iii) severance pay distributed to an individual upon discontinuance of the individual's employment due to termination of business operations by the individual's employer, provided that the termination is reasonably likely to be permanent, involves the discharge of at least 75 per cent of the employees at that site within a one-year period, and the business is not acquired by another person who continues operations at that site. The maximum amount of this subtraction shall be \$11,000 less the amount by which the individual's federal adjusted gross income, plus the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, exceeds \$17,000. For purposes of this

clause, "severance pay" means an amount received for cancellation of an employment contract or a collectively bargained termination payment made as a substitute for income which would have been earned for personal services to be rendered in the future. In the case of a volunteer firefighter who receives an involuntary lump sum distribution of his pension or retirement benefits, the maximum amount of this subtraction shall be \$11,000; this subtraction shall not be reduced by the amount of the individual's federal adjusted gross income in excess of \$17,000;

(7) The amount of any credit to the taxpayer's federal tax liability under section 38 of the Internal Revenue Code of 1954 but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

(8) To the extent included in the taxpayer's federal adjusted gross income for the taxable year, gain recognized upon a transfer of property to the spouse or former spouse of the taxpayer in exchange for the release of the spouse's marital rights;

(9) (8) The amount of any distribution from a qualified pension or profit sharing plan included in federal adjusted gross income in the year of receipt to the extent of any contribution not previously allowed as a deduction by reason of a change in federal law which was not adopted by Minnesota law for a taxable year beginning in 1974 or later;

(10) (9) Interest, including payment adjustment to the extent that it is applied to interest, earned by the seller of the property on a family farm security loan executed before January 1, 1986 that is guaranteed by the commissioner of agriculture as provided in sections 41.51 to 41.60;

(11) (10) The first \$3,000 of compensation for personal services in the armed forces of the United States or the United Nations, and the next \$2,000 of compensation for personal services in the armed forces of the United States or the United Nations wholly performed outside the state of Minnesota. This modification does not apply to compensation defined in subdivision 20b, clause (6);

(12) (11) The amount of any income earned for personal services rendered outside of Minnesota prior to the date when the taxpayer became a resident of Minnesota. This modification does not apply to compensation defined in subdivision 20b, clause (6);

(13) (12) In the case of wages or salaries paid or incurred on or after January 1, 1977, the amount of any credit for employment of certain new employees under sections 44B and 51 to 53 of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

(14) (13) In the case of work incentive program expenses paid or incurred on or after January 1, 1979, the amount of any credit for expenses of work incentive programs under sections 40, 50A and 50B of the Internal Revenue Code of 1954 which is claimed as a credit against the taxpayer's federal tax liability, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the

tax imposed by this chapter;

~~(15)~~ (14) Unemployment compensation to the extent includible in gross income for federal income tax purposes under section 85 of the Internal Revenue Code of 1954;

~~(16)~~ To the extent included in federal adjusted gross income, severance pay that may be treated as a lump sum distribution under the provisions of section 290.032, subdivision 5;

~~(17)~~ (15) The amount of any income or gain which is not assignable to Minnesota under the provisions of section 290.17;

~~(18)~~ Minnesota exempt interest dividends as provided by subdivision 27;

~~(19)~~ A business casualty loss which the taxpayer elected to deduct on the current year's Minnesota income tax return but did not deduct on the current year's federal income tax return;

~~(20)~~ To the extent included in federal adjusted gross income, in the case of a city manager or city administrator who elects to be excluded from the public employees retirement association and who makes contributions to a deferred compensation program pursuant to section 353.028, the amount of payments from the deferred compensation program equivalent to the amount of contributions taxed under subdivision 20a, clause (20);

~~(21)~~ Contributions to and interest earned on an individual housing account as provided by section 290.08, subdivision 25;

~~(22)~~ (16) Interest earned on a contract for deed entered into for the sale of property for agricultural use if the rate of interest set in the contract is no more than nine percent per year for the duration of the term of the contract. This exclusion shall be available only if (1) the purchaser is an individual who, together with his spouse and dependents, has a total net worth valued at less than \$150,000 and (2) the property sold under the contract is farm land as defined in section 41.52, subdivision 6 of no more than 1,000 acres that the purchaser intends to use for agricultural purposes. Compliance with these requirements shall be stated in an affidavit to be filed with the first income tax return on which the taxpayer claims the exclusion provided in this clause. Upon request accompanied by the information necessary to make the determination, the commissioner shall determine whether interest to be paid on a proposed transaction will qualify for this exclusion; the determination shall be provided within 30 days of receipt of the request, unless the commissioner finds it necessary to obtain additional information, or verification of the information provided, in which case the determination shall be provided within 30 days of receipt of the final item of information or verification. The exclusion provided in this clause shall apply to interest earned on contracts for deed entered into after December 31, 1981 and before July 1, 1983;

~~(23)~~ The penalty on the early withdrawal of an all-savers certificate as provided in section 128(e) of the Internal Revenue Code of 1954 to the extent that the interest was included in income under subdivision 20a, clause (22);

~~(24)~~ (17) Income from the business of mining as defined in section 290.05, subdivision 1, clause (a) which is not subject to the Minnesota income tax; and

~~(25)~~ (18) To the extent included in federal adjusted gross income, distributions from a qualified governmental pension plan which represent a return of designated employee contributions to the plan and which contributions were included in gross income pursuant to subdivision 20a, clause ~~(27)~~ (20); and

(19) To the extent included in federal adjusted gross income, distributions from an individual retirement account which represent a return of designated employee contributions if the contributions were included in gross income pursuant to subdivision 20a, clause (19). The distribution shall be allocated first to return of contributions included in gross income until the amount of the contributions has been exhausted.

Sec. 5. Minnesota Statutes 1982, section 290.01, subdivision 20f, is amended to read:

Subd. 20f. [MODIFICATION FOR ACCELERATED COST RECOVERY SYSTEM.] A modification shall be made for the allowable deduction under the accelerated cost recovery system as provided in subdivision 28. The allowable deduction for the accelerated cost recovery system as provided in section 168 of the Internal Revenue Code of 1954 shall be the same amount as provided in that section for individuals, estates, and trusts with the following modifications:

(1) For property placed in service after December 31, 1980, and for taxable years beginning before January 1, 1982, 15 percent of the allowance provided in section 168 of the Internal Revenue Code of 1954 shall not be allowed.

(2)(a) For taxable years beginning after December 31, 1981, and before January 1, 1983, for 15 year real property as defined in section 168 of the Internal Revenue Code of 1954, 40 percent of the allowance provided in section 168 of the Internal Revenue Code of 1954 shall not be allowed and for all other property, 17 percent of the allowance shall not be allowed.

(b) For taxable years beginning after December 31, 1982, and with respect to property placed in service in taxable years beginning before January 1, 1983, for 15 year real property as defined in section 168 of the Internal Revenue Code of 1954, 40 percent of the allowance provided in section 168 of the Internal Revenue Code of 1954 shall not be allowed and for all other property 20 percent of the allowance shall not be allowed.

(3) For property placed in service in taxable years beginning after December 31, 1982, the allowable deduction shall be the amount provided by section 168 of the Internal Revenue Code of 1954.

(4) For property placed in service after December 31, 1980, for which the taxpayer elects to use the straight line method provided in section 168(b)(3) or a method provided in section 168(e)(2) of the Internal Revenue Code of 1954, the modifications provided in clauses (1) and (2) do not apply.

(5) For property subject to the modifications contained in clause (1) or (2) above or subject to a reduction in basis pursuant to section 48(q) of the Internal Revenue Code of 1954, the following modification shall be made after the entire amount of the allowable deduction for that property under the provision of section 168 of the Internal Revenue Code of 1954 has been

obtained. The remaining depreciable basis in those assets for Minnesota purposes shall be a depreciation allowance computed by using the straight line method over the following number of years:

- (a) 3 year property - 1 year.
- (b) 5 year property - 2 years.
- (c) 10 year property - 5 years.
- (d) All 15 year property - 7 years.

(6) The basis of property to which section 168 of the Internal Revenue Code of 1954 applies shall be its basis as provided in this chapter and including the modifications provided in this subdivision. The recapture tax provisions provided in sections 1245 and 1250 of the Internal Revenue Code of 1954 shall apply but shall be calculated using the basis provided in the preceding sentence. When an asset is exchanged for another asset including an involuntary conversion and under the provision of the Internal Revenue Code of 1954 gain is not recognized in whole or in part on the exchange of the first asset, the basis of the second asset shall be the same as its federal basis provided that the difference in basis due to clause (1) or (2) can be written off as provided in clause (5).

(7) The modifications provided in this subdivision shall apply before applying any limitation to out of state losses contained in section 290.17 or farm losses contained in section 290.09, subdivision 29.

(8) After the entire amount of the allowable deduction for that property under the provisions of section 168 of the Internal Revenue Code of 1954 has been obtained, the remaining depreciable basis in those assets for Minnesota purposes that is allowable under clause (5) shall include the amount of any basis reduction made for federal purposes under section 48(q) of the Internal Revenue Code of 1954 to reflect the investment tax credit. No amount shall be allowed as a deduction under section 196 of the Internal Revenue Code of 1954.

Sec. 6. Minnesota Statutes 1982, section 290.06, is amended by adding a subdivision to read:

Subd. 2dd. [SUSPENSION OF INFLATION ADJUSTMENTS.] (a) The taxable net income brackets, the personal credit amounts established pursuant to subdivision 3f and 3g, and the maximum standard deduction provided under section 16, subdivision 3, shall not be adjusted for inflation pursuant to subdivision 2d, for taxable years beginning during a calendar year if the following conditions occur:

(1) The legislature and the governor have enacted a budget providing for an appropriation to the budget reserve account of at least \$250,000,000 for the biennium during which the calendar year began or, in the second half of an odd-numbered year, for the biennium which began during the calendar year; and

(2) The commissioner of finance estimated at the time the budget is enacted that the state would receive sufficient general fund receipts during the biennium to fund the full appropriation to the budget reserve account; and

(3) On or before September 15 of the calendar year it is estimated by the

commissioner of finance that the probable general fund receipts from taxes and other sources will be less than estimated and consequently the amount available for the remainder of the biennium after transferring any available funds in the budget reserve account will be less than the amount estimated or allotted to be expended or incurred from the general fund; and

(4) The additional receipts resulting from the suspension of the inflation adjustments, together with all other general fund revenues, are not estimated to exceed the sum of the amounts necessary to fund in full all appropriations, including the appropriation to the budget reserve account, in which case the commissioner of revenue shall provide for partial inflation adjustments sufficient to fund in full the appropriations.

(b) The suspension of inflation adjustments shall apply only during the biennium in which the conditions specified in paragraph (a) have been satisfied.

(c) For taxable years beginning during a calendar year in which the inflation adjustments of the brackets, credits, and maximum standard deduction are not made pursuant to this subdivision, the taxable net income adjustment factor, as defined in section 290.18, subdivision 4, shall be the adjustment factor applicable to taxable years beginning during the preceding calendar year. For taxable years beginning during a calendar year in which the inflation adjustments are suspended for one-half of the taxable year as a result of paragraph (b), the taxable net income adjustment factor shall be determined by multiplying the factor for the previous year by an amount equal to the current year factor divided by two, plus one.

(d) For taxable years beginning during a calendar year in which the inflation adjustments are suspended pursuant to this subdivision and for which paragraph (b) will result in the inflation adjustments being suspended for only one-half of the taxable year, the commissioner of revenue shall adjust the withholding tables, notwithstanding section 290.92, subdivision 2a, so that the additional tax imposed is withheld and remitted by employers during the first six months of the taxable year as if the suspension were in effect for the entire year.

Sec. 7. Minnesota Statutes 1982, section 290.06, subdivision 2e, as amended by Laws 1982, Third Special Session chapter 1, article V, section 3, is amended to read:

Subd. 2e. [ADDITIONAL INCOME TAX.] In addition to the tax computed pursuant to subdivisions 2c and 2d or subdivision 3d, there is hereby imposed an additional income tax on individuals, estates, and trusts, other than those taxable as corporations. The additional tax shall be computed by applying the following rates to the tax computed pursuant to subdivision 3d or, in the case of an individual who does not qualify for the low income alternative tax and estates and trusts, the tax computed pursuant to subdivisions 2c and 2d and sections 290.032 and 290.091 less the credits allowed by sections 290.06, subdivisions 3e, 3f, 9, 9a, 11 and 14; and 290.081.

(1) For taxable years beginning after December 31, 1981, but before January 1, 1983, seven percent;

(2) For taxable years beginning after December 31, 1982, but before January 1, ~~1984~~ 1985, 5 10 percent;

(3) For taxable years beginning after December 31, 1984, but before January 1, 1986, 5 percent.

On October 1, 1983 the commissioner of finance shall determine the amount of the state's unrestricted general fund balance at the close of the 1982-1983 biennium. If this amount is more than \$150,000,000, the commissioner shall reduce the rate of the surtax in effect for taxable years beginning after December 31, 1982 and before January 1, 1984, so that the amount of revenue raised by the surtax results in a fund balance of no more than \$150,000,000, provided that the rate so determined shall be rounded upward to the next one-tenth of one percent and no adjustment shall be required if the change in the rate of the surtax would be less than one-tenth of one percent.

Sec. 8. [ADJUSTMENT TO WITHHOLDING AND DECLARATIONS.]

For taxable years beginning after December 31, 1984, but before January 1, 1986, the commissioner of revenue shall adjust the withholding tables, notwithstanding section 290.92, subdivision 2a, so that the additional tax imposed by section 7 for the entire year is withheld and remitted by employers as if the additional tax were imposed at a rate of 10 percent during the first six months of the taxable year.

For the same period, the commissioner shall require that declarations filed for the first six months of the taxable year by individuals shall include the additional tax imposed by section 7.

Sec. 9. Minnesota Statutes 1982, section 290.06, subdivision 11, is amended to read:

Subd. 11. [CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] ~~In lieu of the deduction provided by section 290.21, subdivision 3, clause (e),~~ A taxpayer may take a credit against the tax due under this chapter of 50 percent of his contributions to candidates for elective state or federal public office and to any political party. The maximum credit for an individual shall not exceed \$50 and, for a married couple filing jointly or filing a combined return, shall not exceed \$100. No credit shall be allowed under this subdivision for a contribution to any candidate, other than a candidate for elective judicial office or federal office, who has not signed an agreement to limit his campaign expenditures as provided in section 10A.32, subdivision 3b. For purposes of this subdivision, a political party means a major political party as defined in section 200.02, subdivision 7.

This credit shall be allowed only if the contribution is verified in the manner the commissioner of revenue shall prescribe.

Sec. 10. Minnesota Statutes 1982, section 290.06, subdivision 13, is amended to read:

Subd. 13. [GASOLINE AND SPECIAL FUEL TAX REFUND.] Subject to the provisions of section 296.18, a credit equal to the amount paid by the taxpayer during the taxable year as excise tax on gasoline bought and used for any purpose other than use in motor vehicles ~~or~~, snowmobiles, or motorboats, or on special fuel bought and used for any purpose other than use in licensed motor vehicles may be deducted from any tax due under this chapter. Any amount by which the credit exceeds the tax due shall be re-

funded.

Sec. 11. Minnesota Statutes 1982, section 290.06, subdivision 14, is amended to read:

Subd. 14. [RESIDENTIAL ENERGY CREDIT.] A credit of 20 percent of the first \$10,000 of renewable energy source expenditures, including the expenditures described in clauses (a), (b) and (d) if made by an individual taxpayer on a Minnesota building of six dwelling units or less and expenditures for biomass conversion equipment described in clause (c), may be deducted from the tax due under this chapter for the taxable year in which the expenditures were made. For purposes of this subdivision, the term "building" shall include a condominium or townhouse used by the taxpayer as a residence. In the case of qualifying expenditures incurred in connection with a building under construction by a contractor, the credit shall be deducted from the tax liability of the first individual to purchase the building for use as a principal residence or for residential rental purposes; the contractor shall not be eligible for the credit given pursuant to this subdivision for that expenditure.

A "renewable energy source expenditure" which qualifies shall include:

(a) Expenditures which qualify for the federal renewable energy source credit, pursuant to Section 44C of the Internal Revenue Code of 1954, as amended through December 31, 1981, and any regulations promulgated pursuant thereto, provided that, after December 31, 1980, any solar collector included in the claimed expenditure is certified by the commissioner of energy, planning and development. A solar collector is a device designed to absorb incident solar radiation, convert it to thermal energy, and transfer the thermal energy to a fluid passing through or in contact with the device. "Solar collector" shall not include passive solar energy systems as defined in clause (d);

(b) Expenditures for earth sheltered dwelling units. For purposes of this credit, an "earth sheltered dwelling unit" shall mean a structure which complies with applicable building standards and which is constructed so that:

(1) 80 percent or more of the roof area is covered with a minimum depth of 12 inches of earth; and

(2) 50 percent or more of the wall area is covered with a minimum depth of 12 inches of earth; and

(3) Those portions of the structure not insulated with a minimum of seven feet of earth shall have additional insulation;

(c) Expenditures for biomass conversion equipment located in Minnesota which produces ethanol, methane or methanol for use as a gaseous or as a liquid fuel which is not offered for sale; and

(d) Expenditures for passive solar energy systems. For purposes of this credit, a "passive solar energy system" is defined to include systems which utilize elements of the building and its operable components to heat or cool a building with the sun's energy by means of conduction, convection, radiation, or evaporation. A passive system shall include:

(1) Collection aperture, including glazing installed in south facing walls

and roofs; and

(2) Storage element, including thermal mass in the form of water, masonry, rock, concrete, or other mediums which is designed to store heat collected from solar radiation.

A passive system may include either or both:

(1) Control and distribution element, including fans, louvers, and air ducts; or

(2) Retention element, including movable insulation used to minimize heat loss caused by nocturnal radiation through areas used for direct solar heat gain during daylight hours.

Eligible passive expenditures shall be for equipment, materials or devices that are an integral part of the components listed above and essential to the functioning of a passive design which qualifies pursuant to rules adopted by the commissioner of revenue in cooperation with the commissioner of energy, planning and development. Expenditures for equipment, materials, or devices which are a part of the normal heating, cooling, or insulation system of a building are not eligible for the credit.

If a credit was allowed to a taxpayer under this subdivision for any prior taxable year, the dollar amount of the maximum expenditure for which a taxpayer may qualify for a credit under this subdivision in subsequent years shall be \$10,000 reduced by the amount of expenditures which a credit was claimed pursuant to this subdivision in prior years. A taxpayer shall never be allowed to claim more than \$10,000 of expenditures during the duration of the renewable energy credit.

The credit provided in this subdivision shall not be allowed in a taxable year if the amount of the credit would be less than \$10.

If the credit allowable under this subdivision exceeds the amount of tax due in a taxable year, the excess credit shall not be refunded but may be carried forward to the succeeding taxable year and added to the credit allowable for that year. No amount may be carried forward to a taxable year beginning after December 31, 1987.

A shareholder in a family farm corporation and each partner in a partnership operating a family farm shall be eligible for the credit provided by this subdivision in the same manner and to the same extent allowed a joint owner of property under section 44C (d) of the Internal Revenue Code of 1954, as amended through December 31, 1981. "Family farm corporation" and "family farm" have the meanings given in section 500.24.

The credit provided in this subdivision is subject to the provisions of Section 44C, (c) (7) and (10), and (d) (1) to (3), ~~and (e)~~, of the Internal Revenue Code of 1954, as amended through December 31, 1981, and any regulations promulgated pursuant thereto.

The commissioner of revenue in cooperation with the commissioner of energy, planning and development shall adopt rules establishing additional qualifications and definitions for the credits provided in this subdivision.

Notwithstanding section 290.61, the commissioner of revenue may request the commissioner of energy, planning and development to assist in the

review and auditing of the information furnished by the taxpayer for purposes of claiming this credit. The provisions of section 290.61 shall apply to employees of the department of energy, planning and development who receive information furnished by a taxpayer for purposes of claiming this credit.

The commissioner of energy, planning and development shall adopt rules establishing the criteria for certification of solar collectors as required by clause (a). The criteria shall:

(1) Specify the testing procedures to be used in the evaluation of solar collectors;

(2) Establish minimum levels of collector quality for safety;

(3) Provide a means to determine the maintainability and structural integrity of solar collectors;

(4) Establish a system for evaluating and rating the thermal performance of solar collectors;

(5) Specify the procedures to follow to obtain certification of a solar collector;

(6) Conform to the maximum extent practicable to the solar collector certification requirements of other states which have adopted certification procedures; and

(7) Allow for individual variation so as not to hamper the development of innovative solar collectors.

The commissioner of energy, planning and development may adopt temporary rules pursuant to sections 14.29 to 14.36 to establish this certification procedure.

This subdivision is effective for expenditures made during taxable years beginning after December 31, 1978 and before January 1, 1986.

Sec. 12. Minnesota Statutes 1982, section 290.067, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF CREDIT.] A taxpayer may take as a credit against the tax due from him and his spouse, if any, under this chapter an amount equal to the dependent care credit for which he is eligible pursuant to the provisions of section 44A of the Internal Revenue Code of 1954, as amended through December 31, ~~1981~~ 1982, except that the applicable percentage of the employment-related expenses shall be 20 percent and subject to the other limitations provided in subdivision 2.

Sec. 13. Minnesota Statutes 1982, section 290.067, subdivision 2, is amended to read:

Subd. 2. [LIMITATIONS.] The credit for expenses incurred for the care of each dependent shall not exceed ~~\$400~~ \$720 in any taxable year, and the total credit for all dependents of a claimant shall not exceed ~~\$800~~ \$1,440 in a taxable year. The total credit shall be reduced by five percent of the amount by which according to the amount of the combined federal adjusted gross income, plus the ordinary income portion of any lump sum distribution under section 402(e) of the Internal Revenue Code of 1954, as amended

through December 31, ~~1981~~ 1982, of the claimant and his spouse, if any, ~~exceeds \$15,000-~~ as follows:

income up to \$10,000, \$720 maximum for one dependent, \$1,440 for all dependents;

income of \$10,001 to \$11,000, \$670 maximum for one dependent, \$1,340 for all dependents;

income of \$11,001 to \$12,000, \$620 maximum for one dependent, \$1,240 for all dependents;

income of \$12,001 to \$13,000, \$570 maximum for one dependent, \$1,140 for all dependents;

income of \$13,001 to \$15,000, \$520 maximum for one dependent, \$1,040 for all dependents;

income of \$15,001 to \$22,000, \$400 maximum for one dependent, \$800 for all dependents, reduced by five percent of the amount by which the income exceeds \$15,000, plus \$70;

income of \$22,001 to \$23,000, \$70 for one dependent, \$140 for all dependents;

income of \$23,001 to \$24,000, \$20 for one dependent, \$40 for all dependents;

\$24,001 and over, no credit.

A married claimant shall file his income tax return for the year for which he claims the credit either jointly or separately on one form with his spouse. In the case of a married claimant only one spouse may claim the credit.

The commissioner shall construct and make available to taxpayers tables showing the amount of the credit at various levels of income and expenses. The tables shall follow the schedule contained in this subdivision, except that the commissioner may graduate the transitions between expenses and income brackets.

Sec. 14. Minnesota Statutes 1982, section 290.07, subdivision 1, is amended to read:

Subdivision 1. [ANNUAL ACCOUNTING PERIOD.] Net income and taxable net income shall be computed upon the basis of the taxpayer's annual accounting period. If a taxpayer has no annual accounting period, or has one other than a fiscal year, as heretofore defined, the net income and taxable net income shall be computed on the basis of the calendar year. Taxpayers shall employ the same accounting period on which they report, or would be required to report, their net income under the ~~federal income tax act~~ *Internal Revenue Code*. *The commissioner shall provide by rule for the determination of the accounting period for taxpayers who file a combined report under section 290.34, subdivision 2, when members of the group use different accounting periods for federal income tax purposes. Unless the taxpayer changes its accounting period for federal purposes, the due date of the return is not changed.*

A taxpayer may change his accounting period only with the consent of the commissioner. In case of any such change, he shall pay a tax for the period

not included in either his former or newly adopted taxable year, computed as provided in section 290.32.

Sec. 15. [290.088] [DEDUCTION FOR FEDERAL INCOME TAXES.]

Adjusted gross income for individuals, estates, and trusts shall be computed by allowing to individuals, estates, and trusts a deduction from gross income for federal income taxes. The amount of the deduction is determined under section 290.18, subdivision 2.

Sec. 16. [290.089] [DEDUCTIONS FROM GROSS INCOME; INDIVIDUALS.]

Subdivision 1. [AMOUNT ALLOWED.] In computing the net income of individuals, an amount determined pursuant to subdivision 2 or 3 is allowed as a deduction.

Subd. 2. [ITEMIZED DEDUCTIONS.] Subject to the provisions of section 290.18, subdivision 1, an amount equal to the amount determined pursuant to section 63(f) of the Internal Revenue Code is allowed with the following adjustments:

(a) Add the amount paid to others not to exceed \$500 for each dependent in grades K to 6 and \$700 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs;

(b) Add the amount of Minnesota and other states' estate or inheritance taxes which were allowed as a deduction under section 290.077, subdivision 4, on income in respect of a decedent;

(c) Add the amount by which the deduction for the taxable year allowed pursuant to subdivision 4 exceeds the amount determined pursuant to section 222 of the Internal Revenue Code;

(d) Subtract income taxes paid or accrued within the taxable year under this chapter;

(e) Subtract income taxes paid to any other state or to any province or territory of Canada if a credit is allowed for the taxes under section 290.081;

(f) If the deduction computed under section 164 of the Internal Revenue Code is not reduced by the amount of the credit or refund allowed under chapter 290A, subtract that amount;

(g) Subtract the amount of interest on investment indebtedness paid or ac-

crued in a taxable year beginning before January 1, 1981, which has been carried forward and is allowed as a deduction in the taxable year under section 163(d) of the Internal Revenue Code;

(h) Subtract the amount of charitable contributions deducted under section 170 of the Internal Revenue Code that (i) exceeds the following limitations: (A) an overall limit of 30 percent of the taxpayer's Minnesota gross income which, for purposes of this paragraph, shall include the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code; and (B) the aggregate of contributions to organizations described in section 290.21, subdivision 3, clause (c) shall not exceed 20 percent of the taxpayer's Minnesota gross income; or (ii) was deducted as a carryover under section 170(d) of the Internal Revenue Code.

Subd. 3. [STANDARD DEDUCTION.] In lieu of the deductions provided in subdivision 2, an individual may claim or be allowed a standard deduction as follows:

(a) Subject to modification pursuant to clause (b), the standard deduction shall be an amount equal to ten percent of the adjusted gross income of the taxpayer, up to a maximum deduction of \$2,250.

In the case of a husband and wife, the standard deduction shall not be allowed to either if the net income of one of the spouses is determined without regard to the standard deduction.

(b) The maximum amount of the standard deduction shall be adjusted for inflation in the same manner as provided in section 290.06, subdivision 2d, for the expansion of the taxable net income brackets.

(c) The commissioner of revenue may establish a standard deduction tax table incorporating the rates set forth in section 290.06, subdivision 2c, and the standard deduction. The tax of any individual taxpayer whose adjusted gross income is less than \$20,000 shall, if an election is made not to itemize nonbusiness deductions, be computed in accordance with tables prepared and issued by the commissioner of revenue. The tables shall be prepared to reflect the allowance of the standard deduction and the personal and dependent credits.

Subd. 4. [ADOPTION EXPENSES.] An individual taxpayer is allowed a deduction for the expenses incurred during the taxable year arising from the adoption of one or more children, including attorney fees, court costs, social or adoption agency fees, and other necessary costs in connection with an adoption; the total expense, however, shall not exceed \$1,250 per child adopted. If under the taxpayer's system of accounting, the expense is deductible in two different taxable years, the total deduction for the two years shall not exceed \$1,250 per child.

Subd. 5. [COMPUTATION OF MINNESOTA DEDUCTIONS.] An individual who does not itemize deductions for federal purposes but does itemize deductions for Minnesota purposes shall compute that person's deductions for Minnesota as if that person had itemized their deductions for federal purposes under the provisions of subdivision 2. The individual shall be allowed as an itemized deduction for Minnesota the charitable contributions claimed as a deduction for federal purposes under the provisions of section 170(i) of the Internal Revenue Code.

Subd. 6. [SEPARATE RETURNS ON SINGLE FORM.] In the case of a husband and wife who filed a joint federal income tax return but filed separate Minnesota income tax returns, the amount of the itemized deductions that shall be allowed shall be the same amount that was allowed on their joint federal income tax return and as modified by subdivision 2. The deductions shall be divided between them based on who incurred and paid the amount which qualifies as a deduction. Amounts which qualify as a deduction and which are paid from joint funds may be divided between the spouses as they elect.

Subd. 7. [INTERNAL REVENUE CODE.] The Internal Revenue Code referred to in any of the subdivisions of this section means the Internal Revenue Code of 1954, as amended through March 12, 1983.

Sec. 17. Minnesota Statutes 1982, section 290.09, subdivision 1, is amended to read:

Subdivision 1. [LIMITATIONS.] ~~(a) Except as provided in this subdivision, the following deductions provided in this section from gross income shall only be allowed to corporations in computing net income; provided that any item which was deducted in arriving at gross income under the provisions of section 290.01, subdivisions 20 to 20f, shall not be again deducted under this section.~~

~~(b) Property taxes may not be deducted under this section if~~

~~(1) The taxes are attributable to a trade or business carried on by an individual; or~~

~~(2) The taxes are expenses for the production of income which are paid or incurred by an individual; and which are not allowed as a deduction under section 164 of the Internal Revenue Code of 1954, as amended through December 31, 1981.~~

~~(c) Interest and depreciation attributable to rental residential property may not be deducted under this section if the property does not comply with the requirements of Laws 1982, chapter 523, article 7, section 3. The provisions of subdivisions 2, clause (c), 28, and 29 shall also apply to individuals, estates, and trusts to the extent provided in those subdivisions.~~

Sec. 18. Minnesota Statutes 1982, section 290.09, subdivision 2, is amended to read:

Subd. 2. [TRADE OR BUSINESS EXPENSES; EXPENSES FOR PRODUCTION OF INCOME.] (a) In General. There shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including

(1) A reasonable allowance for salaries or other compensation for personal services actually rendered;

(2) Traveling expenses (including amounts expended for meals and lodging other than amounts which are lavish or extravagant under the circumstances) while away from home in the pursuit of a trade or business; and

(3) Rentals or other payments required to be made as a condition to the continued use or possession, for purposes of the trade or business, of property to which the taxpayer has not taken or is not taking title or in which he

has no equity. For purposes of the preceding sentence, the place of residence of a member of congress within the state shall be considered his home, but amounts expended by such members within each taxable year for living expenses shall not be deductible for income tax purposes in excess of \$3,000.

(b) Expenses for Production of Income. In the case of an individual, there shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable year:

(1) For the production or collection of income;

(2) For the management, conservation, or maintenance of property held for the production of income; or

(3) In connection with the determination, collection, or refund of any tax.

(c) Actual campaign expenditures in an amount not to exceed one-third of the salary of the office sought, for the year the election is held, by the candidate, but no less than \$100, not reimbursed, which have been personally paid by a candidate for public office;

(d) No deduction shall be allowed under this subdivision for any contribution or gift which would be allowable as a deduction under section 290.21 were it not for the percentage limitations set forth in such section;

(e) (c) All expense money paid by the legislature to legislators;

(f) The provisions of section 280A (disallowing certain expenses in connection with the business use of the home and rental of vacation homes) of the Internal Revenue Code of 1954, as amended through December 31, 1981, shall be applicable in determining the availability of any deduction under this subdivision.

(g) (d) Entertainment, amusement, or recreation expenses shall be allowed under this subdivision only to the extent that they qualify as a deduction under section 274 of the Internal Revenue Code of 1954, as amended through December 31, 1981.

Sec. 19. Minnesota Statutes 1982, section 290.09, subdivision 3, as amended by Laws 1982, Third Special Session chapter 1, article VII, section 1, is amended to read:

Subd. 3. [INTEREST.] (a) All interest paid or accrued within the taxable year on indebtedness, except as hereinafter provided.

(b) Interest paid or accrued within the taxable year on indebtedness incurred or continued to purchase or carry obligations or securities the income from which is excludable from gross income under sections 290.01, subdivisions 20 to 20f or section 290.08, or shares of a regulated investment company which during the taxable year of the holder thereof distributes Minnesota exempt interest dividends as defined in section 290.01, subdivision 27, or on indebtedness described in section 264(a)(2) and (3), (b) and (c) (relating to life insurance) of the Internal Revenue Code of 1954, as amended through December 1, 1982 shall not be allowed as a deduction.

(c) If personal property or educational services are purchased under a contract the provisions of section 163(b) of the Internal Revenue Code of 1954, as amended through December 1, 1982 shall apply.

(d) A cash basis taxpayer may elect to deduct interest as it accrues on a reverse mortgage loan as defined in section 47.58, subdivision 1, rather than when it is actually paid. This election must be made, if at all, in the first taxable year in which it is available to the cash basis taxpayer and, if made, shall be binding on the taxpayer for each subsequent taxable year until maturity of the loan.

(e) In the case of a taxpayer other than a corporation, the amount of interest on investment indebtedness allowable as a deduction shall be allowed and limited as set forth in section 163(d) of the Internal Revenue Code of 1954, as amended through December 1, 1982. The limitation prescribed in section 163(d)(1)(A) for married individuals who file separate returns shall also apply to married individuals who file separately on one return.

(f) A taxpayer may not deduct interest on indebtedness incurred or continued to purchase or carry obligations or shares, or to make deposits or other investments, the interest on which is described in section 116(e) of the Internal Revenue Code of 1954, as amended through December 1, 1982 to the extent such interest is excludable from gross income under section 116 of the Internal Revenue Code of 1954 as amended through December 1, 1982. Interest and carrying costs in the case of straddles shall be treated as provided in section 263(g) of the Internal Revenue Code of 1954, as amended through December 1, 1982. The deduction of original issue discount shall be allowed as provided in section 163(e) of the Internal Revenue Code of 1954, as amended through December 1, 1982.

(g) (e) No deduction shall be allowed for interest on any registration-required obligation unless the obligation is in registered form as provided in section 163(f) of the Internal Revenue Code of 1954, as amended through December 1, 1982.

Sec. 20. Minnesota Statutes 1982, section 290.09, subdivision 4, is amended to read:

Subd. 4. [TAXES.] Taxes paid or accrued within the taxable year, except (a) income or franchise taxes imposed by this chapter and income or franchise taxes paid to any other state or to any province or territory of Canada for which a credit is allowed under section 290.081; (b) taxes assessed against local benefits of a kind deemed in law to increase the value of the property assessed; (c) inheritance, gift and estate taxes except as provided in section 290.077, subdivision 4; (d) cigarette and tobacco products excise tax imposed on the consumer; (e) that part of Minnesota property taxes for which a credit or refund is claimed and allowed under chapter 290A; (f) federal income taxes (including the windfall profit tax on domestic crude oil), by corporations, national and state banks; (g) mortgage registry tax; (h) real estate transfer tax; (i) federal telephone tax; (j) federal transportation tax; and (k) (d) tax paid by any corporation or national or state bank to any foreign country or possession of the United States to the extent that a credit against federal income taxes is allowed under the provisions of the Internal Revenue Code of 1954, as amended through December 31, 1981. If the taxpayer's foreign tax credit consists of both foreign taxes deemed paid and foreign taxes actually paid or withheld, it will be conclusively presumed that foreign taxes deemed paid were first used by the taxpayer in its foreign tax credit. Minnesota gross income shall include the amount of foreign tax paid which had

been allowed as a deduction in a previous year, provided such foreign tax is later allowed as a credit against federal income tax.

Taxes imposed upon a shareholder's interest in a corporation which are paid by the corporation without reimbursement from the shareholder shall be deductible only by such corporation.

Property taxes shall be allowed as a deduction to the same taxpayer and in the same manner as provided in section 164 of the Internal Revenue Code of 1954, as amended through December 31, 1981, notwithstanding the provisions of section 272.31.

Sec. 21. Minnesota Statutes 1982, section 290.09, subdivision 5, is amended to read:

Subd. 5. [LOSSES.] (a) [GENERAL RULE.] There shall be allowed as a deduction any loss sustained during the taxable year and not compensated for by insurance or otherwise.

(b) [AMOUNT OF DEDUCTION.] For purposes of paragraph (a), the basis for determining the amount of the deduction for any loss shall be the adjusted basis provided in this chapter for determining the loss from the sale or other disposition of property.

(c) [~~LIMITATION OF LOSSES OF INDIVIDUALS.~~] In the case of an individual, the deduction under paragraph (a) shall be limited to

(1) Losses incurred in a trade or business;

(2) Losses incurred in any transaction entered into for profit, though not connected with a trade or business; and

(3) Losses of property not connected with a trade or business, if such losses arise from fire, storm, shipwreck, or other casualty, or from theft to the extent they are deductible pursuant to the provisions of section 165 (e) (3) of the Internal Revenue Code of 1954, as amended through December 31, 1981. No loss described in this paragraph shall be allowed if, at the time of the filing of the return, such loss has been claimed for inheritance or estate tax purposes.

(4) [WAGERING LOSSES.] Losses from wagering transactions shall be allowed only to the extent of the gains from such transactions. *No loss from pari-mutuel betting shall be allowed except to the extent of verified receipts and the sworn testimony of at least one witness other than the taxpayer or his spouse.*

(e) (d) [THEFT LOSSES.] For purposes of paragraph (a), any loss arising from theft shall be treated as sustained during the taxable year in which the taxpayer discovers such loss.

(f) (e) [CAPITAL LOSSES.] Losses from sales or exchanges of capital assets shall be allowed only to the extent allowed in section 290.16.

(g) (f) [WORTHLESS SECURITIES.] (4) [~~GENERAL RULE.~~] If any security which is a capital asset becomes worthless during the taxable year, the loss resulting therefrom shall, for purposes of this chapter, be treated as a loss from the sale or exchange, on the last day of the taxable year, of a capital asset.

(2) [~~SECURITY DEFINED.~~] For purposes of this paragraph, the term "se-

curity" means:

(A) A share of stock in a corporation;

(B) A right to subscribe for, or to receive, a share of stock in a corporation; or

(C) A bond, debenture, note, or certificate, or other evidence of indebtedness, issued by a corporation or by a government or political subdivision thereof, with interest coupons or in registered form.

(3) [SECURITIES IN AFFILIATED CORPORATION.] For purposes of paragraph (1), any security in a corporation affiliated with a taxpayer which is a domestic corporation shall not be treated as a capital asset. For purposes of the preceding sentence, a corporation shall be treated as affiliated with the taxpayer only if:

(A) At least 80 percent of each class of its stock is owned directly by the taxpayer, and

(B) More than 90 percent of the aggregate of its gross receipts for all taxable years has been from sources other than royalties, rents (except rents derived from rental from properties to employees of the corporation in the ordinary course of its operating business), dividends, interest (except interest received on deferred purchase price of operating assets sold), annuities, and gains from sales or exchanges of stocks and securities. In computing gross receipts for purposes of the preceding sentence, gross receipts from sales or exchanges of stock and securities shall be taken into account only to the extent of gains therefrom. The definitions contained in section 165(g) of the Internal Revenue Code of 1954, as amended through January 15, 1983, shall apply. No deduction shall be allowed for any loss sustained on any registration-required obligation as defined in and except as provided in section 165(j) of the Internal Revenue Code of 1954, as amended through January 15, 1983.

(h) (g) [DISASTER LOSSES.] (4) Notwithstanding the provisions of (a), any loss

(A) attributable to a disaster which occurs during the period following the close of the taxable year and on or before the time prescribed by law for filing the income tax return for the taxable year (determined without regard to any extension of time); and

(B) occurring in an area subsequently determined by the President of the United States to warrant assistance by the Federal Government under the provisions of the Federal Disaster Relief Act of 1974; at the election of the taxpayer, may shall be deducted for the taxable year immediately preceding the taxable year in which the disaster occurred. Such election may be made. This provision shall apply only if a similar an election has been made under the provisions of Section ~~165(h)~~ 165(i) of the Internal Revenue Code of 1954, as amended through ~~December 31, 1981~~ January 15, 1983 for federal income tax purposes. Such deduction allowed in the preceding taxable year shall not be in excess of so much of the loss as would have been deductible in the taxable year in which the casualty occurred exceed the uncompensated amount determined on the basis of the facts existing at the date the taxpayer claims the loss. If an election is made under this paragraph, the casualty resulting in the loss will be deemed to have occurred in the taxable year for which the deduction is claimed.

(2) The commissioner is authorized to prescribe regulations providing the time and manner of making an election to claim a disaster loss under this clause.

(i) [ELECTION.] In lieu of the deduction allowed by (a) or (b) any loss not compensated for by insurance or otherwise:

(1) Attributable to storm or other natural causes or fire, may, at the election of the taxpayer, be claimed as a deduction in the taxable year in which said loss is sustained or in the preceding taxable year.

(2) In the event that under the provisions of this paragraph, a taxpayer claims the same disaster loss deduction or a net operating loss deduction resulting from the inclusion of a casualty loss in the calculation of such deduction in different taxable years for state and federal purposes, appropriate modifications shall be allowed or required for taxable years affected in order to prevent duplication or omission of such deduction.

(3) The commissioner is authorized to prescribe regulations providing the time and manner to make an election to claim a loss under the provisions of this paragraph and for the filing of an amended return or claim for refund.

Sec. 22. Minnesota Statutes 1982, section 290.09, subdivision 29, is amended to read:

Subd. 29. [DEDUCTIONS ATTRIBUTABLE TO FARMING.] (a) [DEFINITIONS.] For purposes of this subdivision, income and gains and expenses and losses shall be considered as "arising from a farm" if such items are received or incurred in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, *including horses for horse racing*, bees, poultry, and fur-bearing animals and wildlife, and all operations incident thereto, including but not limited to the common use of "hedging".

(b) [DEDUCTIONS LIMITED.] Except as provided in this subdivision, expenses and losses, except for interest and taxes, arising from a farm shall not be allowed as deductions in excess of income and gains arising from a farm.

(c) [DEDUCTIONS ALLOWED; CARRYOVER DEDUCTIONS.] Expenses and losses arising from a farm or farms shall be allowed as deductions up to the amount of the income and gains arising from a farm or farms in any taxable year, plus the first ~~\$15,000~~ \$30,000 of non-farm gross income, or non-farm taxable net income in the case of a corporation, provided however that in any case where non-farm income exceeds ~~\$15,000~~ \$30,000, the maximum allowable amount of ~~\$15,000~~ \$30,000 shall be reduced by ~~twice the~~ *an amount by which* ~~equal to~~ the non-farm income ~~exceeds the amount in excess of~~ ~~\$15,000~~ \$30,000 *multiplied by three*. For this purpose and for the purpose of applying the limitation in the following paragraph regarding the application of any carryback or carryforward, the term gross income shall include the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, as amended through December 31, 1981, and no deduction shall be allowed for two-earner married couples as provided in section 221 of the Internal Revenue Code of 1954, as amended through December 31, 1981. Any re-

maining balance of the deductions shall be carried back three years and carried forward five years, in chronological order, provided, however, that in any case in which any individual, estate or trust which elects a net operating loss carryforward under section 172(b)(3)(C) of the Internal Revenue Code of 1954, as amended through December 31, 1981, such losses shall not be carried back but shall only be carried forward.

Current expenses and losses shall be utilized as deductions in any taxable year, to the extent herein allowable, prior to the application of any carryback or carryover deductions. In any event, the combined amounts of such current expenses and losses and carryback or carryover deductions shall be allowed as deductions up to the amount of the income and gains arising from a farm or farms in any taxable year, plus the first ~~\$15,000~~ \$30,000 of non-farm gross income, or non-farm taxable net income in the case of a corporation, provided however that in any case where non-farm income exceeds ~~\$15,000~~ \$30,000, the maximum allowable amount of ~~\$15,000~~ \$30,000 shall be reduced by ~~twice the an amount by which equal to~~ the non-farm income ~~exceeds the amount in excess of~~ ~~\$15,000~~ \$30,000 multiplied by three.

(d) [SHAREHOLDERS SEPARATE ENTITIES.] For purposes of this subdivision, individual shareholders of an electing small business corporation shall be considered separate entities.

(e) [SPECIAL PERIOD OF LIMITATION WITH RESPECT TO FARM LOSS LIMITATION CARRYBACKS.] For the purposes of sections 290.46 and 290.50, if the claim for refund relates to an overpayment attributable to a farm loss limitation carryback under this subdivision, in lieu of the period of limitation prescribed in sections 290.46 and 290.50, the period of limitation shall be that period which ends with the expiration of the 15th day of the 46th month (or the 45th month, in the case of a corporation) following the end of the taxable year of the farm loss which results in the carryback.

(f) [INTEREST ON CLAIMS.] In any case in which a taxpayer is entitled to a refund in a carryback year due to the carryback of a farm loss, interest shall be computed only from the end of the taxable year in which the loss occurs.

(g) [ORDER OF APPLICATION.] The application of this subdivision shall be made after applying any limitation to out of state losses contained in section 290.17.

Sec. 23. Minnesota Statutes 1982, section 290.14, is amended to read:

290.14 [GAIN OR LOSS ON DISPOSITION OF PROPERTY, BASIS.]

Except as otherwise provided in this chapter, the basis for determining the gain or loss from the sale or other disposition of property acquired on or after January 1, 1933, shall be the cost to the taxpayer of such property, with the following exceptions:

(1) If the property should have been included in the last inventory, it shall be the last inventory value thereof;

(2) If the property was acquired by gift, it shall be the same as it would be if it were being sold or otherwise disposed of by the last preceding owner not acquiring it by gift; if the facts required for this determination cannot be

ascertained, it shall be the fair market value as of the date, or approximate date, of acquisition by the last preceding owner, as nearly as the requisite facts can be ascertained by the commissioner;

(3) If the property was acquired by gift through an inter vivos transfer in trust, it shall be the same as it would be if it were being sold or otherwise disposed of by the grantor;

(4) Except as otherwise provided in this clause, the basis of property in the hands of a person acquiring the property from a decedent or to whom the property passed from a decedent shall, if not sold, exchanged or otherwise disposed of before the decedent's death by the person, be the fair market value of the property at the date of decedent's death or, in the case of an election under section 2032 (relating to alternate valuation) of the Internal Revenue Code of 1954, as amended through December 31, 1981, its valuation at the applicable valuation date prescribed by that section, or in the case of an election under section 2032A (relating to valuation of farm real property) of the Internal Revenue Code of 1954, as amended through December 31, 1981, its value determined by that section.

For the purposes of the preceding paragraph, the following property shall be considered to have been acquired from or to have passed from the decedent:

(a) Property acquired by bequest, devise, or inheritance, or by the decedent's estate from the decedent;

(b) Property transferred by the decedent during his lifetime in trust to pay the income for life to or on the order or direction of the decedent, with the right reserved to the decedent at all times before his death to revoke the trust;

(c) Property transferred by the decedent during his lifetime in trust to pay the income for life to or on the order or direction of the decedent with the right reserved to the decedent at all times before his death to make any change in the enjoyment thereof through the exercise of a power to alter, amend, or terminate the trust;

(d) Property passing without full and adequate consideration under a general power of appointment exercised by the decedent by will;

(e) In the case of a decedent's dying after December 31, 1956, property acquired from the decedent by reason of death, form of ownership, or other conditions (including property acquired through the exercise or non-exercise of a power of appointment), if by reason thereof the property is required to be included in determining the value of the decedent's gross estate for Minnesota inheritance or estate tax purposes. In this case, if the property is acquired before the death of the decedent, the basis shall be the amount determined under the first paragraph of this clause reduced by the amount allowed to the taxpayer as deductions in computing taxable net income under this chapter or prior Minnesota income tax laws for exhaustion, wear and tear, obsolescence, amortization, and depletion on the property before the death of the decedent. The basis shall be applicable to the property commencing on the death of the decedent. This paragraph shall not apply to annuities and property described in paragraphs (a), (b), (c) and (d) of this clause.

This clause shall not apply to property which constitutes a right to receive

an item of income in respect of a decedent under section 290.077.

(5) If substantially identical property was acquired in the place of stocks or securities which were sold or disposed of and in respect of which loss was not allowed as a deduction under *section 16* or section 290.09, subdivision 5, the basis in the case of property so acquired shall be the same as that provided in section 1091 of the Internal Revenue Code of 1954, as amended through December 31, 1981.

(6) Neither the basis nor the adjusted basis of any portion of real property shall, in the case of a lessor of the property, be increased or diminished on account of income derived by the lessor in respect of the property and excludable from gross income under section 290.08, subdivision 14.

If an amount representing any part of the value of real property attributable to buildings erected or other improvements made by a lessee in respect of the property was included in gross income of the lessor for any taxable year beginning before January 1, 1943, the basis of each portion of the property shall be properly adjusted for the amount included in gross income.

(7) If the property was acquired by the taxpayer as a transfer of property in exchange for the release of the taxpayer's marital rights, the basis of the property shall be the same as it would be if it were being sold or otherwise disposed of by the person who transferred the property to the taxpayer.

(8) The basis of property subject to the provisions of section 1034 of the Internal Revenue Code of 1954, as amended through December 31, 1981 (relating to the rollover of gain on sale of principal residence) shall be the same as the basis for federal income tax purposes. The basis shall be increased by the amount of gain realized on the sale of a principal residence outside of Minnesota, while a nonresident of this state, which gain was not recognized because of the provisions of section 1034.

Sec. 24. Minnesota Statutes 1982, section 290.17, subdivision 2, is amended to read:

Subd. 2. [OTHER TAXPAYERS.] In the case of taxpayers not subject to the provisions of subdivision 1, items of gross income shall be assigned to this state or other states or countries in accordance with the following principles:

(1) (a) The entire income of all resident or domestic taxpayers from compensation for labor or personal services, or from a business consisting principally of the performance of personal or professional services, shall be assigned to this state, and the income of nonresident taxpayers from such sources shall be assigned to this state if, and to the extent that, the labor or services are performed within it; all other income from such sources shall be treated as income from sources without this state.

(b) In the case of an individual who is a nonresident of Minnesota and who is an athlete or entertainer, income from compensation for labor or personal services performed within this state shall be determined in the following manner.

(i) The amount of income to be assigned to Minnesota for an individual who is a nonresident salaried athletic team employee shall be determined by using a fraction in which the denominator contains the total number of days

in which the individual is under a duty to perform for the employer, and the numerator is the total number of those days spent in Minnesota. In order to eliminate the need to file state or provincial income tax returns in several states or provinces, Minnesota will exclude from income any income assigned to Minnesota under the provisions of this clause for a nonresident athlete who is employed by an athletic team whose operations are not based in this state if the state or province in which the athletic team is based provides a similar income exclusion. If the state or province in which the athletic team's operations are based does not have an income tax on an individual's personal service income, it will be deemed that that state or province has a similar income exclusion. As used in the preceding sentence, the term "province" means a province of Canada.

(ii) The amount of income to be assigned to Minnesota for an individual who is a nonresident, and who is an athlete not listed in clause (i), or who is an entertainer, for that person's athletic or entertainment performance in Minnesota shall be determined by assigning to this state all income from performances or athletic contests in this state.

(2) Income from the operation of a farm shall be assigned to this state if the farm is located within this state and to other states only if the farm is not located in this state. *Income from winnings on Minnesota pari-mutuel betting tickets shall be assigned to this state.* Income and gains received from tangible property not employed in the business of the recipient of such income or gains, and from tangible property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, shall be assigned to this state if such property has a situs within it, and to other states only if it has no situs in this state. Income or gains from intangible personal property not employed in the business of the recipient of such income or gains, and from intangible personal property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, wherever held, whether in trust, or otherwise, shall be assigned to this state if the recipient thereof is domiciled within this state; income or gains from intangible personal property wherever held, whether in trust or otherwise shall be assigned to this state if the recipient of such income or gains is domiciled within this state, or if the grantor of any trust is domiciled within this state and such income or gains would be taxable to such grantor under section 290.28 or 290.29;

(3) Income derived from carrying on a trade or business, including in the case of a business owned by natural persons the income imputable to the owner for his services and the use of his property therein, shall be assigned to this state if the trade or business is conducted wholly within this state, and to other states if conducted wholly without this state. This provision shall not apply to business income subject to the provisions of clause (1);

(4) When a trade or business is carried on partly within and partly without this state, the entire income derived from such trade or business, including income from intangible property employed in such business and including, in the case of a business owned by natural persons, the income imputable to the owner for his services and the use of his property therein, shall be governed, except as otherwise provided in sections 290.35 and 290.36, by the provisions of section 290.19, notwithstanding any provisions of this section

to the contrary. This shall not apply to business income subject to the provisions of clause (1), nor shall it apply to income from the operation of a farm which is subject to the provisions of clause (2). For the purposes of this clause, a trade or business located in Minnesota is carried on partly within and partly without this state if tangible personal property is sold by such trade or business and delivered or shipped to a purchaser located outside the state of Minnesota.

If the trade or business carried on wholly or partly in Minnesota is part of a unitary business, the entire income of that unitary business shall be subject to apportionment under section 290.19 *except for business income subject to the provisions of clause (1) and farm income subject to the provisions of clause (2)*. The term "unitary business" shall mean a ~~number of~~ business activities or operations which are of mutual benefit, dependent upon, or contributory to one another, individually or as a group. Unity shall be presumed whenever there is unity of ownership, operation, and use, evidenced by centralized management or executive force, centralized purchasing, advertising, accounting, or other controlled interaction *but the absence of these centralized activities will not necessarily evidence a nonunitary business*. Unity of ownership will not be deemed to exist ~~unless the corporation owns more than 50 percent of the voting stock of the other corporation when a corporation is involved unless that corporation is a member of a group of two or more corporations more than 50 percent of the voting stock of each member of the group is directly or indirectly owned by a common owner or by common owners, either corporate or noncorporate, or by one or more of the member corporations of the group.~~

The entire income of a unitary business, ~~including all income from each activity, operation or division,~~ shall be subject to apportionment as provided in section 290.19. None of the income of a unitary business shall be considered as derived from any particular source and none shall be allocated to any particular place except as provided by the applicable apportionment formula.

In determining whether or not intangible property is employed in a unitary business carried on partly within and partly without this state so that income derived therefrom is subject to apportionment under section 290.19 the following rules and guidelines shall apply.

(a) Intangible property is employed in a business if the business entity owning intangible property holds it as a means of furthering the business operation of which a part is located within the territorial confines of this state.

(b) Where a business operation conducted in Minnesota, is owned by a business entity which carries on business activity outside of the state different in kind from that conducted within this state, and such other business is conducted entirely outside the state, it will be presumed that the two business operations are unitary in nature, interrelated, connected and interdependent unless it can be shown to the contrary.

(5) ~~In the case of a nonresident who is liable for payment of a penalty for having withdrawn funds from an individual housing account established pursuant to section 290.08, subdivision 25, the amount so withdrawn and for which a deduction was allowed shall be an item of income assignable to this~~

state, and the penalty tax of ten percent shall remain an additional liability of that taxpayer.

(6) For purposes of this section, amounts received by a non-resident from the United States, its agencies or instrumentalities, the Federal Reserve Bank, the state of Minnesota or any of its political or governmental subdivisions, or a Minnesota volunteer fireman's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408, 409 or 409A of the Internal Revenue Code of 1954, as amended through December 31, 1981, are not considered income derived from carrying on a trade or business or from performing personal or professional services in Minnesota, and are not taxable under this chapter.

(7) (6) All other items of gross income shall be assigned to the taxpayer's domicile.

Sec. 25. Minnesota Statutes 1982, section 290.18, subdivision 1, is amended to read:

Subdivision 1. [TAXABLE NET INCOME.] (a) For resident individuals, taxable net income shall be the same as net income.

(b) For all other taxpayers, the taxable net income shall, except insofar as section 290.19 is applicable, be computed by deducting from the gross income assignable to this state under section 290.17 deductions of the kind permitted by ~~section~~ sections 16, 290.09, and section 62 of the Internal Revenue Code of 1954, as amended through March 12, 1983, in accordance with the following provisions:

(1) Such deductions shall be allowed to the extent that they are connected with and allocable against the production or receipt of such gross income assignable to this state;

(2) That proportion of such deductions, so far as not connected with and allocable against the production or receipt of such gross income assignable to this state and so far as not connected with and allocable against the production or receipt of gross income assignable to other states or countries and so far as not entering into the computation of the net income assignable to this state under section 290.19, shall be allowed which the taxpayer's gross income from sources within this state, as determined under section 290.17, subdivision 2, clauses (1), (2), (3), ~~(5)~~, and ~~(7)~~ (6), bears to his gross income from all sources, including that entering into the computations provided for by section 290.19; provided that taxes of the kind deductible under section 290.09, subdivision 4, shall, so far as within the description of deductions deductible under this clause, be deductible in their entirety if paid to the state of Minnesota, or any of its subdivisions authorized to impose such taxes, and thereupon be excluded in making the computation of deductions, as in this clause provided.

Sec. 26. Minnesota Statutes 1982, section 290.18, subdivision 2, is amended to read:

Subd. 2. [FEDERAL INCOME TAX PAYMENTS AND REFUNDS.] The adjusted gross income shall be computed by deducting from the gross in-

come assignable to this state under section 290.17, the deduction for allowable federal income taxes determined under the provisions of sections 290.09, subdivision 4, 290.10 (8), (9) or (10), and 290.18.

This deduction shall be allowed to individuals, estates, or trusts (i) for taxable years beginning after December 31, 1980 in the taxable year to which the liability applies. Such liability includes the portion of self-employment tax allowed under section 290.10, clause (8). The self-employment tax must be deducted by the person who is deriving the income. When the federal tax liability is joint and several under the computation of a joint federal return of husband and wife, the federal tax liability must be split between the spouses in the same ratio that the federal adjusted gross income of that spouse bears to the total federal adjusted gross income. For purposes of the preceding sentence, "federal adjusted gross income" includes the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, as amended through December 31, 1981.

(ii) taxes paid for a taxable year beginning before January 1, 1981 shall be allowed as follows:

(1) Those taxes paid in a taxable year beginning before January 1, 1981, shall be claimed in the year in which the payment was made.

(2) Those paid in a taxable year beginning after December 31, 1980 *but before January 1, 1983* shall be divided and deducted in equal installments reflected by the yearly periods beginning with the first day of the taxable year in which the payment was made and ending December 31, 1986. *For an amount which remains to be deducted in a taxable year beginning after December 31, 1982, where the federal tax liability for the year in which the payment was made is joint and several under the computation of a joint federal return of husband and wife, the remaining amounts to be deducted shall be claimed by the same spouse and in the same dollar amount as the deduction was claimed in the first taxable year beginning after December 31, 1981.*

(3) *Those paid in a taxable year beginning after December 31, 1982 shall be claimed in the year in which the payment was made. This amount shall be apportioned between spouses as provided in clause (i) and shall be allocated for exempt income under the provisions of section 290.10, clause (9) or (10) as though the payment was part of the federal tax liability for the year in which the payment was made.*

(iii) (4) In the case of a person who was self employed during all or a portion of the taxable year, the federal income tax liability for purposes of this ~~section~~ clause shall be increased by the self-employment tax allowed under section 290.10, clause (8). *The self-employment tax shall be deducted in the year paid as provided in paragraph (1), (2), or (3). The self-employment tax must be deducted by the person who earned the income. Self-employment tax paid in a taxable year beginning after December 31, 1982 shall be allocated for exempt income as provided in paragraph (3).*

(iv) (iii) If a taxpayer's federal tax liability is eventually not paid by reason of compromise, discharge, or court order, the deduction allowed pursuant to this subdivision shall be disallowed for the taxable year in which the liability was accrued.

(v) (iv) In the event a federal tax liability for a taxable year commencing after December 31, 1980 is increased, decreased or modified, and such increase, decrease or modification has resulted in a change in the amount of Minnesota income tax in the year to which such increase, decrease or modification is attributable, the taxpayer's deduction under this ~~section~~ *subdivision* shall be modified for such year.

(vi) (v) If the readjustments required in (iv) (iii) or (v) (iv) are for taxes reflected in the transition rule described in (ii)(2), the readjustment shall be made equally to the remaining installments and if a reduction to such installments is required under this readjustment which exceeds the total of all remaining installments, the remaining installments will be reduced to zero and the excess included in income as a federal income tax refund.

(vii) (vi) Refunds which are not involved with any readjustments under the transition rule shall be included in income under *Minnesota Statutes 1982*, section 290.01, subdivision 20a, clause (6) if it is from a year beginning before January 1, 1981.

(viii) (vii) Refunds of taxes for years beginning after December 31, 1980, shall be used to adjust the deduction in the taxable year of the liability unless that year is closed by statute and no other adjustments are to be required or allowable in which case such refund shall be reportable in the year received.

Sec. 27. *Minnesota Statutes 1982*, section 290.21, subdivision 1, is amended to read:

Subdivision 1. The following deductions shall be allowed *only to corporations and shall be deductions from gross income in computing net income for individuals, and from a corporation's taxable net income for corporations.*

Sec. 28. *Minnesota Statutes 1982*, section 290.21, subdivision 3, is amended to read:

Subd. 3. An amount for contribution or gifts made within the taxable year:

(a) to or for the use of the state of Minnesota, or any of its political subdivisions for exclusively public purposes,

(b) to or for the use of any community chest, corporation, organization, trust, fund, association, or foundation located in and carrying on substantially all of its activities within this state, organized and operating exclusively for religious, charitable, public cemetery, scientific, literary, artistic, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual,

(c) to a fraternal society, order, or association, operating under the lodge system located in and carrying on substantially all of their activities within this state if such contributions or gifts are to be used exclusively for the purposes specified in subdivision 3(b), or for or to posts or organizations of war veterans or auxiliary units or societies of such posts or organizations, if they are within the state and no part of their net income inures to the benefit of any private shareholder or individual,

(d) to or for the use of the United States of America for exclusively public

purposes, and to or for the use of any community chest, corporation, trust, fund, association, or foundation, organized and operated exclusively for any of the purposes specified in subdivision 3(b) and (c) no part of the net earnings of which inures to the benefit of any private shareholder or individual, but not carrying on substantially all of their activities within this state, in an amount equal to the ratio of Minnesota taxable net income to total net income, ~~provided, however, that for an individual taxpayer, the deduction shall be allowed in an amount equal to the ratio of the taxpayer's gross income assignable to Minnesota to the taxpayer's gross income from all sources,~~

(e) to a major political party, as defined in section 200.02, subdivision 7, or a political candidate, as defined in section 210A.01, or a political cause when sponsored by any party or association or committee, as defined in section 210A.01, in a maximum amount not to exceed the following:

(1) contributions made by individual natural persons, \$100;

(2) contributions made by a national committeeman, national committeewoman, state chairman, or state chairwoman of a major political party, as defined in section 200.02, subdivision 7, \$1,000;

(3) contributions made by a congressional district committeeman or committeewoman of a major political party, as defined in section 200.02, subdivision 7, \$350;

(4) contributions made by a county chairman or a county chairwoman of a major political party, as defined in section 200.02, subdivision 7, \$150;

(f) in the case of an individual, the total deduction allowable hereunder shall not exceed 30 percent of the taxpayer's Minnesota gross income as follows:

(i) the aggregate of contributions made to organizations specified in (a), (b) and (d) shall not exceed ten percent of the taxpayer's Minnesota gross income;

(ii) the total deduction under this subparagraph for any taxable year shall not exceed 20 percent of the taxpayer's Minnesota gross income. For purposes of this subparagraph, the deduction under this section shall be computed without regard to any deduction allowed under subparagraph (i) but shall take into account any contributions described in subparagraph (i) which are in excess of the amount allowable as a deduction under subparagraph (i). For purposes of paragraph (f) the term Minnesota gross income shall also include the ordinary income portion of a lump sum distribution as defined in section 402(e) of the Internal Revenue Code of 1954, as amended through December 31, 1981;

(g) in the case of a corporation, the total deduction hereunder shall not exceed 15 percent of the taxpayer's taxable net income less the deductions allowable under this section other than those for contributions or gifts,

(h) (f) in the case of a corporation reporting its taxable income on the accrual basis, if: (A) the board of directors authorizes a charitable contribution during any taxable year, and (B) payment of such contribution is made after the close of such taxable year and on or before the fifteenth day of the third month following the close of such taxable year; then the taxpayer may elect to treat such contribution as paid during such taxable year. The election may be made only at the time of the filing of the return for such taxable year, and shall be signified in such manner as the commissioner shall by

regulations prescribe;

(i) (g) in the case of a contribution or property placed in trust as described in section 170(f)(2) of the Internal Revenue Code of 1954, as amended through December 31, 1981, a deduction shall be allowed under this subdivision to the extent that a deduction is allowable for federal income tax purposes.

(j) amounts paid to maintain certain students as members of the taxpayer's household shall be allowed as a deduction as provided in section 170(g) of the Internal Revenue Code of 1954, as amended through December 31, 1981. No other deduction shall be allowed under this subdivision for these amounts and the limitations contained in clause (f) shall not apply to these amounts.

Sec. 29. Minnesota Statutes 1982, section 290.23, subdivision 5, is amended to read:

Subd. 5. [DISTRIBUTABLE NET INCOME, INCOME, BENEFICIARY; DEFINED.] (1) For purposes of sections 290.22 through 290.25, the term "distributable net income" means the same as that term is defined in section 643(a) of the Internal Revenue Code of 1954, as amended through December 31, 1981 with the following modification:

There shall be included any tax-exempt interest to which section 290.01, subdivision 20b, clause (1) applies, reduced by any amounts which would be deductible in respect of disbursements allocable to such interest but for the provisions of sections 290.09, subdivision 3, and section 290.10(9) (relating to disallowance of certain deductions).

If the estate or trust is allowed a deduction under section 642(c) of the Internal Revenue Code of 1954, as amended through December 31, 1981, the amount of the modification shall be reduced to the extent that the amount of income which is paid, permanently set aside, or to be used for the purposes specified in that section of the Internal Revenue Code is deemed to consist of items specified in the modification. For this purpose, such amount shall (in the absence of specific provisions in the governing instrument) be deemed to consist of the same proportion of each class of items of income of the estate or trust as the total of each class bears to the total of all classes.

(2) The term "income," and the term "beneficiary" have the same meaning as those terms are defined in section 643(b) and (c) of the Internal Revenue Code of 1954, as amended through December 31, 1981.

Sec. 30. Minnesota Statutes 1982, section 290.31, subdivision 2, is amended to read:

Subd. 2. [INCOME AND CREDITS OF PARTNER.] (1) In determining his income tax, each partner shall take into account separately his distributive share of the partnership's

(a) gains and losses from sales or exchanges of capital assets held for not more than one year,

(b) gains and losses from sales or exchanges of capital assets held for more than one year,

(c) gains and losses from sales or exchanges of property described in

section ~~290.16, subdivision 9(1) and (2)~~ 1231 of the Internal Revenue Code of 1954, as amended through January 15, 1983 (relating to certain property used in a trade or business and involuntary conversions),

(d) charitable contributions (as defined in section ~~290.21, subdivision 3~~) as defined in section 170(c) of the Internal Revenue Code of 1954, as amended through December 31, 1982,

(e) dividends with respect to which there is provided a ~~deduction under section 290.21, an exclusion under section 116 or a deduction under sections 241 to 247~~ of the Internal Revenue Code of 1954, as amended through December 31, 1982,

(f) other items of income, gain, loss, deduction, or credit, to the extent provided by regulations prescribed by the commissioner, and

(g) taxable net income or loss, exclusive of items requiring separate computation under other subparagraphs of this paragraph (1).

(2) The character of any item of income, gain, loss, deduction, or credit included in a partner's distributive share under paragraphs (a) through (f) of paragraph (1) shall be determined as if such item were realized directly from the source from which realized by the partnership, or incurred in the same manner as incurred by the partnership.

(3) In any case where it is necessary to determine the gross income of a partner for purposes of this chapter, such amount shall include his distributive share of the gross income of the partnership.

Sec. 31. Minnesota Statutes 1982, section 290.31, subdivision 3, is amended to read:

Subd. 3. [PARTNERSHIP COMPUTATIONS.] The taxable net income of a partnership shall be computed in the same manner as in the case of an individual except that

- (1) the items described in subdivision 2(1) shall be separately stated, and
- (2) the following deductions shall not be allowed to the partnership:

(a) the deduction for taxes provided in section ~~290.09, subdivision 4~~ 164(a) of the Internal Revenue Code of 1954, as amended through December 31, 1982, with respect to taxes, described in section 901 of the Internal Revenue Code of 1954, as amended through December 31, 1981, paid or accrued to foreign countries and to possessions of the United States,

(b) the deduction for charitable contributions provided in section 290.21, subdivision 3 or section 170 of the Internal Revenue Code of 1954, as amended through December 31, 1982,

(c) the net operating loss deduction provided in section 290.095,

(d) the additional itemized deductions for individuals provided in ~~section 290.09, subdivisions 10 and 17~~ sections 211 to 223 of the Internal Revenue Code of 1954, as amended through December 31, 1982, and,

(e) the deduction for depletion under section 290.09, subdivision 8 with respect to oil and gas wells.

Any election affecting the computation of taxable net income derived

from a partnership shall be made by the partnership except as provided in section 703(b) of the Internal Revenue Code of 1954, as amended through December 31, 1981.

Sec. 32. Minnesota Statutes 1982, section 290.34, subdivision 2, is amended to read:

Subd. 2. [AFFILIATED OR RELATED CORPORATIONS, COMBINED REPORT.] When a corporation which is required to file an income tax return is affiliated with or related to any other corporation through stock ownership by the same interests or as parent or subsidiary corporations, or has its income regulated through contract or other arrangement, the commissioner of revenue may permit or require such combined report as, in his opinion, is necessary in order to determine the taxable net income of any one of the affiliated or related corporations. For purposes of computing either the arithmetic average or weighted apportionment formulas under section 290.19, subdivision 1 for each corporation involved, the numerator of the fraction shall be that corporation's sales, property, and payroll in Minnesota and the denominator shall be the total sales, payroll, and property of all the corporations shown on the combined report. The combined report shall reflect the income of the entire unitary business as provided in section 290.17, subdivision 2, clause (4). The combined report shall reflect income only from corporations created or organized in the United States or under the laws of the United States or of any state, *the District of Columbia, the commonwealth of Puerto Rico, any possession of the United States, or any political subdivision of any of the foregoing.* All intercompany transactions between companies which are contained on the combined report shall be eliminated. This subdivision shall not apply to insurance companies whose income is determined under section 290.35 or to investment companies whose income is determined under section 290.36.

Sec. 33. Minnesota Statutes 290.37, subdivision 1, is amended to read:

Subdivision 1. [PERSONS MAKING RETURNS.] (a) The commissioner of revenue shall annually determine the gross income levels at which individuals and estates shall be required to file a return for each taxable year.

In the case of a decedent who has gross income in excess of the minimum amount at which an individual is required to file a return, the decedent's final income tax return shall be filed by his or her personal representative, if any. If there is no personal representative, the return shall be filed by the successors (as defined in section 524.1-201) who receive any property of the decedent.

The trustee or other fiduciary of property held in trust shall file a return with respect to the taxable net income of such trust if that exceeds an amount on which a tax at the rates herein provided would exceed the specific credits allowed, or if the gross income of such trust exceeds \$750, if in either case such trust belongs to the class of taxable persons.

Every corporation shall file a return. The return in this case shall be signed by an officer of the corporation.

The receivers, trustees in bankruptcy, or assignees operating the business or property of a taxpayer shall file a return with respect to the taxable net income of such taxpayer if that exceeds an amount on which a tax at the

rates herein provided would exceed the specific credits allowed.

(b) Such return shall (1) be verified or contain a written declaration that it is made under the penalties of criminal liability for wilfully making a false return, and (2) shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.

(c) For purposes of this subdivision the term "gross income" shall mean gross income as defined in section 61 of the Internal Revenue Code of 1954, as amended through December 31, 1981, modified and adjusted in accordance with the provisions of sections 290.01, subdivision 20b, clauses (1), (6) and ~~(11)~~ (10), 290.08, and 290.17.

Sec. 34. Minnesota Statutes 1982, section 290.39, subdivision 2, is amended to read:

Subd. 2. [SEPARATE COMPUTATIONS ON A SINGLE RETURN.] Notwithstanding the provisions of section 290.61, a husband and wife may elect to compute their Minnesota income tax separately on a single return, in which event:

(a) if the sum of the payments by either spouse, including withheld and estimated taxes, exceeds the amount of tax of such spouse as computed separately, the excess may be applied by the commissioner to the credit of the other spouse if the sum of the payments by such other spouse, including withheld and estimated taxes, is less than the amount of the tax of such other spouse as computed separately;

(b) if the sum of the payments made by both spouses with respect to the taxes of both as computed separately, including withheld and estimated taxes, exceeds the total of the taxes due, refund of the excess may be made payable to both spouses or may be credited against any liability in respect of Minnesota income tax on the part of either spouse;

(c) if the sum of the payments made by both spouses with respect to the taxes of both as computed separately, including withheld and estimated taxes, is less than the total of the taxes due, the liability for the unpaid tax shall be joint and several; provided that a spouse may be relieved of liability in those cases contained in section 6013(e) of the Internal Revenue Code of 1954 as amended through December 31, 1981 (for purposes of computing the 25 percent test contained in that section, the amount of gross income stated in the return shall include the total gross income of both spouses);

(d) if the standard deduction provided for by section ~~290.09, subdivision 15~~ 16, subdivision 3, is not utilized, then the total of the Minnesota itemized deductions of a husband and wife may be taken by either or divided between them as they elect;

(e) the limitation on the deduction for investment interest prescribed in section 163(d) (1) (A) of the Internal Revenue Code of 1954, as amended through March 12, 1983, for married individuals who file separate returns shall also apply to married individuals who file separately on one return.

Sec. 35. Minnesota Statutes 1982, section 290.431, is amended to read:

290.431 [NON-GAME WILDLIFE CHECKOFF.]

Every individual who files an income tax return or property tax refund

claim form may designate on their original return that \$1 or more shall be added to the tax or deducted from the refund that would otherwise be payable by or to that individual and paid into an account to be established for the management of non-game wildlife. The commissioner of revenue shall, on the first page of the income tax return and the property tax refund claim form, notify filers of their right to designate that a portion of their tax or refund shall be paid into the non-game wildlife management account. The sum of the amounts so designated to be paid shall be credited to the non-game wildlife management account for use by the non-game section of the division of wildlife in the department of natural resources. The commissioner of natural resources shall submit a work program for each fiscal year and semi-annual progress reports to the legislative commission on Minnesota resources in the form determined by the commission. None of the money provided in this section may be expended unless the commission has approved the work program.

The state pledges and agrees with all contributors to the nongame wildlife management account to use the funds contributed solely for the management of nongame wildlife projects and further agrees that it will not impose additional conditions or restrictions that will limit or otherwise restrict the ability of the commissioner of natural resources to use the available funds for the most efficient and effective management of nongame wildlife.

Sec. 36. Minnesota Statutes 1982, section 290.46, is amended to read:

290.46 [EXAMINATION OF RETURNS; ASSESSMENTS, REFUNDS.]

The commissioner shall, as soon as practicable after the return is filed, examine the same and make any investigation or examination of the taxpayer's records and accounts that he may deem necessary for determining the correctness of the return. The tax computed by him on the basis of such examination and investigation shall be the tax to be paid by such taxpayer. If the tax found due shall be greater than the amount reported as due on the taxpayer's return, the commissioner shall assess a tax in the amount of such excess and the whole amount of such excess shall be paid to the commissioner within 60 days after notice of the amount and demand for its payment shall have been mailed to the taxpayer by the commissioner. If the understatement of the tax on the return was false and fraudulent with intent to evade the tax, the installments of the tax shown by the taxpayer on his return which have not yet been paid shall be paid to the commissioner within 60 days after notice of the amount thereof and demand for payment shall have been mailed to the taxpayer by the commissioner. If the amount of the tax found due by the commissioner shall be less than that reported as due on the taxpayer's return the excess shall be refunded to the taxpayer in the manner provided by section 290.50 (except that no demand therefor shall be necessary), if he has already paid the whole of such tax, or credited against any unpaid installment thereof; provided, that no refundment shall be made except as provided in section 290.50.

If the commissioner examines returns of a taxpayer for more than one year, he may issue one order covering the several years under consideration reflecting the aggregate refund or additional tax due.

The notices and demands provided for by sections 290.46 to 290.48 shall be in such form as the commissioner may determine (including a statement)

and shall contain a brief explanation of the computation of the tax and shall be sent by mail to the taxpayer at the address given in his return, or to his last known address.

In cases where there has been an overpayment of a self-assessed liability as shown on the return filed by the taxpayer, the commissioner may refund such overpayment to the taxpayer and no demand therefor shall be necessary; further, written findings by the commissioner, notice by mail to the taxpayer and certificate for refundment by the commissioner shall not be necessary and the provisions of section 270.10, in such case, shall not be applicable.

In the case of an individual, estate or trust, the commissioner may audit and adjust the taxpayer's computation of federal adjusted gross income (or federal taxable income for estates or trusts) to make it properly conform with the provisions of section 290.01, subdivision 20. *In the case of an individual, the commissioner may audit and adjust the taxpayer's computation of itemized deductions to make them properly conform with the provisions of section 16.*

Sec. 37. Minnesota Statutes 1982, section 290.92, subdivision 2a, is amended to read:

Subd. 2a. [COLLECTION AT SOURCE.] (1) [DEDUCTIONS.] Every employer making payment of wages shall deduct and withhold upon such wages a tax as provided in this section.

(2) [WITHHOLDING ON PAYROLL PERIOD.] The employer shall withhold the tax on the basis of each payroll period or as otherwise provided in this section.

(3) [WITHHOLDING TABLES.] Unless the amount of tax to be withheld is determined as provided in subdivision 3, the amount of tax to be withheld for each individual shall be based upon tables to be prepared and distributed by the commissioner. The tables shall be computed for the several permissible withholding periods and shall take account of exemptions allowed under this section; and the amounts computed for withholding shall be such that the amount withheld for any individual during his taxable year shall approximate in the aggregate as closely as possible the tax which is levied and imposed under this chapter for that taxable year, upon his salary, wages, or compensation for personal services of any kind for the employer, and shall take into consideration the allowable deduction for federal income tax and the deduction allowable under section ~~290.09~~ 16, subdivision ~~4~~ 3, and the personal credits allowed against the tax.

(4) [MISCELLANEOUS PAYROLL PERIOD.] If wages are paid with respect to a period which is not a payroll period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days, including Sundays and holidays, equal to the number of days in the period with respect to which such wages are paid.

(5) [MISCELLANEOUS PAYROLL PERIOD.] (a) In any case in which wages are paid by an employer without regard to any payroll period or other period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days

equal to the number of days, including Sundays and holidays, which have elapsed since the date of the last payment of such wages by such employer during the calendar year, or the date of commencement of employment with such employer during such year, or January 1 of such year, whichever is the later.

(b) In any case in which the period, or the time described in clause (a), in respect of any wages is less than one week, the commissioner, under regulations prescribed by him, may authorize an employer to determine the amount to be deducted and withheld under the tables applicable in the case of a weekly payroll period, in which case the aggregate of the wages paid to the employee during the calendar week shall be considered the weekly wages.

(6) [WAGES COMPUTED TO NEAREST DOLLAR.] If the wages exceed the highest bracket, in determining the amount to be deducted and withheld under this subdivision, the wages may, at the election of the employer, be computed to the nearest dollar.

(7) [REGULATIONS ON WITHHOLDING.] The commissioner may, by regulations, authorize employers:

(a) To estimate the wages which will be paid to any employee in any quarter of the calendar year;

(b) To determine the amount to be deducted and withheld upon each payment of wages to such employee during such quarter as if the appropriate average of the wages so estimated constituted the actual wages paid; and

(c) To deduct and withhold upon any payment of wages to such employee during such quarter such amount as may be necessary to adjust the amount actually deducted and withheld upon wages of such employee during such quarter to the amount required to be deducted and withheld during such quarter without regard to this paragraph (7).

(8) [ADDITIONAL WITHHOLDING.] The commissioner is authorized to provide by rule for increases or decreases in the amount of withholding otherwise required under this section in cases where the employee requests the changes. Such additional withholding shall for all purposes be considered tax required to be deducted and withheld under this section.

(9) [TIPS.] In the case of tips which constitute wages, this subdivision shall be applicable only to such tips as are included in a written statement furnished to the employer pursuant to section 6053 of the Internal Revenue Code of 1954, as amended through December 31, 1981, and only to the extent that the tax can be deducted and withheld by the employer, at or after the time such statement is so furnished and before the close of the calendar year in which such statement is furnished, from such wages of the employee (excluding tips, but including funds turned over by the employee to the employer for the purpose of such deduction and withholding) as are under the control of the employer; and an employer who is furnished by an employee a written statement of tips (received in a calendar month) pursuant to section 6053 of the Internal Revenue Code of 1954 as amended through December 31, 1981 to which subdivision 1 is applicable may deduct and withhold the tax with respect to such tips from any wages of the employee (excluding tips) under his control, even though at the time such statement is

furnished the total amount of the tips included in statements furnished to the employer as having been received by the employee in such calendar month in the course of his employment by such employer is less than \$20. Such tax shall not at any time be deducted and withheld in an amount which exceeds the aggregate of such wages and funds as are under the control of the employer minus any tax required by other provisions of state or federal law to be collected from such wages and funds.

Sec. 38. Minnesota Statutes 1982, section 290.92, is amended by adding a subdivision to read:

Subd. 26. Any holder of a class A, B, or D license issued by the Minnesota horse racing commission, who makes a payment or payments for winnings on a pari-mutuel betting ticket or tickets in an amount of \$200 or more to the same individual, shall deduct from the payment or payments and withhold 11 percent of the amount as Minnesota withholding tax. For purposes of this subdivision, winnings from a pari-mutuel betting ticket must be determined by reducing the amount received by the amount paid for the ticket, and payments for winning on a pari-mutuel betting ticket which are not money must be taken into account at their fair market value. For purposes of the provisions of this section, a payment to any person of winnings which are subject to withholding must be treated as if the payment was a wage paid by an employer to an employee. Every individual who is to receive a payment of winnings which are subject to withholding shall furnish the license holder with a statement, made under the penalties of perjury, containing the name, address, and social security account number of the person receiving the payment and of each person entitled to any portion of such payment. The license holder is liable for the payment of the tax required to be withheld under this subdivision and subdivision 27 but is not liable to any person for the amount of the payment.

Sec. 39. Minnesota Statutes 1982, section 290.92, is amended by adding a subdivision to read:

Subd. 27. Any holder of a class A or B license issued by the Minnesota horse racing commission who makes a payment to a holder of a class C license issued by the commission, or who pays an amount as a purse, shall deduct from the payment and withhold seven percent of the amount as Minnesota withholding tax when the amount paid to that individual during the calendar year exceeds \$200. For purposes of the provisions of this section, a payment to any person which is subject to withholding under this subdivision must be treated as if the payment was a wage paid by an employer to an employee. Every individual who is to receive a payment which is subject to withholding under this subdivision shall furnish the license holder with a statement, made under the penalties of perjury, containing the name, address, and social security account number of the person receiving the payment. No withholding is required if the individual presents a signed certificate from his employer which states that the individual is an employee of that employer. A nonresident individual who holds a class C license must be treated as an athlete for purposes of applying the provisions of sections 290.17, subdivision 2(1)(b)(ii) and 290.92, subdivision 4a.

Sec. 40. Minnesota Statutes 1982, section 290A.03, subdivision 3, is amended to read:

Subd. 3. [INCOME.] (1) "Income" means the sum of the following:

(a) federal adjusted gross income as defined in the Internal Revenue Code of 1954 as amended through ~~December 31, 1981~~ *March 12, 1982*; and

(b) the sum of the following amounts to the extent not included in clause (a):

(i) additions to federal adjusted gross income as provided in Minnesota Statutes, Section 290.01, Subdivision 20a, Clauses (1), ~~(3), (9), (14), (15), and (21)~~ (2), (6), (11), (12), and (16);

(ii) all nontaxable income;

(iii) recognized net long term capital gains;

(iv) dividends and interest excluded from federal adjusted gross income under sections 116 or 128 of the Internal Revenue Code of 1954;

(v) cash public assistance and relief;

(vi) any pension or annuity (including railroad retirement benefits, all payments received under the federal social security act, supplemental security income, and veterans benefits), which was not exclusively funded by the claimant or spouse, or which was funded exclusively by the claimant or spouse and which funding payments were excluded from federal adjusted gross income in the years when the payments were made;

(vii) nontaxable interest received from the state or federal government or any instrumentality or political subdivision thereof;

(viii) workers' compensation;

(ix) unemployment benefits;

(x) nontaxable strike benefits; and

(xi) the gross amounts of payments received in the nature of disability income or sick pay as a result of accident, sickness, or other disability, whether funded through insurance or otherwise. In the case of an individual who files an income tax return on a fiscal year basis, the term "federal adjusted gross income" shall mean federal adjusted gross income reflected in the fiscal year ending in the calendar year. Federal adjusted gross income shall not be reduced by the amount of a net operating loss carryback.

(2) "Income" does not include

(a) amounts excluded pursuant to the Internal Revenue Code, Sections 101(a), 102, 117, and 121;

(b) amounts of any pension or annuity which was exclusively funded by the claimant or spouse and which funding payments were not excluded from federal adjusted gross income in the years when the payments were made;

(c) surplus food or other relief in kind supplied by a governmental agency;

(d) relief granted under sections 290A.01 to 290A.20;

(e) child support payments received under a temporary or final decree of dissolution or legal separation;

(f) federal adjusted gross income shall be reduced by wage or salary ex-

pense, or expense of work incentive programs which are not allowed as a deduction under provisions of section 280C of the Internal Revenue Code of 1954; or

(g) federal adjusted gross income shall be reduced by the amount of the penalty on the early withdrawal of an all-savers certificate as provided in section 128(e) of the Internal Revenue Code of 1954.

Sec. 41. Minnesota Statutes 1982, section 290A.16, is amended to read:

290A.16 [INCOME TAX DEDUCTION PROHIBITED.]

~~Notwithstanding section 290.09, subdivision 4,~~ The income tax deduction for property taxes paid shall not exceed the amount paid, reduced by the amount of credit allowed with respect to the tax pursuant to sections 290A.01 to 290A.20.

Sec. 42. Minnesota Statutes 1982, section 290.53, subdivision 2, as amended by Laws 1983, H.F. No. 381, section 27, is amended to read:

Subd. 2. [FAILURE TO MAKE AND FILE RETURN.] In case of any failure to make and file a return as required by this chapter within the time prescribed by law or prescribed by the commissioner in pursuance of law, there shall be added to the tax in lieu of the penalty provided in subdivision 1: ten percent if the failure is for not more than 30 days with an additional five percent for each additional 30 days or fraction thereof during which such failure continues, not exceeding 25 percent in the aggregate.

In the case of a failure to file a return of tax imposed by this chapter within 60 days of the date prescribed for filing of the return (determined with regard to any extensions of time for filing), *where the return has been demanded by the commissioner under the provisions of section 290.47,* the amount added to the tax under this subdivision shall not be less than the lesser of \$50 or 100 percent of the amount required to be shown as *the amount of tax* ~~on~~ *which is due with the return.*

The amount so added to any tax shall be collected at the same time and in the same manner and as a part of the tax, and the amount of said tax together with the amount so added shall bear interest at the rate specified in section 270.75 from the time such tax should have been paid until paid unless the tax has been paid before the discovery of the neglect, in which case the amount so added shall be collected in the same manner as the tax.

For the purposes of this subdivision the amount of any taxes required to be shown on the return shall be reduced by the amount of any part of the tax which is paid on or before the date prescribed for payment of the tax and by the amount of any credit against the tax which may be claimed upon the return.

Sec. 43. [INSTRUCTIONS TO THE REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the phrase "Internal Revenue Code of 1954, as amended through March 12, 1983" for the words "Internal Revenue Code of 1954, as amended through December 31, 1981" or for the words "Internal Revenue Code of 1954, as amended through December 1, 1982" wherever the phrase occurs in chapter 290, except sections 290.01, subdivision 20, and 290.09,

subdivision 5.

Sec. 44. [REPEALER.]

Minnesota Statutes 1982, sections 290.01, subdivisions 23, 27, and 28; 290.032, subdivision 5; 290.06, subdivisions 9 and 9a; 290.077, subdivision 2; 290.08, subdivision 25; 290.09, subdivisions 10, 15, 22, and 27; 290.21, subdivision 3a; 290.501; and 352C.07; and Laws 1982, chapter 523, article VII, section 3, and Third Special Session chapter 1, article V, section 4, are repealed.

Sec. 45. [EFFECTIVE DATE.]

Sections 1 to 44 are effective for taxable years beginning after December 31, 1982, except as otherwise specifically provided by this section or section 2. For any carryback to a taxable year beginning before January 1, 1983, "\$15,000" shall be substituted for "\$30,000" each place it appears in the second paragraph of Minnesota Statutes, section 290.09, subdivision 29, clause (c), the modifications to the rate of phase-out of the deduction provided by section 22 do not apply to such carryback, and section 22 is effective for carryover amounts from taxable years beginning before January 1, 1983. The amendments striking Minnesota Statutes 1982, section 290.01, subdivision 20a, clause (22) and subdivision 20b, clause (23) are effective for taxable years beginning after December 31, 1983. The amendment to Minnesota Statutes 1982, section 290.01, subdivision 20a, striking clause (5) is effective for medical expenses deducted in taxable years after December 31, 1981. The amendments to Minnesota Statutes 1982, section 290.01, subdivision 20a, striking clause (6) is effective for federal income tax refunds received for taxable years beginning after December 31, 1980. The amendment to Minnesota Statutes 1982, section 290.01, subdivision 20a, striking clause (20) and subdivision 20b, striking clause (20) is effective for taxable years beginning after December 31, 1980. The carryover provisions of sections 290.06, subdivisions 9 and 9a continue to apply to credit amounts attributable to a taxable year beginning before January 1, 1983. Section 40 is effective for claims based on rent paid in 1983 and thereafter and for property taxes paid in 1984 and thereafter.

ARTICLE 2

PROPERTY TAX

Section 1. Minnesota Statutes 1982, section 124.2137, subdivision 1, is amended to read:

Subdivision 1. [TAX REDUCTIONS.] The county auditor shall reduce the tax for school purposes on all property receiving the homestead credit pursuant to section 273.13, subdivision 6, by an amount equal to 29 percent of the tax levy that would be produced by applying a rate of 18 mills imposed on up to 320 acres of the property land including the buildings and structures thereon but excluding the homestead dwelling and surrounding one acre of land. The county auditor shall reduce the tax for school purposes on the next 320 acres classified pursuant to section 273.13, subdivision 6 by an amount equal to 13 percent of the tax levy that would be produced by applying a rate of ten mills imposed on the property. The tax on all other agricultural lands classified pursuant to section 273.13, subdivision 6 shall be reduced by an amount equal to ten percent of the tax levy that would be produced by apply-

ing a rate of eight mills imposed on the property. The tax on the first 320 acres of agricultural land classified pursuant to section 273.13, subdivision 4 and all real estate devoted to temporary and seasonal residential occupancy for recreational purposes, but not devoted to commercial purposes, shall be reduced by an amount that would be produced by applying a rate of ten mills equal to 13 percent of the tax imposed on the property. The tax on timber land classified pursuant to section 273.13, subdivision 8a and agricultural land in excess of 320 acres classified pursuant to section 273.13, subdivision 4 shall be reduced by an amount equal to ten percent of the tax levy that would be produced by applying a rate of eight mills imposed on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions of section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner of revenue shall review such the certifications to determine their accuracy. He may make such changes in the certification as he may deem necessary or return a certification to the county auditor for corrections. *The amount of the reduction provided under this subdivision which any taxpayer can receive on all qualifying property which he owns shall not exceed \$2,000 in the case of agricultural property and shall not exceed \$100 in the case of seasonal residential recreational property. In the case of property owned by more than one person, the maximum amount of the reduction shall apply to the total of all the owners.*

Sec. 2. Minnesota Statutes 1982, section 272.02, subdivision 1, is amended to read:

Subdivision 1. Except as provided in other subdivisions of this section or in section 272.025 or section 273.13, subdivisions 17, 17b, 17c or 17d, all property described in this section to the extent herein limited shall be exempt from taxation:

- (1) All public burying grounds;
- (2) All public schoolhouses;
- (3) All public hospitals;
- (4) All academies, colleges, and universities, and all seminaries of learning;
- (5) All churches, church property, and houses of worship;
- (6) Institutions of purely public charity except property assessed pursuant to section 273.13, subdivisions 17, 17b, 17c or 17d;
- (7) All public property exclusively used for any public purpose;

(8) (a) Class 2 property of every household of the value of \$100, maintained in the principal place of residence of the owner thereof. The county auditor shall deduct such the exemption from the total valuation of such the property as equalized by the revenue commissioner of revenue assessed to such the household, and extend the levy of taxes upon the remainder only. The term "household" as used in this section is defined to be a domestic establishment maintained either (1) by two or more persons living together within the same house or place of abode, subsisting in common and constituting a domestic or family relationship, or (2) by one person.

(b) During the period of his active service and for six months after his discharge therefrom, no member of the armed forces of the United States shall lose status of a householder under paragraph (a) which he had immediately prior to becoming a member of the armed forces.

In case there is an assessment against more than one member of a household the \$100 exemption shall be divided among the members assessed in the proportion that the assessed value of the Class 2 property of each bears to the total assessed value of the Class 2 property of all the members assessed. The Class 2 property of each household claimed to be exempt shall be limited to property in one taxing district, except in those cases where a single domestic establishment is maintained in two or more adjoining districts.

Bonds and certificates of indebtedness hereafter issued by the state of Minnesota, or by any county or city of the state, or any town, or any common or independent school district of the state, or any governmental board of the state, or any county or city thereof, shall hereafter be exempt from taxation; provided, that nothing herein contained shall be construed as exempting ~~such~~ *the* bonds from the payment of a tax thereon, as provided for by section 291.01, when any of ~~such~~ *the* bonds constitute, in whole or in part, any inheritance or bequest, taken or received by any person or corporation.

(9) Farm machinery manufactured prior to 1930, which is used only for display purposes as a collectors item;

(10) The taxpayer shall be exempted with respect to, all agricultural products, inventories, stocks of merchandise of all sorts, all materials, parts and supplies, furniture and equipment, manufacturers material, manufactured articles including the inventories of manufacturers, wholesalers, retailers and contractors; and the furnishings of a room or apartment in a hotel, rooming house, tourist court, motel or trailer camp, tools and machinery which by law are considered as personal property, and the property described in section 272.03, subdivision 1, clause (c), except personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures. Railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80 are not exempt.

(11) Containers of a kind customarily in the possession of the consumer during the consumption of commodities, the sale of which are subject to tax under the provisions of the excise tax imposed by ~~Extra Session Laws 1967,~~ chapter ~~32~~ 297A;

(12) All livestock, poultry, all horses, mules and other animals used exclusively for agricultural purposes;

(13) All agricultural tools, implements and machinery used by the owners in any agricultural pursuit.

(14) Real and personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, other than real property used primarily as a solid waste disposal site.

Any taxpayer requesting exemption of all or a portion of any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. ~~Any such~~ The equipment or device shall meet standards, regulations or criteria prescribed by the Minnesota Pollution Control Agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota Pollution Control Agency shall upon request of the commissioner furnish information or advice to the commissioner. If the commissioner determines that property qualifies for exemption, he shall issue an order exempting ~~such the~~ property from taxation. ~~Any such~~ The equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota Pollution Control Agency remains in effect.

(15) Wetlands. For purposes of this subdivision, "wetlands" means land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes. "Wetlands" shall be land preserved in its natural condition, drainage of which would be *legal*, feasible, and *economically* practical ~~and would provide land suitable~~ for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice. "Wetlands" shall include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands. *"Wetlands" shall not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms.* Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(16) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause and section 273.116. Upon receipt of an application for the exemption and credit provided in this clause and section 273.116 for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of his decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

(17) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1954, as amended through December 31, ~~1980~~ 1982, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(18) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part

of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(19) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydroelectric or hydromechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of section 105.482, subdivisions 1, 8 and 9.

Sec. 3. Minnesota Statutes 1982, section 272.03, subdivision 8, is amended to read:

Subd. 8. [MARKET VALUE.] "Market value" means the usual selling price at the place where the property to which the term is applied shall be at the time of assessment; being the price which could be obtained at a private sale ~~and not at forced~~ or an auction sale, *if it is determined by the assessor that the price from the auction sale represents an arms length transaction. The price obtained at a forced sale shall not be considered.*

Sec. 4. Minnesota Statutes 1982, section 272.115, subdivision 1, is amended to read:

272.115 [CERTIFICATE OF VALUE; FILING.]

Subdivision 1. Whenever any real estate is sold on or after January 1, 1978 for a consideration in excess of \$1,000, whether by warranty deed, quitclaim deed, contract for deed or any other method of sale, the grantor, grantee or his legal agent shall file a certificate of value with the county auditor in the county in which the property is located. Value shall, in the case of any deed not a gift, be the amount of the full actual consideration thereof, paid or to be paid, including the amount of any lien or liens assumed. The certificate of value shall include the classification to which the property belongs for the purpose of determining the fair market value of the property. *The certificate shall include financing terms and conditions of the sale which are necessary to determine the actual, present value of the sale price for purposes of the sales ratio study. The commissioner of revenue shall promulgate administrative rules specifying the financing terms and conditions which must be included on the certificate.*

Sec. 5. Minnesota Statutes 1982, section 273.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Except as provided in subdivisions 6 ~~and~~, 7, 8, ~~and~~ 9 or section 273.17, subdivision 1, all property shall be valued at its market value. The market value as determined pursuant to this section shall be stated such that any amount under \$100 is rounded up to \$100 and any amount exceeding \$100 shall be rounded to the nearest \$100. In estimating and determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall he adopt as a criterion of value the price for which such property would sell ~~at auction or~~ at a forced sale, or in the aggregate with all the property in the town or district; but he shall value each article or description of property by itself, and at such sum or price as he believes the same to be fairly worth in money. In assessing any tract or lot of real prop-

erty, the value of the land, exclusive of structures and improvements, shall be determined, and also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real property upon which there is a mine or quarry, it shall be valued at such price as such property, including the mine or quarry, would sell for a fair, voluntary sale, for cash. In valuing real property which is vacant, the fact that such property is platted shall not be taken into account. An individual lot of such platted property shall not be assessed in excess of the assessment of the land as if it were unplatted until the lot is improved with a permanent improvement all or a portion of which is located upon the lot, or for a period of three years after final approval of said plat whichever is shorter. When a lot is sold or construction begun, the assessed value of that lot or any single contiguous lot fronting on the same street shall be eligible for reassessment. All property, or the use thereof, which is taxable under sections 272.01, subdivision 2, or 273.19, shall be valued at the market value of such property and not at the value of a leasehold estate in such property, or at some lesser value than its market value.

Sec. 6. Minnesota Statutes 1982, section 273.11, is amended by adding a subdivision to read:

Subd. 8. [LIMITED EQUITY COOPERATIVE APARTMENTS.] For the purposes of this subdivision, the terms defined in this subdivision have the meanings given them.

A "limited equity cooperative" is a corporation organized under Minnesota Statutes, chapter 308, which has as its primary purpose the provision of housing and related services to its members, who must be persons or families of low and moderate income as defined in section 462A.03, subdivision 10, at the time they purchase their membership, and which meets the following requirements:

(a) The articles of incorporation set the sale price of occupancy entitling cooperative shares or memberships at no more than a transfer value determined as provided in the articles. That value may not exceed the sum of the following:

(1) the consideration paid for the membership or shares by the first occupant of the unit, as shown in the records of the corporation;

(2) the fair market value, as shown in the records of the corporation, of any improvements to the real property that were installed at the sole expense of the member with the prior approval of the board of directors;

(3) accumulated interest, or an inflation allowance not to exceed the greater of a ten percent annual noncompounded increase on the consideration paid for the membership or share by the first occupant of the unit, or the amount that would have been paid on that consideration if interest had been paid on it at the rate of the percentage increase in the revised consumer price index for all urban consumers for the Minneapolis-St. Paul metropolitan area prepared by the United States Department of Labor, provided that the amount determined pursuant to this clause may not exceed \$500 for each year or fraction of a year the membership or share was owned; plus

(4) real property capital contributions shown in the records of the cor-

poration to have been paid by the transferor member and previous holders of the same membership, or of separate memberships that had entitled occupancy to the unit of the member involved. These contributions include contributions to a corporate reserve account the use of which is restricted to real property improvements or acquisitions, contributions to the corporation which are used for real property improvements or acquisitions, and the amount of principal amortized by the corporation on its indebtedness due to the financing of real property acquisition or improvement or the averaging of principal paid by the corporation over the term of its real property related indebtedness.

(b) The articles of incorporation require that the board of directors limit the purchase price of stock or membership interests for new member-occupants or resident shareholders to an amount which does not exceed the transfer value for the membership or stock as defined in clause (a).

(c) The articles of incorporation require that the total distribution out of capital to a member shall not exceed that transfer value.

(d) The articles of incorporation require that upon liquidation of the corporation any assets remaining after retirement of corporate debts and distribution to members will be conveyed to a charitable organization described in section 501 (c)(3) of the Internal Revenue Code of 1954, as amended through December 31, 1982, or a public agency.

A "limited equity cooperative apartment" is a dwelling unit owned or leased by a limited equity cooperative. If the dwelling unit is leased by the cooperative the lease agreement must meet the conditions for a cooperative lease stated in Minnesota Statutes, section 273.133, subdivision 3.

"Occupancy entitling cooperative share or membership" is the ownership interest in a cooperative organization which entitles the holder to an exclusive right to occupy a dwelling unit owned or leased by the cooperative.

For purposes of taxation, the assessor shall value a unit owned by a limited equity cooperative at the lesser of its market value or the value determined by capitalizing the net operating income of a comparable apartment operated on a rental basis at the capitalization rate used in valuing comparable buildings that are not limited equity cooperatives. If a cooperative fails to operate in accordance with the provisions of clauses (a) to (d), the property shall be subject to additional property taxes in the amount of the difference between the taxes determined in accordance with this subdivision for the last ten years that the property had been assessed pursuant to this subdivision and the amount that would have been paid if the provisions of this subdivision had not applied to it. The additional taxes, plus interest at the rate specified in section 549.09, shall be extended against the property on the tax list for the current year.

Sec. 7. Minnesota Statutes 1982, section 273.11, is amended by adding a subdivision to read:

Subd. 9. [CONDOMINIUM PROPERTY.] Notwithstanding any other provision of law to the contrary, for purposes of property taxation, condominium property shall be valued in accordance with this subdivision.

(a) A structure or building that is initially constructed as condominiums

shall be identified as separate units after the filing of a declaration. The market value of the residential units in that structure or building and included in the declaration shall be valued as condominiums.

(b) When 60 percent or more of the residential units in a structure or building being converted to condominiums have been sold as condominiums including those units that the converters retain for their own investment, the market value of the remaining residential units in that structure or building which are included in the declaration shall be valued as condominiums. If not all of the residential units in the structure or building are included in the declaration, the 60 percent factor shall apply to those in the declaration. A separate description shall be recognized when a declaration is filed. For purposes of this clause, "retain" shall mean units that are rented and completed units that are not available for sale.

(c) For purposes of this subdivision, a "sale" is defined as the date when the first written document for the purchase or conveyance of the property is signed, unless that document is revoked.

Sec. 8. Minnesota Statutes 1982, section 273.115, subdivision 1, is amended to read:

Subdivision 1. The county auditor shall annually reduce the tax liability of each owner of wetlands exempt from property taxation pursuant to section 272.02, subdivision 1, clause (15), by an amount equal to ~~three-fourths~~ *one-half* of one percent of the average level of estimated market value of an acre of tillable land in the township, city or unorganized territory in which the qualifying wetland is located, multiplied by the number of acres of wetlands he owns. Any excess of credit over tax liability shall not be paid to the property owner but shall be applied to the tax liability of the owner of the wetlands for any parcel he owns which is contiguous to the parcel containing the wetlands.

Sec. 9. Minnesota Statutes 1982, section 273.13, subdivision 6, is amended to read:

Subd. 6. [CLASS 3B.] Agricultural land, except as provided by class 1 hereof, and which is used for the purposes of a homestead shall constitute class 3b and shall be valued and assessed for taxes payable in 1981 and thereafter as follows: the first ~~\$50,000~~ \$60,000 of market value shall be valued and assessed at 14 percent; the remaining market value shall be valued and assessed at 19 percent. ~~Effective for taxes payable in 1982 and thereafter,~~ The maximum amount of the market value of the homestead bracket subject to the 14 percent rate shall be adjusted by the commissioner of revenue as provided in section 273.1311. The property tax to be paid on class 3b property as otherwise determined by law less any reduction received pursuant to sections ~~124.213 and 124.2137, 273.123, 273.135, and 473H.10~~ shall be reduced by ~~58 54~~ percent of the tax for taxes payable in 1981 and thereafter; provided that the amount of ~~said~~ the reduction shall not exceed \$650. ~~Valuation subject to relief shall be limited to 240 acres of land, most contiguous surrounding, bordering, or closest to the house occupied by the owner as his dwelling place, and such other structures as may be included thereon utilized by the owner in an agricultural pursuit, provided that Non-contiguous land shall constitute class 3b only if the homestead is classified as class 3b and the detached land is located in the same township or city or~~

not farther than two townships or cities or combination thereof from the homestead. The first \$12,000 market value of each tract of real estate which is rural in character and devoted or adaptable to rural but not necessarily agricultural use, used for the purpose of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law.

Agricultural land as used herein, and in section 124.2137, shall mean contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land and land included in federal farm programs.

Real estate of less than ten acres used principally for raising poultry, livestock, fruit, vegetables or other agricultural products, shall be considered as agricultural land, if it is not used primarily for residential purposes.

~~Effective for the 1981 assessment and in subsequent years,~~ The assessor shall determine and list separately on his records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

Sec. 10. Minnesota Statutes 1982, section 273.13, subdivision 6a, is amended to read:

Subd. 6a. [HOMESTEAD OWNED BY FAMILY FARM CORPORATION OR PARTNERSHIP.] (a) Each family farm corporation and each partnership operating a family farm shall be entitled to class 3b assessment and shall be eligible for the credit provided in subdivision 6 for one homestead occupied by a shareholder or partner thereof who is residing on the land and actively engaged in farming of the land owned by the corporation or partnership. ~~Such a~~ The homestead shall not exceed 240 acres, and shall be assessed as provided in subdivision 6, notwithstanding the fact that legal title to the property may be in the name of the corporation or partnership and not in the name of the person residing thereon. "Family farm corporation" and "family farm" shall mean as defined in section 500.24.

(b) In addition to property specified in paragraph (a), any other residences owned by corporations or partnerships described in paragraph (a) which are located on agricultural land and occupied as homesteads by shareholders or partners who are actively engaged in farming on behalf of the corporation or partnership shall also be assessed as class 3b property, and be entitled to the credit provided in subdivision 6, but the property eligible shall be limited to the residence itself and as much of the land surrounding the homestead, not exceeding one acre, as is reasonably necessary for the use of the dwelling as a home, and shall not include any other structures that may be located thereon.

Sec. 11. Minnesota Statutes 1982, section 273.13, subdivision 7, is amended to read:

Subd. 7. [CLASS 3C, 3CC.] All other real estate and class 2a property, except as provided by classes 1 and 3cc, which is used for the purposes of a homestead, shall constitute class 3c, and shall be valued and assessed for

taxes payable in 1981 and thereafter as follows: the first ~~\$25,000~~ \$30,000 of market value shall be valued and assessed at ~~16~~ 17 percent; the next ~~\$25,000~~ \$30,000 of market value shall be valued and assessed at ~~22~~ 19 percent; and the remaining market value shall be valued and assessed at ~~28~~ 30 percent. ~~Effective for taxes payable in 1982 and thereafter,~~ The maximum amounts of the market value of the homestead brackets subject to the ~~16~~ 17 percent and ~~22~~ 19 percent rates shall be adjusted by the commissioner of revenue as provided in section 273.1311. The property tax to be paid on class 3c property as otherwise determined by law, less any reduction received pursuant to sections 273.123, 273.135, and 473H.10 shall be reduced by ~~58~~ 54 percent of the tax ~~for taxes payable in 1981 and thereafter imposed on the first \$67,000 of market value;~~ provided that the amount of ~~said~~ the reduction shall not exceed \$650. The first \$12,000 market value of each tract of such real estate used for the purposes of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law.

Class 3cc property shall include real estate or manufactured homes used for the purposes of a homestead by (a) any blind person, if ~~such~~ the blind person is the owner thereof or if ~~such~~ the blind person and his or her spouse are the sole owners thereof; or (b) any person (hereinafter referred to as veteran) who: (1) served in the active military or naval service of the United States and (2) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair, and (3) with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of ~~such a~~ the deceased veteran for as long as the surviving spouse retains the special housing unit as his or her homestead; or (c) any person who: (1) is permanently and totally disabled and (2) is ~~receiving~~ receives 90 percent or more of his total income from (i) aid from any state as a result of that disability, or (ii) supplemental security income for the disabled, or (iii) workers' compensation based on a finding of total and permanent disability, or (iv) social security disability, including the amount of a disability insurance benefit which is converted to an old age insurance benefit and any subsequent cost of living increases, or (v) aid under the Federal Railroad Retirement Act of 1937, 45 United States Code Annotated, Section 228b(a)5, or (vi) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability; ~~which aid is at least 90 percent of the total income of such disabled person from all sources.~~ Property shall be classified and assessed as class 3cc only if the commissioner of revenue certifies to the assessor that the owner of the property satisfies the requirements of this subdivision. Class 3cc property shall be valued and assessed ~~for taxes payable in 1981 and thereafter~~ as follows: in the case of agricultural land, including a manufactured home, used for a homestead, the first ~~\$33,000~~ \$30,000 of market value shall be valued and assessed at five percent, the next ~~\$17,000~~ \$30,000 of market value shall be valued and assessed at 14 percent, and the remaining market value shall be valued and assessed at 19 percent; and in the case of all other real estate and manufactured homes, the first ~~\$33,000~~ \$30,000 of market value shall be valued and assessed at five percent, the next ~~\$17,000~~ \$30,000 of market value shall be valued and assessed at ~~22~~ 19 percent, and the remaining market value shall be valued and assessed at ~~28~~ 30 percent. ~~Effective for~~

(b) (2) located in a municipality of less than 10,000 population,

(c) (3) financed by a direct loan or insured loan from the farmers home administration, and

(d) (4) which qualifies under subdivision 17a, shall, for 15 years from the date of the completion of the original construction or for the original term of the loan, be assessed at five percent of the market value thereof, provided that the fair market value as determined by the assessor is based on the normal approach to value using normal unrestricted rents.

(b) A structure described in clause (a) with respect to which construction had not been commenced prior to January 1, 1984, shall be assessed at 20 percent of its market value, but only in proportion to its occupancy by elderly persons or low and moderate income families as defined above.

Sec. 17. Minnesota Statutes 1982, section 273.13, subdivision 17c, is amended to read:

Subd. 17c. [VALUATION OF LOWER INCOME HOUSING.] (a) *Except as provided in clause (b), a structure which is*

(a) (1) situated upon real property that is used for housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended, and

(b) (2) owned by an entity which has entered into a housing assistance payments contract under section 8 which provides assistance for 100 percent of the dwelling units in the structure, other than dwelling units intended for management or maintenance personnel, shall, for the term of the housing assistance payments contract, including all renewals, or for the term of its permanent financing, whichever is shorter, be assessed at 20 percent of its market value. The market value determined by the assessor shall be based on the normal approach to value using normal unrestricted rents.

(b) In the case of a structure described in clause (a) with respect to which construction had not been commenced prior to January 1, 1984, the 20 percent assessment ratio shall apply only to that portion of the structure that is occupied by lower income families or elderly or handicapped persons as defined above.

Sec. 18. Minnesota Statutes 1982, section 273.13, subdivision 20, is amended to read:

Subd. 20. [TAXATION; APARTMENTS; ASSESSED VALUE; APARTMENT HOUSING OF TYPE I OR II CONSTRUCTION.] That portion of real property subject to a general property tax and assessed as a structure upon the land shall, when such structure is constructed with materials meeting the requirements for type I or II construction as defined in the state building code, 90 percent or more is used or is to be used as apartment housing, and no part of which is subject to the provisions of subdivisions 7 and 17, 17b, 17c, and 17d be classified for the purposes of taxation for a period of 40 years from the date of completion of original construction, or the date of initial though partial use, whichever is the earlier date, as follows: (a) when such the structure is of a height of five or more stories that part, section, floor or area used or to be used for apartment housing shall be valued and assessed at 25 percent of the market value thereof; (b) When such

structure is of a height of four or less stories that part, section, floor or area used or to be used for apartment housing shall be valued and assessed at 33 1/3 percent of the market value thereof.

Sec. 19. Minnesota Statutes 1982, section 273.1311, is amended to read:

273.1311 [FLEXIBLE HOMESTEAD BRACKETS.]

Effective for taxes payable in 1982 and subsequent years, The maximum amount of the market value of the homestead brackets shall be adjusted as provided in this section.

For taxes payable in 1982, the homestead brackets shall be increased by the percentage increase in the statewide average purchase price of a residential home as indicated by bona fide sales, for the twelve-month period ending May 31, 1981, as compared to the twelve-month period ending May 31, 1980. The revised bracket shall be rounded to the nearest \$1,000. The commissioner of revenue shall determine and announce the revised brackets as soon as possible.

For taxes payable in 1983 1985 and subsequent years, the commissioner shall adjust the brackets used in the preceding assessment by the estimated percentage increase in the statewide average purchase price assessors' estimated market value of a residential home for the twelve-month period ending August 31 of the year preceding the assessment date as compared to the twelve-month period for the immediate preceding year current assessment over the previous assessment. The revised bracket shall be rounded to the nearest \$500. The commissioner of revenue shall determine and announce the revised bracket on October 1 of each year preceding the assessment date.

Sec. 20. [273.1315] [CERTIFICATION OF 3CC PROPERTY.]

Any property owner seeking classification and assessment of his homestead as class 3cc property pursuant to section 273.13, subdivision 7, shall file with the commissioner of revenue for each assessment year a 3cc homestead declaration, on a form prescribed by the commissioner. The declaration shall contain the following information:

(a) the information necessary to verify that the property owner or his spouse satisfies the requirements of section 273.13, subdivision 7, for 3cc classification;

(b) the property owner's household income, as defined in section 290A.03, for the previous calendar year; and

(c) any additional information prescribed by the commissioner.

The declaration shall be filed on or before February 1 of each year to be effective for property taxes payable during the succeeding calendar year. The declaration and any supplementary information received from the property owner pursuant to this section shall be subject to section 290A.17.

The commissioner shall provide to the assessor on or before April 1 a listing of the parcels of property qualifying for 3cc classification.

Sec. 21. Minnesota Statutes 1982, section 273.135, subdivision 1, is amended to read:

Subdivision 1. The property tax to be paid in respect to property taxable

within a tax relief area on class 3b property ~~not exceeding 240 acres~~, on class 3c property, and on class 3cc property, as otherwise determined by law and regardless of the market value of the property, for all purposes shall be reduced in the amount prescribed by subdivision 2, subject to the limitations contained therein.

Sec. 22. Minnesota Statutes 1982, section 273.1391, subdivision 1, is amended to read:

Subdivision 1. The property tax to be paid in respect to property taxable within a tax relief area described in subdivision 2 on class 3b property ~~not exceeding 240 acres~~, on class 3c property, and on class 3cc property, as otherwise determined by law and regardless of the market value of the property, for all purposes shall be reduced in the amount prescribed by subdivision 2, subject to the limitations contained therein.

Sec. 23. Minnesota Statutes 1982, section 278.05, subdivision 4, is amended to read:

Subd. 4. [SALES RATIO STUDIES AS EVIDENCE.] The sales ratio studies published by the department of revenue, or any part of the studies, or any copy of the studies or records accumulated to prepare the studies which is prepared by the commissioner of revenue for the equalization aid review committee for use in determining school aids shall be admissible in evidence as a public record without the laying of a foundation. Additional evidence relevant to the sales ratio study is also admissible. *No sales ratio study received into evidence shall be conclusive or binding on the court and evidence of its reliability or unreliability may be introduced by any party including, but not limited to, evidence of inadequate adjustment of sale prices for terms of financing.*

Sec. 24. Minnesota Statutes 1982, section 287.05, subdivision 1, is amended to read:

Subdivision 1. A tax of 15 cents is ~~hereby~~ imposed upon each \$100, or fraction thereof, of the principal debt or obligation which is or may be secured by any mortgage of real property ~~situate~~ *situated* within the state executed, delivered, and recorded or registered; provided, however, that ~~said~~ *the* tax shall be imposed but once upon any mortgage and extension thereof. *If any ~~such~~ the mortgage describes any real estate ~~situate~~ situated outside of this state, ~~such~~ the tax shall be imposed upon that proportion of the whole debt secured thereby as the value of the real estate therein described ~~situate~~ situated in this state bears to the value of the whole of the real estate described therein, as ~~such~~ the value is determined by the commissioner of revenue upon application of the mortgagee. The tax imposed by this section shall not apply to a contract for the conveyance of real estate or any interest in real estate recorded or registered on or after January 1, 1984.*

Sec. 25. [507.235] [FILING CONTRACTS FOR DEED.]

Subdivision 1. [FILING REQUIRED.] All contracts for deed executed on or after January 1, 1984, shall be recorded within six months in the office of the county recorder or registrar of titles in the county in which the land is situated.

Subd. 2. [PENALTY FOR FAILURE TO FILE.] If a contract for deed is

not filed as required by the county board adopted pursuant to subdivision 1, a penalty is imposed equal to 0.15 percent of the principal amount of the contract debt. Payments of the penalty shall be deposited in the general fund of the county. The penalty shall be a lien against the property and shall have the same priority and be collected in the same manner provided for real property taxes.

Sec. 26. Minnesota Statutes 1982, section 515A.1-105, is amended to read:

515A.1-105 [~~SEPARATE TITLES AND PROPERTY TAXATION; HOMESTEAD.~~]

Subdivision 1. [HOMESTEAD.] (a) Each unit together with its common element interest constitutes for all purposes a separate parcel of real estate.

(b) If a declaration is recorded prior to ten days before any installment of real estate taxes becomes payable, the local taxing authority shall split the taxes so payable on the condominium among the units. Interest and penalties which would otherwise accrue shall not begin to accrue until at least 30 days after the split is accomplished.

(c) A unit used for residential purposes together with not more than two units used for vehicular parking and their common element interests shall be treated the same as any other real estate in determining whether homestead exemptions or classifications shall apply.

Subd. 2. [MARKET VALUATION.] For purposes of property taxation, the residential units in a structure or building which are initially constructed as condominiums or are being converted into condominiums shall be valued as provided in section 7.

Sec. 27. Laws 1981, First Special Session chapter 1, article II, section 25, is amended to read:

Sec. 25. [EFFECTIVE DATE.]

Sections 1, 2, 5 to 15, 20, and 22 are effective for taxes levied in 1981 and thereafter, payable in 1982 and thereafter. ~~Sections 3 and 4 are~~ Section 3 is effective for taxes levied in 1983 and thereafter, payable in 1984 and thereafter. Section 4 is effective for taxes levied in 1984 and thereafter, payable in 1985 and thereafter. Section 18 is effective the day following final enactment. Section 19 is effective for taxes levied in 1980, payable in 1981. If a claimant filed a property tax refund for property taxes payable in 1981 and, if as a result of section 18 the amount of the eligible refund has changed, the claimant may file an amended return pursuant to section 290.391 to obtain any additional refund due. Taxpayers who meet the requirements in section 9 and who notify the assessor prior to September 1, 1981, shall receive homestead classification on the qualifying property for the 1981 assessment to the same extent as other 3c and 3cc property.

Sec. 28. [FARMLAND ASSESSMENT STUDY.]

The committees on taxes shall study the feasibility of assessing farmland on the basis of productivity and net earning capacity.

In conducting the study, the committees shall consider the use of modern soil survey, including surface and subsoil types, and moisture, temperature,

soil conservation practices applied by land occupiers, and other conditions affecting the soil. In addition, the committees shall consider data available from the department of revenue, the Minnesota crop and livestock reporting service, post-secondary agricultural institutions, and other appropriate sources. The committees shall also take into account the experiences of other states which have implemented farmland assessment programs based on productivity and net earning capacity.

The committees shall report their findings and recommendations prior to the third week of the 1984 legislative session.

Sec. 29. [APPROPRIATION.]

There is appropriated to the department of revenue for the purpose of administering the provisions of sections 4, 11, and article 4, section 15, \$147,000 for fiscal year 1984 and \$162,000 for fiscal year 1985. The complement of the department of revenue is increased by six.

Sec. 30. [REPEALER.]

Minnesota Statutes 1982, section 273.13, subdivision 15b, is repealed.

Sec. 31. [EFFECTIVE DATE.]

Sections 1 to 3, 5, 6, 8 to 12, 14, 18, 19, 21, 22, and 30 are effective for taxes levied in 1983 and thereafter, payable in 1984 and thereafter. Section 4 is effective for sales occurring on or after July 1, 1983. Sections 7, 13, 15, 16, 17, 20, and 26 are effective for the 1984 assessment and thereafter. Sections 23, 27, and 28 are effective the day after final enactment. Section 29 is effective July 1, 1983.

ARTICLE 3

LEVY LIMITS

Section 1. Minnesota Statutes 1982, section 275.50, subdivision 2, is amended to read:

Subd. 2. [GOVERNMENTAL SUBDIVISION.] “Governmental subdivision” means a county, home rule charter city, or statutory city, ~~town or special taxing district determined by the department of revenue,~~ except a town home rule charter or statutory city that has a population of less than 5,000 according to the most recent federal census, ~~provided that the population of an incorporated municipality located within the boundaries of a town is not included in the population of the town. The term does not include school districts or the metropolitan transit commission created pursuant to section 473.404.~~

Sec. 2. Minnesota Statutes 1982, section 275.50, subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in ~~1982 1983~~ payable in ~~1983 1984~~ and subsequent years, “special levies” means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) satisfy judgments rendered against the governmental subdivision by a court of competent jurisdiction in any tort action, or to pay the costs of settlements out of court against the governmental subdivision in a tort action

when substantiated by a stipulation for the dismissal of the action filed with the court of competent jurisdiction and signed by both the plaintiff and the legal representative of the governmental subdivision, but only to the extent of the increase in levy for such judgments and out of court settlements over levy year 1970, taxes payable in 1971;

(b) pay the costs of complying with any written lawful order initially issued prior to January 1, 1977 by the state of Minnesota, or the United States, or any agency or subdivision thereof, which is authorized by law, statute, special act or ordinance and is enforceable in a court of competent jurisdiction, or any stipulation agreement or permit for treatment works or disposal system for pollution abatement in lieu of a lawful order signed by the governmental subdivision and the state of Minnesota, or the United States, or any agency or subdivision thereof which is enforceable in a court of competent jurisdiction. The commissioner of revenue shall in consultation with other state departments and agencies, develop a suggested form for use by the state of Minnesota, its agencies and subdivisions in issuing orders pursuant to this subdivision;

(c) pay the costs to a governmental subdivision for their minimum required share of any program otherwise authorized by law for which matching funds have been appropriated by the state of Minnesota or the United States, excluding the administrative costs of public assistance programs, to the extent of the increase in levy for the taxes payable year 1983 and subsequent years over the amount levied for the local share of the program for the taxes payable year 1971. This clause shall apply only to those programs or projects for which matching funds have been designated by the state of Minnesota or the United States on or before September 1, of the previous year and only when the receipt of these matching funds is contingent upon the initiation or implementation of the project or program during the year in which the taxes are payable or those programs or projects approved by the commissioner;

(d) pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law, and the costs of purchase or delivery of social services. Except for the costs of *general assistance as defined in section 256D.02, subdivision 4*, general assistance medical care under section 256D.03 and the costs of hospital care pursuant to section 261.21, the aggregate amounts levied pursuant to this clause are subject to a maximum increase of 18 percent over the amount levied for these purposes in the previous year;

(e) pay the costs of principal and interest on bonded indebtedness, or ~~effective for taxes levied in 1973 and years thereafter~~, to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

(f) pay the costs of principal and interest on certificates of indebtedness, except tax anticipation or aid anticipation certificates of indebtedness, issued for any corporate purpose except current expenses or funding an insufficiency in receipts from taxes or other sources or funding extraordinary expenditures resulting from a public emergency;

(g) fund the payments made to the Minnesota state armory building commission pursuant to section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(h) provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(i) pay the amounts required to compensate for a decrease in manufactured homes property tax receipts to the extent that the governmental subdivision's portion of the total levy in the current levy year, pursuant to section 273.13, subdivision 3, as amended, is less than the distribution of the manufactured homes tax to the governmental subdivision pursuant to section 273.13, subdivision 3, in calendar year 1971;

(j) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission in ~~levy year 1971 or a subsequent levy year~~, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(k) pay amounts required to correct for an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city or town with statutory city powers in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(l) pay the increased cost of municipal services as the result of an annexation or consolidation ordered by the Minnesota municipal board in ~~levy year 1971 or a subsequent levy year~~, but only to the extent and for the levy years as provided by the board in its order pursuant to section 414.01, subdivision 15. Special levies authorized by the board shall not exceed 50 percent of the levy limit base of the governmental subdivision and may not be in effect for more than three years after the board's order;

(m) pay the increased costs of municipal services provided to new private industrial and nonresidential commercial development, to the extent that the extension of such services are not paid for through bonded indebtedness or special assessments, and not to exceed the amount determined as follows. The governmental subdivision may calculate the aggregate of:

(1) The increased expenditures necessary in preparation for the delivering of municipal services to new private industrial and nonresidential commercial development, but limited to one year's expenditures one time for each such development;

(2) The amount determined by dividing the overall levy limitation established pursuant to sections 275.50 to 275.56, and exclusive of special levies and special assessments, by the total taxable value of the governmental subdivision, and then multiplying this quotient times the total increase in assessed value of private industrial and nonresidential commercial development within the governmental subdivision. For the purpose of this clause, the increase in the assessed value of private industrial and nonresidential commercial development is calculated as the increase in assessed value

over the assessed value of the real estate parcels subject to such private development as most recently determined before the building permit was issued. In the fourth levy year subsequent to the levy year in which the building permit was issued, the increase in assessed value of the real estate parcels subject to such private development shall no longer be included in determining the special levy.

The aggregate of the foregoing amounts, less any costs of extending municipal services to new private industrial and nonresidential commercial development which are paid by bonded indebtedness or special assessments, equals the maximum amount that may be levied as a "special levy" for the increased costs of municipal services provided to new private industrial and nonresidential commercial development. In the levy year following the levy year in which the special levy made pursuant to this clause is discontinued, one-half of the amount of that special levy made in the preceding year shall be added to the permanent levy base of the governmental subdivision;

(n) recover a loss or refunds in tax receipts incurred in non-special levy funds resulting from abatements or court action in the previous year pursuant to section 275.48;

(o) pay amounts required by law to be paid to pay the interest on and to reduce the unfunded accrued liability of public pension funds in accordance with the actuarial standards and guidelines specified in sections 356.215 and 356.216 reduced for levy year 1977 and subsequent years by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

(p) the amounts allowed under section 174.27 to establish and administer a commuter van program;

(q) pay the costs of financial assistance to local governmental units and certain administrative, engineering, and legal expenses pursuant to Laws 1979, Chapter 253, Section 3;

(r) compensate for revenue lost as a result of abatements or court action pursuant to sections 270.07, 270.17 or 278.01 due to a reassessment ordered by the commissioner of revenue pursuant to section 270.16;

(s) pay the costs of implementing section 18.023, including sanitation and reforestation; and

(t) pay the estimated cost for the following calendar year of the county's share of funding the Minnesota cooperative soil survey.

Sec. 3. Minnesota Statutes 1982, section 275.50, is amended by adding a subdivision to read:

Subd. 8. [IMPLICIT PRICE DEFLATOR.] "Implicit price deflator" means the implicit price deflator for government purchases of goods and

services for state and local government prepared by the bureau of economic analysis of the United States Department of Commerce for the 12-month period ending in June of the levy year.

Sec. 4. Minnesota Statutes 1982, section 275.51, is amended by adding a subdivision to read:

Subd. 3f. [LEVY LIMIT BASE.] (a) The property tax levy limit base for governmental subdivisions for taxes levied in 1983 shall be calculated by adding the following amounts:

(1) the property tax permitted to be levied in 1982 for taxes payable in 1983 pursuant to Minnesota Statutes 1982, section 275.51, subdivision 3e; plus

(2) the amount of any payments the governmental subdivision was certified to receive in 1983 pursuant to Minnesota Statutes 1982, sections 477A.011 to 477A.03; plus

(3) the amount of any payments certified to the governmental subdivision in 1983 pursuant to Minnesota Statutes 1982, sections 298.28 and 298.282; plus

(4) the difference between the amount certified to the governmental subdivision in 1983 and the amount certified in 1984 pursuant to section 273.138; plus

(5) any amount levied as a special assessment to cover the costs of municipal operation and maintenance activities for the taxes payable year 1983; and

(6) the amount of any base adjustment authorized by the commissioner of revenue pursuant to subdivision 3g.

(b) For taxes levied in 1984 and subsequent years, a governmental subdivision's levy limit base is equal to its adjusted levy limit base for the preceding year provided that, for taxes levied in 1984, the levy limit base of a county containing a city of the first class shall be increased by the amount paid to the county under section 273.138 in 1984 less the amount that will be paid to it under section 273.138 in 1985.

Sec. 5. Minnesota Statutes 1982, section 275.51, is amended by adding a subdivision to read:

Subd. 3g. [BASE ADJUSTMENTS.] Any governmental subdivision which reduced any of its unreserved, undesignated fund balances because of spending for nonspecial levy purposes in calendar year 1981 may apply to the commissioner of revenue to have its levy limit base increased for the taxes payable year 1984 by no more than the amount of the reduction in the fund balances.

Applications shall be in the form and accompanied by the data required by the commissioner. If approved by the commissioner, the subdivision may then pass a resolution stating the amount by which the levy limit base is proposed to be increased. Thereafter, the resolution shall be published for two successive weeks in the official newspaper of the governmental subdivision or if there is no official newspaper, in a newspaper of general circulation in the governmental subdivision, together with a notice fixing a date for a public hearing on the proposed increase. The hearing shall be held not less

than two weeks nor more than four weeks after the first publication of the resolution. Following the public hearing, the governing body may determine to take no further action or, in the alternative, adopt a resolution authorizing the increase as originally proposed or approving an increase in the lesser amount it determines. The resolution authorizing an increase shall be published in the official newspaper of the governmental subdivision or if there is no official newspaper, in a newspaper of general circulation in the governmental subdivision. If within 30 days thereafter a petition signed by voters equal in number to five percent of the votes cast in the governmental subdivision in the last general election or 2,000 voters, whichever is less, requesting a referendum on the proposed resolution is filed with the clerk or recorder of the governmental subdivision if the governmental subdivision is a city or town, or with the county auditor if the governmental subdivision is a county, the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the referendum. The referendum must be held at a special or general election prior to October 1, 1983.

Sec. 6. Minnesota Statutes 1982, section 275.51, is amended by adding a subdivision to read:

Subd. 3h. [ADJUSTED LEVY LIMIT BASE.] For taxes levied in 1983 and thereafter, the adjusted levy limit base is equal to the levy limit base computed pursuant to subdivision 3f, increased by:

(a) a percentage equal to the percentage growth in the implicit price deflator, or five percent, whichever is greater;

(b) a percentage equal to the greater of the percentage increases in population or in number of households, if any, for the most recent 12-month period for which data is available, using figures derived pursuant to section 275.51, subdivision 6;

(c) one-half of the amount levied as a special levy in the previous year for paying the costs of municipal services provided to new private industrial and nonresidential commercial development pursuant to section 275.50, subdivision 5, clause (m), if the special levy is discontinued; and

(d) the amount of any permanent increase in the levy limit base approved at a general or special election held during the twelve month period ending September 30 of the levy year, pursuant to section 275.58, subdivisions 1 and 2.

Sec. 7. Minnesota Statutes 1982, section 275.51, is amended by adding a subdivision to read:

Subd. 3i. [LEVY LIMITATION.] The levy limitation for a governmental subdivision shall be equal to the adjusted levy limit base determined pursuant to subdivision 3h, reduced by (a) the total amount of local government aid that the governmental subdivision has been certified to receive pursuant to sections 477A.011 to 477A.014; (b) taconite taxes and aids pursuant to sections 298.28 and 298.282; (c) state reimbursements for wetlands and native prairie property tax exemptions pursuant to sections 273.115, subdivision 3 and 273.116, subdivision 3; and (d) payments in lieu of taxes to a county

pursuant to section 477A.12 which are required to be used to provide property tax levy reduction certified to be paid in the calendar year in which property taxes are payable.

As provided in section 298.28, subdivision 1, one cent per taxable ton of the amount distributed under section 298.28, subdivision 1, clause (4)(c) shall not be deducted from the levy limit base of the counties that receive that aid. The resulting figure is the amount of property taxes which a governmental subdivision may levy for all purposes other than those for which special levies and special assessments are made.

Sec. 8. Minnesota Statutes 1982, section 275.51, is amended by adding a subdivision to read:

Subd. 6. [POPULATION AND HOUSEHOLD ESTIMATES.] For the purpose of determining the amount of tax that a governmental subdivision may levy in accordance with limitation established by this chapter, the population or the number of households of the governmental subdivision shall be that established by the last federal census, by a census taken pursuant to section 275.14, or by an estimate made by the metropolitan council, or by the state demographer made pursuant to section 116J.42, subdivision 7, whichever is the most recent as to the stated date of count or estimate, up to and including July 1 of the current levy year.

Sec. 9. [REPEALER.]

Minnesota Statutes 1982, sections 275.09, subdivision 3; 275.50, subdivision 6; and 275.51, subdivisions 3e and 5, are repealed.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective for taxes levied in 1983, payable in 1984 and thereafter.

ARTICLE 4

PROPERTY TAX REFUND

Section 1. Minnesota Statutes 1982, section 290A.03, subdivision 6, is amended to read:

Subd. 6. [HOMESTEAD.] "Homestead" means the dwelling occupied by a claimant as a place of his principal residence and so much of the land surrounding it, not exceeding ten acres, as is reasonably necessary for use of the dwelling as a home and any other property used for purposes of a homestead as defined in section 273.13, subdivision 7, except that this restriction shall not be applicable to for agricultural land assessed as part of a homestead pursuant to section 273.13, subdivision 6, "homestead" is limited to 320 acres. The homestead may be owned or rented and may be a part of a multi-dwelling or multi-purpose building and the land on which it is built. A manufactured home, as defined in section 168.011, subdivision 8, assessed as personal property may be a dwelling for purposes of this subdivision.

Sec. 2. Minnesota Statutes 1982, section 290A.03, subdivision 8, is amended to read:

Subd. 8. [CLAIMANT.] (a) "Claimant" means a person, other than a

dependent, who filed a claim authorized by sections 290A.01 to 290A.20 and who was domiciled in this state during the calendar year for which the claim for relief was filed.

(b) In the case of a claim relating to rent constituting property taxes, the claimant shall have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes, are payable at some time during the calendar year covered by the claim.

(c) "Claimant" shall not include a resident of a nursing home, intermediate care facility, or long term residential facility whose rent constituting property taxes is paid pursuant to the supplemental security income program under Title XVI of the social security act, the Minnesota supplemental aid program under sections 256D.35 to 256D.41, the medical assistance program pursuant to Title XIX of the social security act, or the general assistance medical care program pursuant to section 256D.03, Subdivision 3. If only a portion of the rent constituting property taxes is paid by these programs, the resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as defined in subdivision 3 reduced by the total amount of income from the above sources other than vendor payments under the medical assistance program or the general assistance medical care program and the denominator of which is income as defined in subdivision 3 plus vendor payments under the medical assistance program or the general assistance medical care program, to determine the allowable refund pursuant to this chapter.

(d) Notwithstanding paragraph (c), if the claimant was a resident of the nursing home, intermediate care facility or long term residential facility for only a portion of the calendar year covered by the claim, the claimant may compute rent constituting property taxes by disregarding the rent constituting property taxes from the nursing home, intermediate care facility, or long term residential facility and use only that amount of rent constituting property taxes or property taxes payable relating to that portion of the year when the claimant was not in the facility. The claimant's household income is his income for the entire calendar year covered by the claim.

(e) In the case of a claim for rent constituting property taxes of a part year *Minnesota* resident, the income and rental reflected in this computation shall be for the period of *Minnesota* residency only. Any rental expenses paid which may be reflected in arriving at federal adjusted gross income cannot be utilized for this computation. When two individuals of a household are able to meet the qualifications for a claimant, they may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the commissioner of revenue and his decision shall be final. If a homestead property owner was a part year *Minnesota* resident, the income reflected in the computation made pursuant to section 290A.04 shall be for the entire calendar year, including income not assignable to *Minnesota*.

(f) If a homestead is occupied by two or more renters, who are not husband and wife, the rent shall be deemed to be paid equally by each, and separate claims shall be filed by each. The income of each shall be his household

income for purposes of computing the amount of credit to be allowed.

Sec. 3. Minnesota Statutes 1982, section 290A.03, subdivision 11, is amended to read:

Subd. 11. [RENT CONSTITUTING PROPERTY TAXES.] "Rent constituting property taxes" means ~~23 percent~~ of the amount of gross rent actually paid in cash, or its equivalent, which is attributable (a) to the property tax paid on the unit or that portion of gross rent which is (b) to the amount paid in lieu of property taxes, in any calendar year by a claimant solely for the right of occupancy of his Minnesota homestead in the calendar year, and which rent constitutes the basis, in the succeeding calendar year of a claim for relief under sections 290A.01 to 290A.20 by the claimant. The amount of rent attributable to property taxes paid or payments in lieu made on the unit shall be determined by multiplying the net tax on the property where the unit is located by a fraction, the numerator of which is the gross rent paid by the claimant for the calendar year for the unit and the denominator of which is the gross rent paid for the calendar year for the property in which the unit is located. In the case of a claimant who resides in a unit for which a rent subsidy is paid pursuant to section 8 of the United States Housing Act of 1937, as amended, or under another state or federal program providing rent supplements or reduced rent for low and moderate income families, 20 percent of gross rent actually paid in cash or its equivalent shall be the claimant's "rent constituting property taxes paid."

Sec. 4. Minnesota Statutes 1982, section 290A.03, subdivision 13, as amended by Laws 1983, chapter 15, section 28, is amended to read:

Subd. 13. [PROPERTY TAXES PAYABLE.] "Property taxes payable" means the property tax exclusive of special assessments, penalties, and interest payable on a claimant's homestead before reductions made pursuant to section 273.13, subdivisions 6, 7 and 14a, but after deductions made pursuant to sections 124.2137, 273.115, 273.116, 273.135, 273.139, 273.1391, 273.42, subdivision 2, and any other state paid property tax credits in any calendar year. In the case of a claimant who makes ground lease payments, "property taxes payable" includes the amount of the payments directly attributable to the property taxes assessed against the parcel on which the house is located. No apportionment or reduction of the "property taxes payable" shall be required for the use of a portion of the claimant's homestead for a business purpose if the claimant does not deduct any business depreciation expenses for the use of a portion of the homestead in the determination of federal adjusted gross income. For homesteads which are manufactured homes as defined in section 168.011, subdivision 8, "property taxes payable" shall also include ~~23 percent~~ the amount of the gross rent paid in the preceding year for the site on which the homestead is located, exclusive of charges for utilities or services which is attributable to the net tax paid on the site. The amount attributable to property taxes shall be determined by multiplying the net tax on the parcel by a fraction, the numerator of which is the gross rent paid for the calendar year for the site and the denominator of which is the gross rent paid for the calendar year for the parcel. When a homestead is owned by two or more persons as joint tenants or tenants in common, such tenants shall determine between them which tenant may claim the property taxes payable on the homestead. If they are unable to agree, the matter shall be referred to the commissioner of revenue

and his decision shall be final. Property taxes are considered payable in the year prescribed by law for payment of the taxes.

In the case of a claim relating to "property taxes payable", the claimant must have owned and occupied the homestead on January 2 of the year in which the tax is payable and (i) the property must have been classified as homestead property pursuant to section 273.13, subdivisions 6, 7, or 14a on or before June 1 of the year in which the "property taxes payable" were levied; or (ii) the claimant must provide documentation from the local assessor that application for homestead classification has been made prior to July 1 October 1 of the year in which the "property taxes payable" were payable and that the assessor has approved the application.

Sec. 5. Minnesota Statutes 1982, section 290A.03, is amended by adding a subdivision to read:

Subd. 14. [NET TAX.] "Net tax" means

(a) the property tax, exclusive of special assessments, interest, and penalties, or

(b) the payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes,

for the calendar year in which the rent was paid. If a portion of the property is occupied as a homestead or is used for other than rental purposes, the net tax shall be the amount of tax after reductions pursuant to section 273.13, subdivisions 6, 7, and 14a, reduced by the percentage that the nonrental use comprises of the total square footage of the building. If a portion of the property is used for purposes other than for residential rental and none of the property is occupied as a homestead, the net tax shall be the amount of the tax of the parcel multiplied by a fraction, the numerator of which is the assessed value of the residential rental portion and the denominator of which is the total assessed value of the parcel. If a portion of the property is used for other than rental residential purposes, the county treasurer shall list on the property tax statement the amount of net tax pertaining to the rental residential portion of the property.

The amount of the net tax shall not be reduced by an abatement or a court ordered reduction in the property tax on the property made after the certificate of rent constituting property tax has been provided to the renter.

Sec. 6. Minnesota Statutes 1982, section 290A.04, subdivision 1, is amended to read:

Subdivision 1. A credit shall be allowed each claimant in the amount that property taxes payable or rent constituting property taxes exceed the percentage of the household income of the claimant specified in subdivision 2 in the year for which the taxes were levied or in the year in which the rent was paid. ~~The maximum credit for any claimant who was disabled on or before June 1 or who attained the age of 65 prior to June 1 of the year following the year for which the taxes were levied or in which the rent was paid shall be \$200 above the maximum for which that claimant would otherwise be eligible according to his income. If the amount of property taxes payable or rent constituting property taxes is equal to or less than the percentage of the household income of the claimant specified in subdivision 2 in the year for which~~

the taxes were levied or in the year in which the rent was paid, the claimant shall not be eligible for a state refund pursuant to this section.

Sec. 7. Minnesota Statutes 1982, section 290A.04, subdivision 2, is amended to read:

Subd. 2. The refund shall be paid to claimants whose property taxes payable exceed the following percentages of their income, up to the designated maximum credit amounts:

For claimants earning:

\$0 to \$2,999, 0.5 percent, up to \$650;

3,000 to 3,999, 0.6 percent, up to \$650;

4,000 to 4,999, 0.7 percent, up to \$650;

5,000 to 5,999, 0.8 percent, up to \$650;

6,000 to 6,999, 0.9 percent, up to \$650;

7,000 to 7,999, 1.0 percent, up to \$650;

8,000 to 8,999, 1.1 percent, up to \$650;

9,000 to 9,999, 1.2 percent, up to \$650;

10,000 to 10,999, 1.3 percent, up to \$650;

11,000 to 11,999, 1.4 percent, up to \$650;

12,000 to 19,999, 1.5 percent, up to \$650;

20,000 to 22,999, 1.6 percent, up to \$650;

23,000 to 25,999, 1.8 percent, up to \$600;

26,000 to 30,999, 2.0 percent, up to \$550;

31,000 to 35,999, 2.2 percent, up to \$525;

36,000 to 40,999, 2.4 percent, up to \$500;

41,000 to 44,999, 2.6 percent, up to \$500;

45,000 to 52,999, 2.8 percent, up to \$500;

53,000 to 65,999, 3.0 percent, up to \$500;

66,000 to 81,999, 3.2 percent, up to \$500;

82,000 to 99,999, 3.5 percent, up to \$500;

100,000 and over, 4.0 percent, up to \$500;

provided that maximum credits for incomes above \$20,000 decline according to the following schedule:

between \$20,000 and \$26,000 decline \$16.67 per \$1,000; between \$26,000 and \$36,000 decline \$5 per \$1,000.

A claimant whose property taxes payable or rent constituting property taxes are in excess of the percentage of the household income stated below shall pay an amount equal to the amount shown for the appropriate household income level and the state refund will be equal to an amount up to the

state refund amount shown below.

<i>Household Income</i>	<i>Percent of Income</i>	<i>Claimant Pays</i>	<i>State Refund</i>
<i>Net loss and up to \$2,999</i>	<i>0.5 percent</i>	<i>\$13</i>	<i>\$13</i>
<i>3,000 to 3,499</i>	<i>0.6 percent</i>	<i>\$15</i>	<i>\$15</i>
<i>3,500 to 3,999</i>	<i>0.6 percent</i>	<i>\$18</i>	<i>\$18</i>
<i>4,000 to 4,499</i>	<i>0.7 percent</i>	<i>\$20</i>	<i>\$20</i>
<i>4,500 to 4,999</i>	<i>0.7 percent</i>	<i>\$23</i>	<i>\$23</i>
<i>5,000 to 5,999</i>	<i>0.8 percent</i>	<i>\$40</i>	<i>\$40</i>
<i>6,000 to 6,999</i>	<i>0.9 percent</i>	<i>\$54</i>	<i>\$54</i>
<i>7,000 to 7,999</i>	<i>1.0 percent</i>	<i>\$70</i>	<i>\$70</i>
<i>8,000 to 8,999</i>	<i>1.1 percent</i>	<i>\$88</i>	<i>\$88</i>
<i>9,000 to 9,999</i>	<i>1.2 percent</i>	<i>\$108</i>	<i>\$108</i>
<i>10,000 to 10,999</i>	<i>1.3 percent</i>	<i>\$130</i>	<i>\$130</i>
<i>11,000 to 11,999</i>	<i>1.4 percent</i>	<i>\$154</i>	<i>\$154</i>
<i>12,000 to 12,999</i>	<i>1.5 percent</i>	<i>\$180</i>	<i>\$180</i>
<i>13,000 to 13,999</i>	<i>1.5 percent</i>	<i>\$195</i>	<i>\$195</i>
<i>14,000 to 14,999</i>	<i>1.5 percent</i>	<i>\$210</i>	<i>\$210</i>
<i>15,000 to 15,999</i>	<i>1.5 percent</i>	<i>\$225</i>	<i>\$225</i>
<i>16,000 to 16,999</i>	<i>1.5 percent</i>	<i>\$240</i>	<i>\$240</i>
<i>17,000 to 17,999</i>	<i>1.5 percent</i>	<i>\$255</i>	<i>\$255</i>
<i>18,000 to 18,999</i>	<i>1.5 percent</i>	<i>\$270</i>	<i>\$270</i>
<i>19,000 to 19,999</i>	<i>1.5 percent</i>	<i>\$285</i>	<i>\$285</i>
<i>20,000 to 20,999</i>	<i>1.6 percent</i>	<i>\$320</i>	<i>\$320</i>
<i>21,000 to 21,999</i>	<i>1.6 percent</i>	<i>\$336</i>	<i>\$336</i>
<i>22,000 to 22,999</i>	<i>1.6 percent</i>	<i>\$352</i>	<i>\$352</i>
<i>23,000 to 23,999</i>	<i>1.8 percent</i>	<i>\$414</i>	<i>\$414</i>
<i>24,000 to 24,999</i>	<i>1.8 percent</i>	<i>\$432</i>	<i>\$432</i>
<i>25,000 to 25,999</i>	<i>1.8 percent</i>	<i>\$450</i>	<i>\$450</i>
<i>26,000 to 26,999</i>	<i>2.0 percent</i>	<i>\$520</i>	<i>\$520</i>
<i>27,000 to 27,999</i>	<i>2.0 percent</i>	<i>\$540</i>	<i>\$540</i>
<i>28,000 to 28,999</i>	<i>2.0 percent</i>	<i>\$560</i>	<i>\$560</i>
<i>29,000 to 29,999</i>	<i>2.0 percent</i>	<i>\$580</i>	<i>\$580</i>
<i>30,000 to 30,999</i>	<i>2.0 percent</i>	<i>\$600</i>	<i>\$600</i>
<i>31,000 to 31,999</i>	<i>2.2 percent</i>	<i>\$620</i>	<i>\$620</i>
<i>32,000 to 32,999</i>	<i>2.2 percent</i>	<i>\$640</i>	<i>\$640</i>
<i>33,000 to 33,999</i>	<i>2.2 percent</i>	<i>\$726</i>	<i>\$700</i>
<i>34,000 to 34,999</i>	<i>2.2 percent</i>	<i>\$748</i>	<i>\$600</i>
<i>35,000 to 35,999</i>	<i>2.2 percent</i>	<i>\$770</i>	<i>\$500</i>
<i>36,000 to 36,999</i>	<i>2.4 percent</i>	<i>\$792</i>	<i>\$400</i>
<i>37,000 to 37,999</i>	<i>2.4 percent</i>	<i>\$814</i>	<i>\$300</i>
<i>38,000 to 38,999</i>	<i>2.4 percent</i>	<i>\$912</i>	<i>\$200</i>
<i>39,000 to 39,999</i>	<i>2.4 percent</i>	<i>\$936</i>	<i>\$100</i>

The payment made to a claimant shall be the amount of the state refund calculated pursuant to this subdivision, but not exceeding \$850, less the homestead credit given pursuant to section 273.13, subdivisions 6, 7 and 14a.

Sec. 8. Minnesota Statutes 1982, section 290A.04, subdivision 2a, is amended to read:

Subd. 2a. An additional refund shall be allowed each claimant who was not disabled or who had not attained the age of 65 by June 1 of the year in which the taxes were payable in an amount equal to 50 percent of the amount by which property taxes payable or rent constituting property taxes exceed the sum of (a) the refund calculated pursuant to subdivision 2 and (b) the percentage of the claimant's household income specified in subdivision 2. The sum of the refunds provided in subdivision 2 and this subdivision shall not exceed the maximum amounts provided below.

For claimants earning:

\$0 to 25,999, up to \$1,000;

26,000 to 35,999, up to \$850;

36,000 and over, up to \$550;

provided that maximum refunds for incomes above \$20,000 decline according to the following schedule:

between \$20,000 and \$26,000 decline \$25 per \$1,000; between \$26,000 and \$36,000 decline \$30 per \$1,000. A claimant who owns his own homestead part of the year and rents part of the year may add his rent constituting property taxes to the qualifying tax on his homestead and receive the additional refund provided in subdivision 2a.

A claimant whose property taxes payable or rent constituting property taxes are in excess of the sum of the amounts in subdivision 2 paid by the claimant and the state for the specified household income level shall be allowed an additional refund. The amount of the additional refund shall be equal to the remaining amount of the claimant's property taxes payable or rent constituting property taxes less the percentage to be paid by the claimant pursuant to the table below up to the specified maximum state refund. The refund shall be reduced by the homestead credit given pursuant to section 273.13, subdivisions 6, 7, and 14a. The sum of the state refunds provided in subdivision 2 and this subdivision shall not exceed a total of \$1,125.

Household Income	Percent Paid by Claimant	Maximum State Refund
Net loss and up to \$2,999	5 percent	\$1,125
3,000 to 3,499	6 percent	\$1,125
3,500 to 3,999	7 percent	\$1,125
4,000 to 4,499	8 percent	\$1,125
4,500 to 4,999	9 percent	\$1,125
5,000 to 5,999	10 percent	\$1,125
6,000 to 6,999	11 percent	\$1,125
7,000 to 7,999	12 percent	\$1,125
8,000 to 8,999	13 percent	\$1,125
9,000 to 9,999	14 percent	\$1,125
10,000 to 10,999	15 percent	\$1,125
11,000 to 11,999	16 percent	\$1,125
12,000 to 12,999	17 percent	\$1,125
13,000 to 13,999	18 percent	\$1,125

14,000 to 14,999	19 percent	\$1,125
15,000 to 15,999	20 percent	\$1,125
16,000 to 16,999	21 percent	\$1,125
17,000 to 17,999	22 percent	\$1,125
18,000 to 18,999	23 percent	\$1,125
19,000 to 19,999	24 percent	\$1,125
20,000 to 20,999	25 percent	\$1,125
21,000 to 21,999	27 percent	\$1,125
22,000 to 22,999	29 percent	\$1,125
23,000 to 23,999	31 percent	\$1,125
24,000 to 24,999	33 percent	\$1,105
25,000 to 25,999	35 percent	\$1,080
26,000 to 26,999	38 percent	\$1,050
27,000 to 27,999	41 percent	\$1,020
28,000 to 28,999	44 percent	\$990
29,000 to 29,999	47 percent	\$960
30,000 to 30,999	50 percent	\$930
31,000 to 31,999	50 percent	\$900
32,000 to 32,999	50 percent	\$800
33,000 to 33,999	50 percent	\$700
34,000 to 34,999	50 percent	\$600
35,000 to 35,999	50 percent	\$500
36,000 to 36,999	50 percent	\$400
37,000 to 37,999	50 percent	\$300
38,000 to 38,999	50 percent	\$200
39,000 to 39,999	50 percent	\$100
40,000 and over		-0-

No credit or payment will be allowed pursuant to subdivision 2 or 2a if the claimant's household income is \$40,000 or more. This subdivision shall not apply to a claimant who is disabled or has attained the age of 65 by June 1 of the year in which the taxes are payable.

Sec. 9. Minnesota Statutes 1982, section 290A.04, subdivision 2b, is amended to read:

Subd. 2b. An additional refund shall be allowed each claimant who is disabled or has attained the age of 65 by June 1 of the year in which the taxes were payable in an amount equal to 50 percent of the amount by which property taxes payable or rent constituting property taxes exceed the sum of (a) the refund calculated pursuant to subdivision 2 and (b) the percentage of the claimant's household income specified in subdivision 2. The sum of the refunds provided in subdivision 2 and this subdivision shall not exceed the maximum amounts provided below.

For claimants earning:

\$0 to 22,999, up to \$1,000;

23,000 to 25,999, up to \$975;

26,000 to 35,999, up to \$950;

36,000 and over, up to \$750;

provided that maximum refunds for incomes above \$20,000 decline accord-

ing to the following schedule:

between \$20,000 and \$26,000 decline \$8.33 per \$1,000; between \$26,000 and \$36,000 decline \$20 per \$1,000.

In the case of a claimant who was disabled on or before June 1 or who attained the age of 65 on the date specified in subdivision 1, the refund shall not be less than the refund which the claimant's household income as defined in section 290A.03 and property tax or rent constituting property tax would have entitled him to receive under Minnesota Statutes 1974, Section 290.0618., if the claimant's property taxes payable or rent constituting property taxes exceed the total amount in subdivision 2 to be paid by the claimant and by the state for the claimant's household income. The amount of the additional refund shall be equal to the remaining amount of the claimant's property taxes payable or rent constituting property taxes less the percentage to be paid by the claimant pursuant to the table below up to the specified maximum state refund. The refund shall be reduced by the homestead credit given pursuant to section 273.13, subdivisions 6, 7, and 14a. The sum of the state refunds provided in subdivision 2 and this subdivision shall not exceed a total of \$1,125.

<i>Household Income</i>	<i>Percent Paid by Claimant</i>	<i>Maximum State Refund</i>
<i>Net loss and up to \$2,999</i>	<i>5 percent</i>	<i>\$1,125</i>
<i>3,000 to 3,499</i>	<i>5 percent</i>	<i>\$1,125</i>
<i>3,500 to 3,999</i>	<i>5 percent</i>	<i>\$1,125</i>
<i>4,000 to 4,499</i>	<i>5 percent</i>	<i>\$1,125</i>
<i>4,500 to 4,999</i>	<i>5 percent</i>	<i>\$1,125</i>
<i>5,000 to 5,999</i>	<i>5 percent</i>	<i>\$1,125</i>
<i>6,000 to 6,999</i>	<i>5 percent</i>	<i>\$1,125</i>
<i>7,000 to 7,999</i>	<i>5 percent</i>	<i>\$1,125</i>
<i>8,000 to 8,999</i>	<i>5 percent</i>	<i>\$1,125</i>
<i>9,000 to 9,999</i>	<i>5 percent</i>	<i>\$1,125</i>
<i>10,000 to 10,999</i>	<i>6 percent</i>	<i>\$1,125</i>
<i>11,000 to 11,999</i>	<i>7 percent</i>	<i>\$1,125</i>
<i>12,000 to 12,999</i>	<i>8 percent</i>	<i>\$1,125</i>
<i>13,000 to 13,999</i>	<i>9 percent</i>	<i>\$1,125</i>
<i>14,000 to 14,999</i>	<i>10 percent</i>	<i>\$1,125</i>
<i>15,000 to 15,999</i>	<i>10 percent</i>	<i>\$1,125</i>
<i>16,000 to 16,999</i>	<i>11 percent</i>	<i>\$1,125</i>
<i>17,000 to 17,999</i>	<i>11 percent</i>	<i>\$1,125</i>
<i>18,000 to 18,999</i>	<i>12 percent</i>	<i>\$1,125</i>
<i>19,000 to 19,999</i>	<i>12 percent</i>	<i>\$1,125</i>
<i>20,000 to 20,999</i>	<i>13 percent</i>	<i>\$1,125</i>
<i>21,000 to 21,999</i>	<i>15 percent</i>	<i>\$1,125</i>
<i>22,000 to 22,999</i>	<i>18 percent</i>	<i>\$1,125</i>
<i>23,000 to 23,999</i>	<i>21 percent</i>	<i>\$1,125</i>
<i>24,000 to 24,999</i>	<i>24 percent</i>	<i>\$1,105</i>
<i>25,000 to 25,999</i>	<i>27 percent</i>	<i>\$1,080</i>
<i>26,000 to 26,999</i>	<i>30 percent</i>	<i>\$1,050</i>

27,000 to 27,999	35 percent	\$1,020
28,000 to 28,999	40 percent	\$990
29,000 to 29,999	45 percent	\$960
30,000 to 30,999	50 percent	\$930
31,000 to 31,999	50 percent	\$900
32,000 to 32,999	50 percent	\$800
33,000 to 33,999	50 percent	\$700
34,000 to 34,999	50 percent	\$600
35,000 to 35,999	50 percent	\$500
36,000 to 36,999	50 percent	\$400
37,000 to 37,999	50 percent	\$300
38,000 to 38,999	50 percent	\$200
39,000 to 39,999	50 percent	\$100
40,000 and over		-0-

No credit or payment will be allowed pursuant to subdivision 2 or 2b if the claimant's household income is \$40,000 or more.

Sec. 10. Minnesota Statutes 1982, section 290A.04, is amended by adding a subdivision to read:

Subd. 2e. If the net property taxes payable on a homestead increase more than 20 percent over the net property taxes payable in the previous year on the same property, a claimant who is a homeowner shall be allowed an additional refund equal to 50 percent of the amount by which the increase exceeds 20 percent. This subdivision shall not apply to any increase in the net property taxes payable attributable to improvements made to the homestead. The refund shall not exceed \$200. The maximum refund shall be reduced by \$20 for each \$1,000 of the claimant's household income in excess of \$30,000. No refund shall be allowed if the claimant's household income exceeds \$40,000.

For purposes of this subdivision, "net property taxes payable" means property taxes payable after reductions made pursuant to sections 124.2137; 273.13, subdivisions 6, 7, and 14a; 273.115, subdivision 1; 273.116, subdivision 1; 273.135; 273.1391; and 273.42, subdivision 2, and any other state paid property tax credits and after the deduction of tax refund amounts for which the claimant qualifies pursuant to subdivisions 2, 2a and 2b.

In addition to the other proofs required by this chapter, each claimant under this subdivision shall file with the property tax refund return a copy of the property tax statement for taxes payable in the preceding year or other documents required by the commissioner.

On or before December 1, 1983, the commissioner shall estimate the cost of making the payments provided by this section. Notwithstanding the open appropriation provision of section 290A.23, if the estimated total refund claims exceed \$11,000,000, the commissioner shall adjust accordingly the percentage increase in net property taxes payable over the previous year which is required to qualify for the credit provided in this subdivision.

This subdivision is repealed effective for property taxes levied in 1984, payable in 1985.

Sec. 11. Minnesota Statutes 1982, section 290A.04, is amended by adding a subdivision to read:

Subd. 2f. If the net property taxes payable in 1984 on a homestead increases more than ten percent over the net property taxes payable in 1983 on the same property, and if the effective tax rate of property tax paid in 1983 on that homestead as compared to the January 2, 1982, estimated market value exceeds 2.25 percent, an additional credit shall be paid by the commissioner to the claimant. The additional credit shall be equal to 50 percent of the amount by which the increase exceeds ten percent but in no case shall the additional credit exceed \$200. This subdivision shall not apply to any increase in the net property taxes payable attributable to improvements made to the homestead.

For purposes of this subdivision, "effective tax rate" means the net property tax paid by the claimant in 1983, divided by the assessor's 1982 estimated market value times 100.

For purposes of this subdivision, "net property taxes" means the gross tax less the homestead credit and any other state paid credit and after the deduction of tax refund amounts for which the claimant qualifies.

The city assessor, or the county assessor if the property is located in a taxing district which does not have a city assessor, shall notify all affected property owners of the availability of this credit and furnish the forms which the commissioner shall prescribe.

The additional refunds shall be paid at the same time as the commissioner pays other property tax refund claims.

Sec. 12. Minnesota Statutes 1982, section 290A.04, subdivision 3, is amended to read:

Subd. 3. The commissioner of revenue shall construct and make available to taxpayers a comprehensive table showing the property taxes to be paid and credit allowed at various levels of income and assessment. The table shall follow the schedule of income percentages, maximums and other provisions specified in subdivisions 2, 2a, and 2b, except that the commissioner may graduate the transition between income brackets.

~~For homestead property owners who are disabled or are 65 or older, as provided in subdivision 4, the commissioner shall base his determination of the credit on the gross qualifying tax reduced by the average statewide effective homestead credit percentage for taxes payable in 1975 calculated under section 273.13, subdivisions 6 and 7.~~

Sec. 13. Minnesota Statutes 1982, section 290A.07, subdivision 3, is amended to read:

Subd. 3. Any claimant not included in subdivision 2a shall receive full payment after ~~September 30~~ August 31 and prior to ~~October~~ September 15. Interest shall be added at six percent per annum from ~~October~~ September 15 or 60 days after receipt of the application if the application is filed after August 31. Interest will be computed until the date the claim is paid.

Sec. 14. Minnesota Statutes 1982, section 290A.18, is amended to read:

290A.18 [RIGHT TO FILE CLAIM.]

If a person entitled to relief under sections 290A.01 to 290A.23 dies prior to receiving relief, the surviving spouse, or dependent or personal represen-

tative of the person shall be entitled to file the claim and receive relief. *If there is no surviving spouse or dependent, the right to the credit shall lapse.*

Sec. 15. Minnesota Statutes 1982, section 290A.19, is amended to read:

290A.19 [OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE; PENALTY.]

(a) The owner or managing agent of any property for which rent is paid for occupancy as a homestead shall furnish a certificate of rent ~~paid~~ *constituting property tax* to each person who is a renter on December 31, in the form prescribed by the commissioner. If the renter moves prior to December 31, the owner or managing agent shall at his option either provide the certificate to the renter at the time he moves, or mail the certificate to the forwarding address if an address has been provided by the renter. The certificate shall be made available to the renter not later than January 31 of the year following the year in which the rent was paid. Any owner or managing agent who willfully fails to furnish a certificate as provided herein shall be liable to the commissioner for a penalty of \$20 for each act or failure to act. The penalty shall be assessed and collected in the manner provided in chapter 290 for the assessment and collection of income tax.

(b) *If the owner or managing agent elects to provide the renter with the certificate at the time he moves, rather than after December 31, the amount of rent constituting property taxes shall be computed as follows:*

(i) *The net tax shall be reduced by 1/12th for each month remaining in the calendar year.*

(ii) *In calculating the denominator of the fraction pursuant to section 290A.03, subdivision 11, the gross rent paid through the last month of claimant's occupancy shall be substituted for "the gross rent paid for the calendar year for the property in which the unit is located."*

(c) *The certificate of rent constituting property taxes shall include the address of the property, including the county, and the property tax parcel identification number and any additional information which the commissioner determines is appropriate.*

(d) *If the owner or managing agent fails to provide the renter with a certificate of rent constituting property taxes, the commissioner shall allocate the net tax on the building to the unit on a square footage basis or other appropriate basis as the commissioner determines. The renter shall supply the commissioner with a statement from the county treasurer which gives the amount of property tax on the parcel, the address and property tax parcel identification number of the property, and the number of units in the building.*

Sec. 16. [EFFECTIVE DATE.]

This article is effective for claims based on rent paid during calendar year 1983 and thereafter and property taxes payable in 1984 and thereafter, except that the date change in section 4 shall be effective beginning for claims based on rent paid during calendar year 1982.

ARTICLE 5

LOCAL GOVERNMENT AIDS

Section 1. Minnesota Statutes 1982, section 116J.42, subdivision 7, is

amended to read:

Subd. 7. The commissioner:

(1) Shall continuously gather and develop demographic data within the state;

(2) Shall design and test methods of research and data collection;

(3) Shall have the power to call upon any agency of the state or political subdivision for data as may be available, and the agencies and political subdivisions shall cooperate to the fullest extent possible;

(4) Shall periodically prepare population projections for designated regions and for the state and may periodically prepare projections for each county, or other political or geographic division;

(5) Shall review, comment, and prepare analysis of population estimates and projections made by state agencies, political subdivisions, other states, federal agencies or nongovernmental persons, institutions or commissions;

(6) Shall serve as the state liaison with the federal bureau of census, shall coordinate his activities with federal demographic activities to the fullest extent possible, and shall aid the legislature in preparing a census data plan and form for each decennial census;

(7) Shall compile an annual study of population estimates on the basis of county, regional or other political or geographic divisions as necessary to carry out the purposes of this subdivision and section 116J.43;

(8) Shall, on or before January 1 of each year, issue a report to the legislature containing an analysis of the demographic implications of the annual population study and population projections;

(9) Shall cause to be prepared maps of all counties in the state, all municipalities with a population of 10,000 or more, and any other municipalities as deemed necessary for census purposes, according to scale and detail recommended by the federal bureau of the census, with the maps of cities showing boundaries of precincts; and

(10) Shall annually prepare a ~~population~~ *an estimate of population and of the number of households* for each governmental subdivision for which the metropolitan council does not prepare an annual ~~population~~ estimate, and shall communicate the ~~estimate~~ *estimates* to the governing body of each governmental subdivision by May 1 of each year.

Sec. 2. Minnesota Statutes 1982, section 273.138, subdivision 2, is amended to read:

Subd. 2. (a) *As provided in paragraphs (b) and (c), each county government, city and township shall receive reimbursement in 1978 1984 and subsequent years in an amount equal to based on the product of its total mill rate for taxes payable in the calendar year prior to the calendar year in which the aid is to be paid 1983, times the total 1972 assessed value of real property exempted from taxation by section 272.02, subdivision 1 which was located within the territory of such governmental unit the county, times 1.25. For the purpose of this subdivision, the "total mill rate" of a county government, city or township includes mill rates for taxes levied by such governmental*

~~unit the county~~ which were not levied on the entire taxable value of ~~such governmental unit the county~~.

(b) If the county contains a city of the first class, aid shall be paid in an amount equal to 50 percent of the amount computed pursuant to paragraph (a) in 1984, and no aid will be paid in 1985 and subsequent years.

(c) If the county does not contain a city of the first class, and if the product computed pursuant to paragraph (a) is \$50,000 or more for a county, aid shall be paid to that county in an amount equal to 90 percent of the amount computed pursuant to paragraph (a). If the product is less than \$50,000, no aid will be paid.

Sec. 3. Minnesota Statutes 1982, section 273.138, subdivision 3, is amended to read:

Subd. 3. *(a) As provided in paragraph (b), each school district shall receive reimbursement in 1974 1984 and subsequent years in an amount equal to based on the product of its 1972 assessed value of real property exempted from taxation by Laws 1973, Chapter 650, Article XXIV, Section 1, times the sum of its 1972 payable 1973 mill rates for the following levies:*

(1) A levy to pay the principal and interest on bonded indebtedness, including the levy to pay the principal and interest on bonds issued pursuant to Minnesota Statutes 1971, Section 275.125, Subdivision 3, Clause (6) (c);

(2) A levy to pay the principal and interest on debt service loans, pursuant to Minnesota Statutes 1971, Section 124.42;

(3) A levy to pay the principal and interest on capital loans, pursuant to Minnesota Statutes 1971, Section 124.43;

(4) A levy to pay amounts required in support of a teacher retirement fund, pursuant to Minnesota Statutes 1971, Section 422.13;

(5) A levy for additional maintenance cost in excess of 30 mills times the adjusted assessed valuation of the school district, pursuant to Minnesota Statutes 1971, Section 275.125, Subdivision 3, Clause (4).

For the purpose of this subdivision, a school district mill rate for any of the forementioned levies which was not applied to the total taxable value of such school district shall be added to the forementioned sum of mill rates as if it had been applied to the entire taxable value of the school district.

(b) If the product computed pursuant to paragraph (a) is more than or equal to an amount equal to \$10 per pupil unit of the district, aid shall be paid to that school district in an amount equal to 90 percent of the amount computed pursuant to paragraph (a). If the product is an amount less than \$10 per pupil unit, no aid will be paid.

Sec. 4. Minnesota Statutes 1982, section 273.138, subdivision 6, is amended to read:

Subd. 6. ~~If a county government, city or township is subject to the provisions of sections 275.50 to 275.56, the amount of aid calculated for such taxing district pursuant to subdivision 2 for 1976 shall be deducted from the taxing district's levy year 1975; taxes payable 1976 levy limit base determined pursuant to section 275.51, subdivision 3b and the amount of aid calculated for~~

such taxing district pursuant to subdivision 2 for 1977 shall be deducted from the taxing district's levy year 1976, taxes payable 1977 levy limit base determined pursuant to section 275.51, subdivision 3e for the purpose of calculating the taxing district's levy limitation for taxes payable in 1976 or 1977 as the case may be. The amount of aid calculated for a school district pursuant to subdivision 3, clauses (2), (3), (4), (5) and (6) for 1975 or a subsequent year shall be deducted from the school district's maintenance levy limitation established pursuant to section 275.125, subdivision 2a, in determining the amount of taxes the school district may levy for general and special purposes for taxes payable in 1975 or a subsequent year.

Sec. 5. Minnesota Statutes 1982, section 477A.011, is amended by adding a subdivision to read:

Subd. 3a. [NUMBER OF HOUSEHOLDS.] Number of households means the number of households established by the most recent federal census, by a special census conducted under contract with the United States bureau of the census, by an estimate made by the metropolitan council, or by an estimate of the state demographer made pursuant to section 116J.42, subdivision 7, whichever is the most recent as to the stated date of the count or estimate.

Sec. 6. Minnesota Statutes 1982, section 477A.011, subdivision 6, is amended to read:

Subd. 6. [~~CONSUMER PRICE INDEX~~ IMPLICIT PRICE DEFLATOR INCREASE.] For any calendar year aid distribution, the ~~consumer price index~~ implicit price deflator increase means the percentage increase in the revised consumer price index for all urban consumers for the Minneapolis - St. Paul metropolitan area implicit price deflator for government purchases of goods and services for state and local government prepared by the bureau of economic analysis of the United States department of labor commerce for the 12 month period ending in June of the previous year.

Sec. 7. Minnesota Statutes 1982, section 477A.011, subdivision 7, is amended to read:

Subd. 7. [LOCAL REVENUE BASE.] For the ~~1982~~ 1984 aid distribution, a municipality's local revenue base means its local revenue base for the sum of:

(a) (1) in the case of a municipality which had a local revenue base for the 1981 aid distribution, the 1981 aid distribution base calculated pursuant to Minnesota Statutes 1980, Section 477A.01, less any amount added to the local revenue base for the costs of principal and interest on bonded debt incurred for the purpose of providing capital replacement for streets, curbs, gutters, storm sewers, and bridges, ~~increased in the manner prescribed by clauses (a) and (b)-~~ multiplied by a factor of 1.208, and multiplied by a factor equal to the estimated 1981 population divided by the 1980 census population, provided that the latter factor is greater than 1.0; or

For all subsequent calendar year aid distributions, a municipality's local revenue base means its local revenue base for the previous year aid distribution calculated pursuant to sections 477A.011 to 477A.014 increased by:

(a) a percentage equal to the consumer price index increase; and

(b) a percentage equal to the percentage increase in population over that used

to compute the previous year aid distribution, if any.

The local revenue base for a statutory or home rule charter city or a town having the powers of a statutory city pursuant to section 368.01 or special law which has a population of 2,500 or more according to the most recent federal census and

(2) in the case of a municipality which ~~does did~~ not have a local revenue base for the ~~previous year~~ 1981 aid distribution shall be established by adding, the ~~prior year's~~ local government aid distribution received certified for 1983 pursuant to Minnesota Statutes 1980, Section 477A.01 or sections 477A.011 to 477A.014, and plus the property tax levy, exclusive of levies for bonded indebtedness, in the preceding year and multiplying that sum by a percentage equal to the consumer price index increase for taxes payable in 1983;

(b) the total amount certified in calendar year 1983 pursuant to Minnesota Statutes 1982, section 273.138; and

(c) the total amount certified in calendar year 1983 pursuant to Minnesota Statutes 1982, section 273.139, including any amount received by a district as defined by section 273.73, subdivision 9, or which qualifies for exemption pursuant to 273.78, which lies totally within the municipality, and including any amount which would have been received in 1983 pursuant to section 273.139 by a district as defined by section 273.73, subdivision 9, lying totally within the municipality, for a project approved by the Minnesota housing finance agency or the United States department of housing and urban development prior to March 1, 1983, had the project been completed and subject to taxation based upon full market value for taxes payable in 1983.

Any municipality whose payable 1983 levy exceeded its payable 1979 levy by a factor of ten, primarily because of a loss in state administered aids, may apply to the commissioner of revenue to have its local revenue base computed as if it did not have a local revenue base for the 1981 distribution. Applications shall be in the form and accompanied by the data required by the commissioner.

For 1985 and all subsequent calendar year aid distributions the local revenue base means the adjusted local revenue base used in the previous year aid distribution.

Sec. 8. Minnesota Statutes 1982, section 477A.011, is amended by adding a subdivision to read:

Subd. 7a. [ADJUSTED LOCAL REVENUE BASE.] Adjusted local revenue base means the local revenue base increased by:

(a) a percentage equal to the implicit price deflator increase; and

(b) a percentage equal to the percentage increase in population over that used to compute the previous year aid distribution, if any, or a percentage equal to the percentage increase in number of households over that used to compute the previous year aid distribution, if any, whichever is higher.

For the purposes of the 1984 aid distribution, the 1981 estimates of population and number of households shall be considered as the estimates used in the previous year aid distribution.

For the 1984 and 1985 aid distributions, the adjusted local revenue base of

a city that issued general obligation bonds in 1982 to pay for the construction or reconstruction of water wells which replaced a municipal water supply found to be an environmental health hazard by the state department of health shall be increased by one fourth of the amount of the bonds issued. This increase shall be disregarded in computing the local revenue base for the succeeding year aid distribution.

Sec. 9. Minnesota Statutes 1982, section 477A.011, subdivision 10, is amended to read:

Subd. 10. [~~MAXIMUM INCREASE AID AMOUNT.~~] For ~~any calendar year the 1984 aid distribution~~, a municipality's maximum ~~increase aid amount shall mean the following percentage of its previous year aid:~~

(a) 12 percent if its previous year aid is greater than \$100 per capita;

(b) 15 percent if its previous year aid is greater than \$75 per capita but not greater than \$100 per capita;

(c) 17 percent if its previous year aid is greater than \$50 per capita but not greater than \$75 per capita;

(d) 20 percent if its previous year aid is not greater than \$50 per capita *be 106 percent of the amount it was certified to receive in 1983 pursuant to sections 477A.011 to 477A.03, plus any amounts certified in 1983 pursuant to Minnesota Statutes 1982, sections 273.138 and 273.139, including any amount certified by a district as defined by section 273.73, subdivision 9, or which qualifies for exemption pursuant to section 273.78, which lies totally within the municipality, and including any amount which would have been received in 1983 pursuant to section 273.139 by a district as defined by section 273.73, subdivision 9, lying totally within the municipality, for a project approved by the Minnesota housing finance agency or the United States department of housing and urban development prior to March 1, 1983, had the project been completed and subject to taxation based upon full market value for taxes payable in 1983.*

For any subsequent calendar year aid distribution, a municipality's maximum aid amount shall be 106 percent of the amount received in the previous year pursuant to sections 477A.011 to 477A.03.

Sec. 10. Minnesota Statutes 1982, section 477A.012, is amended to read:

477A.012 [COUNTY GOVERNMENT DISTRIBUTIONS.]

In each calendar year, every county government ~~except that of a county containing a city of the first class shall receive a distribution equal to its previous year aid 60 percent of the aid amount certified for 1983 pursuant to sections 477A.011 to 477A.03.~~

Sec. 11. Minnesota Statutes 1982, section 477A.013, is amended to read:

477A.013 [MUNICIPAL GOVERNMENT DISTRIBUTIONS.]

Subdivision 1. [~~MUNICIPALITIES UNDER 2,500 POPULATION TOWNS.~~] In each calendar year, each municipality which is not covered by the provisions of subdivision 2 *town which has an average equalized mill rate of at least two mills shall receive a distribution equal to its previous year aid plus its minimum increase 50 percent of the amount received in 1983 pursuant*

to *Minnesota Statutes 1982, sections 273.138, 273.139, and 477A.011 to 477A.03.*

Subd. 2. [~~MUNICIPALITIES OVER 2,500 POPULATION CITIES AND TOWNS.~~] In each calendar year, each statutory and home rule charter city, and each town having the powers of a statutory city pursuant to section 368.01 or special law, which has a population of 2,500 or more according to the latest federal census shall receive a distribution equal to the amount obtained by subtracting the product of 10 mills and multiplied by the municipality's equalized assessed value from the *adjusted* local revenue base. This amount shall then be adjusted, so that it is neither less than the sum of its previous year aid and its minimum increase, nor greater than the sum of its previous year aid and its maximum increase.

An aid amount shall be computed in the same manner for all towns which have an average equalized mill rate of at least two mills. A town's final aid amount shall be determined by either the subdivision 1 or the subdivision 2 calculation, whichever is greater.

Subd. 3. [AID LIMITATION.] *The aid amount determined pursuant to subdivision 2 shall be limited so that it is not greater than the municipality's maximum aid amount.*

Sec. 12. [477A.0131] [MAXIMUM AID REDUCTION.]

Subdivision 1. No home rule charter or statutory city shall receive a distribution in any calendar year pursuant to sections 477A.011 to 477A.03 that is less than the sum of the amounts certified in the previous calendar year pursuant to sections 477A.011 to 477A.03, section 273.139, and section 273.138, by more than an amount equal to three-quarters of one mill times the unit's equalized assessed value.

Subd. 2. *Of the \$246,200,000 appropriated for distribution to cities for calendar year 1984, an amount not to exceed \$6,400,000 may be used for the purposes of this section. Payments shall be made in the manner prescribed in section 477A.015. In the event that this appropriation is not sufficient, aid amounts determined pursuant to this section shall be proportionally reduced.*

Sec. 13. *Minnesota Statutes 1982, section 477A.014, subdivision 1, is amended to read:*

Subdivision 1. [CALCULATIONS AND PAYMENTS.] *The commissioner of revenue shall make all necessary calculations and make payments pursuant to sections 477A.012, 477A.013 and 477A.03 directly to the affected taxing authorities annually. In addition, the commissioner shall notify the authorities of their aid amounts, as well as the computational factors used in making the calculations for their authority, and those statewide total figures that are pertinent, before August 15 of the year preceding the aid distribution year.*

Sec. 14. [477A.017] [UNIFORM FINANCIAL ACCOUNTING AND REPORTING SYSTEM.]

Subdivision 1. [PURPOSE.] *Sections 477A.011 to 477A.03 are designed to provide property tax relief to local units of government. In order for the legislature to determine the amounts of relief necessary each year, the legislature must have uniform and current financial information from the gov-*

ernmental units which receive aid distributions. This section is intended to provide that information.

Subd. 2. [STATE AUDITOR'S DUTIES.] The state auditor shall prescribe uniform financial accounting and reporting standards in conformity with national standards to be applicable to cities of more than 2,500 population and uniform reporting standards to be applicable to cities of less than 2,500 population.

Subd. 3. [CONFORMITY.] Other law to the contrary notwithstanding, in order to receive distributions under sections 477A.011 to 477A.03, counties and cities must conform to the standards set in subdivision 2 in making all financial reports required to be made to the state auditor after June 30, 1984.

Sec. 15. Minnesota Statutes 1982, section 477A.03, subdivision 2, is amended to read:

Subd. 2. [LIMITATION ON APPROPRIATION; PROPORTIONATE REDUCTION.] The amount appropriated under subdivision 1 for distributions to towns pursuant to section 477A.013 shall not exceed ~~\$240,725,464~~ \$8,750,000 for calendar year 1982 and the amount appropriated for distribution to cities pursuant to section 477A.013 shall not exceed ~~\$270,561,978~~ \$246,200,000 for calendar year ~~1983~~ 1984. If the limitations contained in this subdivision result in a reduction in the amounts determined pursuant to sections ~~477A.012 and section~~ 477A.013, subdivision 2, each governmental unit city receiving local government aid shall have its distribution proportionally reduced, but no local government unit shall receive less aid than its previous year aid in proportion to the amounts determined pursuant to section 477A.013, subdivision 2, before the limitation of section 477A.013, subdivision 3, is taken into account. If the limitations contained in this subdivision result in a reduction in the amounts determined pursuant to section 477A.013, subdivision 1, each town receiving local government aid shall have its distribution reduced in proportion to the amounts determined pursuant to section 477A.013, subdivision 1 or 2, before the limitation of section 477A.013, subdivision 3, is taken into account.

Sec. 16. [REPEALER.]

Minnesota Statutes 1982, sections 273.138, subdivisions 1 and 4; 273.139; and 477A.011, subdivisions 8 and 9, are repealed.

Sec. 17. [EFFECTIVE DATE.]

Sections 2 to 12 and 14 to 17 are effective January 1, 1984. Sections 1 and 13 are effective July 1, 1983.

ARTICLE 6

SALES AND EXCISE TAXES

Section 1. Minnesota Statutes 1982, section 270.60, is amended to read:

270.60 [TAX REFUND AGREEMENTS WITH INDIANS.]

The commissioner of revenue is authorized to enter into a tax refund agreement with the governing body of any Sioux or Chippewa reservation in Minnesota. The agreement may provide for a mutually agreed upon amount as a refund to the governing body of any sales or excise tax paid by the

Indian residents of a reservation into the state treasury ~~after June 14, 1976, or for an amount which measures the economic value of an agreement by the council to pay the equivalent of the state sales tax on items included in the sales tax base but exempt on the reservation, notwithstanding any other law which limits the refundment of taxes.~~

There is annually appropriated from the general fund to the commissioner of revenue the amounts necessary to make the refunds provided in this section.

Sec. 2. Minnesota Statutes 1982, section 296.18, subdivision 1, is amended to read:

Subdivision 1. [GASOLINE OR SPECIAL FUEL USED IN OTHER THAN MOTOR VEHICLES.] Any person who shall buy and use gasoline for any purpose other than use in motor vehicles or, snowmobiles, or motor-boats, or special fuel for any purpose other than use in licensed motor vehicles, and who shall have paid the excise tax directly or indirectly through the amount of the tax being included in the price of the gasoline or special fuel, or otherwise, shall be eligible to receive the credit provided in section 290.06, subdivision 13, in the amount of the tax paid by him. The taxpayer claiming this credit shall include with his income tax return information including the total amount of the gasoline so purchased and used by him other than in motor vehicles, or special fuel so purchased and used by him other than in licensed motor vehicles, and shall state when and for what purpose it was used. The words "gasoline" or "special fuel" as used in this subdivision do not include aviation gasoline or special fuel for aircraft.

Sec. 3. Minnesota Statutes 1982, section 296.421, subdivision 5, is amended to read:

Subd. 5. [COMPUTATION OF UNREFUNDED TAX.] The amount of unrefunded tax shall be a sum equal to three-fourths of one percent of all revenues derived from the excise taxes on gasoline, except on gasoline used for aviation purposes, together with interest thereon and penalties for delinquency in payment, paid or collected pursuant to the provisions of sections 296.02 to 296.17; ~~from which shall be subtracted the total amount of money refunded for motor boat use pursuant to section 296.18.~~ The amount of such tax shall be computed for each six-month period commencing January 1, 1961, and shall be paid into the state treasury on November 1 and June 1 following each six-month period.

Sec. 4. Minnesota Statutes 1982, section 297A.02, as amended by Laws 1982, Third Special Session chapter 1, article VI, section 2, is amended to read:

297A.02 [IMPOSITION OF TAX.]

Subdivision 1. [GENERALLY.] Except as otherwise provided in this chapter, there is hereby imposed an excise tax of ~~five~~ six percent of the gross receipts from sales at retail; ~~as hereinbefore defined, made by any person in this state, except that for sales at retail made after December 31, 1982 and prior to July 1, 1983 the rate shall be six percent.~~

Subd. 2. [FARM MACHINERY.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed upon sales of farm machinery

shall be four percent.

Subd. 3. [LIQUOR AND BEER SALES.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed upon sales of intoxicating liquor, as defined in section 340.07, subdivision 2, and non-intoxicating malt liquor, as defined in section 340.001, subdivision 2, shall be 8.5 percent. Non-intoxicating malt liquor is subject to taxation under this subdivision only when sold at a on-sale or off-sale municipal liquor store or other establishment licensed to sell any type of intoxicating liquor.

Sec. 5. Minnesota Statutes 1982, section 297A.03, subdivision 2, as amended by Laws 1982, Third Special Session chapter 1, article VI, section 3, is amended to read:

Subd. 2. It shall be unlawful for any retailer to advertise or hold out or state to the public or any customer, directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the retailer, or that it will not be added to the sales price or that, if added, it or any part thereof will be refunded except that in computing the tax to be collected as the result of any transaction amounts of tax less than one-half of one cent may be disregarded and amounts of tax if one-half cent or more may be considered an additional cent. If the sales price of any sale at retail is ~~nine cents or less~~, or if the sales price of any sale at retail made after December 31, 1982 and prior to July 1, 1983, is eight cents or less, no tax shall be collected. Any person violating this provision shall be guilty of a misdemeanor.

Sec. 6. Minnesota Statutes 1982, section 297A.14, as amended by Laws 1982, Third Special Session chapter 1, article VI, section 4, is amended to read:

297A.14 [USING, STORING OR CONSUMING TANGIBLE PERSONAL PROPERTY; ADMISSIONS; UTILITIES.]

For the privilege of using, storing or consuming in Minnesota tangible personal property, tickets or admissions to places of amusement and athletic events, electricity, gas, and local exchange telephone service purchased for use, storage or consumption in this state, there is ~~hereby~~ imposed on every person in this state a use tax at the rate of ~~five six~~ percent of the sales price of sales at retail of any of the aforementioned items ~~made to such person~~ unless the tax imposed by section 297A.02 was paid on the sales price, ~~except that for sales at retail of any of the aforementioned items made after December 31, 1982 and prior to July 1, 1983 the rate shall be six percent.~~ Notwithstanding the provisions of this paragraph, the rate of the use tax imposed upon the sales price of sales of farm machinery shall be four percent.

A motor ~~vehicles~~ vehicle subject to tax under this section shall be taxed at ~~the its~~ fair market value at the time of transport into Minnesota if ~~such the~~ motor ~~vehicles were~~ vehicle was acquired more than three months prior to its transport into this state.

~~Notwithstanding any other provisions of sections 297A.01 to 297A.44 to the contrary, the cost of paper and ink products exceeding \$100,000 in any calendar year, used or consumed in producing a publication as defined in section 297A.25, subdivision 1, clause (4) is subject to the tax imposed by this section.~~

Sec. 7. Minnesota Statutes 1982, section 297A.25, subdivision 1, is

amended to read:

Subdivision 1. The following are specifically exempted from the taxes imposed by sections 297A.01 to 297A.44:

(a) The gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products, and food products which are not taxable pursuant to section 297A.01, subdivision 3, clause (c) and which are sold by a retailer, organized as a nonprofit corporation or association, within a place located on property owned by the state or an agency or instrumentality of the state, the entrance to which is subject to an admission charge. This exemption does not include the following:

(i) candy and candy products;

(ii) carbonated beverages, beverages commonly referred to as soft drinks containing less than 15 percent fruit juice, or bottled water other than non-carbonated and noneffervescent bottled water sold in individual containers of ~~one~~ *one-half* gallon or more in size;

(b) The gross receipts from the sale of prescribed drugs and medicine intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings and products consumed by humans for the preservation of health, including prescription glasses, therapeutic and prosthetic devices, but not including cosmetics or toilet articles notwithstanding the presence of medicinal ingredients therein;

(c) The gross receipts from the sale of and the storage, use or other consumption in Minnesota of tangible personal property, tickets, or admissions, electricity, gas, or local exchange telephone service, which under the Constitution or laws of the United States or under the Constitution of Minnesota, the state of Minnesota is prohibited from taxing;

(d) The gross receipts from the sale of tangible personal property (i) which, without intermediate use, is shipped or transported outside Minnesota by the purchaser and thereafter used in a trade or business or is stored, processed, fabricated or manufactured into, attached to or incorporated into other tangible personal property transported or shipped outside Minnesota and thereafter used in a trade or business outside Minnesota, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce (storage shall not constitute intermediate use); provided that the property is not subject to tax in that state or country to which it is transported for storage or use, or, if subject to tax in that other state, that state allows a similar exemption for property purchased therein and transported to Minnesota for use in this state; except that sales of tangible personal property that is shipped or transported for use outside Minnesota shall be taxed at the rate of the use tax imposed by the state to which the property is shipped or transported, unless that state has no use tax, in which case the sale shall be taxed at the rate generally imposed by this state; and provided further that sales of tangible personal property to be used in other states or countries as part of a maintenance contract shall be specifically exempt; or

(ii) which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(e) The gross receipts from the sale of packing materials used to pack and ship household goods, the ultimate destination of which is outside the state of Minnesota and which are not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(f) The gross receipts from the sale of and storage, use or consumption of petroleum products upon which a tax has been imposed under the provisions of chapter 296, whether or not any part of said tax may be subsequently refunded;

(g) The gross receipts from the sale of clothing and wearing apparel except the following:

(i) all articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semi-precious stones, and imitations thereof; articles made of, or ornamented, mounted or fitted with precious metals or imitations thereof; watches; clocks; cases and movements for watches and clocks; gold, gold-plated, silver, or sterling flatware or hollow ware and silver-plated hollow ware; opera glasses; lorgnettes; marine glasses; field glasses and binoculars.

(ii) articles made of fur on the hide or pelt, and articles of which such fur is the component material or chief value, but only if such value is more than three times the value of the next most valuable component material.

(iii) perfume, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, aromatic cachous and toilet powders. The tax imposed by this act shall not apply to lotion, oil, powder, or other article intended to be used or applied only in the case of babies.

(iv) trunks, valises, traveling bags, suitcases, satchels, overnight bags, hat boxes for use by travelers, beach bags, bathing suit bags, brief cases made of leather or imitation leather, salesmen's sample and display cases, purses, handbags, pocketbooks, wallets, billfolds, card, pass, and key cases and toilet cases.

(h) The gross receipts from the sale of and the storage, use, or consumption of all materials, including chemicals, fuels, petroleum products, lubricants, packaging materials, including returnable containers used in packaging food and beverage products, feeds, seeds, fertilizers, electricity, gas and steam, used or consumed in agricultural or industrial production of personal property intended to be sold ultimately at retail, whether or not the item so used becomes an ingredient or constituent part of the property produced. Such production shall include, but is not limited to, research, development, design or production of any tangible personal property, manufacturing, processing (other than by restaurants and consumers) of agricultural products whether vegetable or animal, commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering,

generating electricity and the production of road building materials. Such production shall not include painting, cleaning, repairing or similar processing of property except as part of the original manufacturing process. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures, used in such production and fuel, electricity, gas or steam used for space heating or lighting, are not included within this exemption; however, accessory tools, equipment and other short lived items, which are separate detachable units used in producing a direct effect upon the product, where such items have an ordinary useful life of less than 12 months, are included within the exemption provided herein;

(i) The gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property (except as provided in section 297A.14) which is used or consumed in producing any publication regularly issued at average intervals not exceeding three months, and any such publication. For purposes of this subsection, "publication" as used herein shall include, without limiting the foregoing, a legal newspaper as defined by Minnesota Statutes 1965, Section 331.02, and any supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall be deemed to be engaging in a service with respect to gross receipts realized from such newsgathering or publishing activities by them, including the sale of advertising. *The term "publication" shall not include magazines and periodicals sold over the counter.* Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt;

(j) The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities or a state and its agencies, instrumentalities and political subdivisions;

(k) The gross receipts from the isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale;

(l) The gross receipts from sales of rolling stock and the storage, use or other consumption of such property by railroads, freight line companies, sleeping car companies and express companies taxed on the gross earnings basis in lieu of ad valorem taxes. For purposes of this clause "rolling stock" is defined as the portable or moving apparatus and machinery of any such company which moves on the road, and includes, but is not limited to, engines, cars, tenders, coaches, sleeping cars and parts necessary for the repair and maintenance of such rolling stock.

(m) The gross receipts from sales of airlift equipment and the storage, use or other consumption of such property by airline companies taxed under the provisions of sections 270.071 to 270.079. For purposes of this clause,

“airflight equipment” includes airplanes and parts necessary for the repair and maintenance of such airflight equipment, and flight simulators.

(n) The gross receipts from the sale of telephone central office telephone equipment used in furnishing intrastate and interstate telephone service to the public.

(o) The gross receipts from the sale of and the storage, use or other consumption by persons taxed under the in lieu provisions of chapter 298, of mill liners, grinding rods and grinding balls which are substantially consumed in the production of taconite, the material of which primarily is added to and becomes a part of the material being processed.

(p) The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders;

(q) The gross receipts from the sale of caskets and burial vaults;

(r) The gross receipts from the sale of an automobile or other conveyance if the purchaser is assisted by a grant from the United States in accordance with 38 United States Code, Section 1901, as amended.

(s) The gross receipts from the sale to the licensed aircraft dealer of an aircraft for which a commercial use permit has been issued pursuant to section 360.654, if the aircraft is resold while the permit is in effect.

(t) The gross receipts from the sale of building materials to be used in the construction or remodeling of a residence when the construction or remodeling is financed in whole or in part by the United States in accordance with 38 United States Code, Sections 801 to 805, as amended. This exemption shall not be effective at time of sale of the materials to contractors, subcontractors, builders or owners, but shall be applicable only upon a claim for refund to the commissioner of revenue filed by recipients of the benefits provided in Title 38 United States Code, Chapter 21, as amended. The commissioner shall provide by regulation for the refund of taxes paid on sales exempt in accordance with this paragraph.

(u) The gross receipts from the sale of textbooks which are prescribed for use in conjunction with a course of study in a public or private school, college, university and business or trade school to students who are regularly enrolled at such institutions. For purposes of this clause a “public school” is defined as one that furnishes course of study, enrollment and staff that meets standards of the state board of education and a private school is one which under the standards of the state board of education, provides an education substantially equivalent to that furnished at a public school. Business and trade schools shall mean such schools licensed pursuant to section 141.25.

(v) The gross receipts from the sale of and the storage of material designed

to advertise and promote the sale of merchandise or services, which material is purchased and stored for the purpose of subsequently shipping or otherwise transferring outside the state by the purchaser for use thereafter solely outside the state of Minnesota.

(w) The gross receipt from the sale of residential heating fuels in the following manner:

(i) all fuel oil, coal, wood, steam, propane gas, and L.P. gas sold to residential customers for residential use;

(ii) natural gas sold for residential use to customers who are metered and billed as residential users and who use natural gas for their primary source of residential heat, for the billing months of November, December, January, February, March and April;

(iii) electricity sold for residential use to customers who are metered and billed as residential users and who use electricity for their primary source of residential heat, for the billing months of November, December, January, February, March and April.

(x) The gross receipts from the sale or use of tickets or admissions to the premises of or events sponsored by an association, corporation or other group of persons which provides an opportunity for citizens of the state to participate in the creation, performance or appreciation of the arts and which qualifies as a tax-exempt organization within the meaning of section 290.05, subdivision 1, clause (i).

(y) The gross receipts from either the sales to or the storage, use or consumption of tangible personal property by an organization of military service veterans or an auxiliary unit of an organization of military service veterans, provided that:

(i) the organization or auxiliary unit is organized within the state of Minnesota and is exempt from federal taxation pursuant to section 501(c), clause (19), of the Internal Revenue Code as amended through December 31, 1978; and

(ii) the tangible personal property which is sold to or stored, used or consumed by the organization or auxiliary unit is for charitable, civic, educational, or nonprofit uses and not for social, recreational, pleasure or profit uses.

(z) The gross receipts from the sale of sanitary napkins, tampons, or similar items used for feminine hygiene.

Sec. 8. Minnesota Statutes 1982, section 297A.35, subdivision 3, is amended to read:

Subd. 3. A person who has paid an amount of tax to a retailer engaged in providing electricity in respect to the purchase for agricultural production of electricity which is exempt from tax under section 297A.25, subdivision 1, clause (h) may file a claim for refund of ~~such~~ the tax with the commissioner, notwithstanding any other provision of this chapter. ~~Such claim for refund shall be made pursuant to section 290.501.~~

Sec. 9. Minnesota Statutes 1982, section 297B.01, subdivision 8, is amended to read:

Subd. 8. "Purchase price" means the total consideration valued in money for a sale, whether paid in money or otherwise, provided however, that when a motor vehicle is taken in trade as a credit or as part payment on a motor vehicle taxable under Laws 1971, Chapter 853, the credit or trade-in value allowed by the person selling the motor vehicle shall be deducted from the total selling price to establish the purchase price of the vehicle being sold and the trade-in allowance allowed by the seller shall constitute the purchase price of the motor vehicle accepted as a trade-in. The purchase price in those instances where the motor vehicle is acquired by gift or by any other transfer for a nominal or no monetary consideration shall also include the average value of similar motor vehicles, established by standards and guides as determined by the motor vehicle registrar. The purchase price in those instances where a motor vehicle is manufactured by a person who registers it under the laws of this state shall mean the manufactured cost of such motor vehicle and manufactured cost shall mean the amount expended for materials, labor and other properly allocable costs of manufacture, except that in the absence of actual expenditures for the manufacture of a part or all of the motor vehicle, manufactured costs shall mean the reasonable value of the completed motor vehicle. The term "purchase price" shall not include the transfer of a motor vehicle by way of gift between a husband and wife or parent and child, nor shall it include the transfer of a motor vehicle by a guardian to his ward when there is no monetary consideration and the title to such vehicle was registered in the name of the guardian, as guardian, only because the ward was a minor. *There shall not be included in "purchase price" the amount of any tax imposed by the United States upon or with respect to retail sales whether imposed upon the retailer or the consumer.*

Sec. 10. Minnesota Statutes 1982, section 297B.02, as amended by Laws 1982, Third Special Session chapter 1, article VI, section 5, is amended to read:

297B.02 [TAX IMPOSED.]

There is ~~hereby~~ imposed an excise tax at the rate of ~~five percent~~ provided in chapter 297A on the purchase price of any motor vehicle purchased or acquired, either in or outside of the state of Minnesota, which is required to be registered under the laws of this state.

Sec. 11. [297B.031] [REFUND OF TAX; MANDATORY REFUND OR REPLACEMENT LAWS.]

If a manufacturer of motor vehicles is required by Laws 1983, chapter 108, section 1, subdivision 3, to refund the tax imposed by this chapter, a portion of the tax paid by the purchaser shall be refunded to the manufacturer. The amount of the refund shall be the tax paid by the purchaser less an amount equal to the tax paid multiplied by a fraction, the denominator of which is the purchase price of the vehicle and the numerator of which is the allowance deducted from the refund for the consumer's use of the vehicle. The refund shall be paid to the manufacturer only upon filing of a written application, in a form and providing information as prescribed by the commissioner. Payment of a refund pursuant to this section shall be made out of the general and highway user funds in the same proportion provided for deposit of tax proceeds for the fiscal year pursuant to section 297B.09, subdivision 1. The amounts necessary to pay the refunds are appropriated out of the respective

funds.

Sec. 12. [TRANSITION PROVISION.]

The increase in the excise tax on the purchase price of motor vehicles provided by section 10 for sales made after June 30, 1983 shall not apply to the purchase price of a motor vehicle, purchased or acquired pursuant to a bona fide written contract which (a) was executed prior to the day following final enactment of this law, (b) was enforceable prior to July 1, 1983, and (c) did not provide for the allocation of future taxes. This section shall not apply if delivery of the motor vehicle is accepted after December 31, 1983.

Sec. 13. [REPEALER.]

Minnesota Statutes 1982, section 340.986, is repealed.

Sec. 14. [EFFECTIVE DATE.]

Sections 2 and 3 are effective for taxable years beginning after December 31, 1982. Sections 4 to 10 and 12 are effective for sales made after June 30, 1983. Sections 1 and 11 are effective the day following final enactment.

ARTICLE 7

CASH FLOW

Section 1. Minnesota Statutes 1982, section 124.11, subdivision 2a, is amended to read:

Subd. 2a. (a) Through the 1981-1982 school year, ninety percent of the estimated post-secondary vocational instructional aid shall be paid to each district in 12 equal monthly payments on the 15th of each month. The estimated aid payments shall be paid on the basis of the department of education's estimates of the current year's average daily membership adjusted for the latest available information in November, February and May. The final payment, adjusted to reflect the actual average daily membership, shall be made in September of the following fiscal year.

(b) Beginning in For the 1982-1983 school year, eighty-five percent of the estimated post-secondary vocational instructional aid shall be paid to each district in 12 equal monthly payments on the 15th of each month. The estimated aid payments shall be paid on the basis of the department of education's estimates of the current year's average daily membership adjusted for the latest available information in November, February and May. The final payment, adjusted to reflect the actual average daily membership, shall be made in September of the following fiscal year.

Sec. 2. Minnesota Statutes 1982, section 124.11, subdivision 2b, is amended to read:

Subd. 2b. (a) Through the 1981-1982 school year, post-secondary vocational supply aid and support services aid shall be paid to districts in equal installments on or before August 1, November 1, February 1, and May 1 of each year. Eighty percent of post-secondary vocational equipment aid and repair and betterment aid shall be paid to districts on or before August 1 of each year. The remaining 20 percent of post-secondary vocational equipment aid and repair and betterment aid shall be paid to districts by May 1 of each year.

(b) Beginning in For the 1982-1983 school year, the state shall pay to

districts 25 percent of post-secondary vocational supply aid and support services aid by August 1, 20 percent by November 1, 20 percent by February 1, and 20 percent by May 1 of each school year. Eighty-five percent of post-secondary vocational equipment aid and repair and betterment aid shall be paid to districts by August 1 of each year. The final aid distribution shall be made by October 31 of the following fiscal year.

Sec. 3. [124.195] [PAYMENT OF AIDS AND CREDITS TO SCHOOL DISTRICTS.]

Subdivision 1. [APPLICABILITY.] This section applies to all aids or credits paid by the commissioner of education from the general fund of the state of Minnesota to school districts except as provided in section 4. The procedures described in this section for making disbursements to school districts will be used starting in fiscal year 1984, except that for districts that have tax anticipation certificates or aid anticipation certificates which were sold prior to June 30, 1983, and which mature prior to June 30, 1984, the payment schedules specified in Minnesota Statutes 1982 may continue to be used in fiscal year 1984 if the school district provides evidence to the commissioner of education that the payment schedules established in this section would jeopardize repayment of these certificates or prevent the district from making payments for other services without additional borrowing.

Subd. 2. [DEFINITIONS.] (a) The term "other district receipts" means payments by county treasurers pursuant to section 276.10, apportionments from the school endowment fund pursuant to section 124.09, apportionments by the county auditor pursuant to section 124.10, subdivision 2, and payments to school districts by the commissioner of revenue pursuant to sections 294.21 to 294.26 and chapter 298.

(b) The term "cumulative amount guaranteed" means the sum of the following:

(1) one-third of the final adjustment payment according to subdivision 6; plus

(2) the product of

(i) the cumulative disbursement percentage shown in subdivision 3; times

(ii) the sum of

85 percent of the estimated aid and credit entitlements paid according to subdivision 10; plus

100 percent of the entitlements paid according to subdivisions 8 and 9; plus the other district receipts; plus

the final adjustment payment according to subdivision 6.

Subd. 3. [PAYMENT DATES AND PERCENTAGES.] Beginning in fiscal year 1984 and thereafter, the commissioner of education shall pay to a school district on the dates indicated an amount computed as follows: the cumulative amount guaranteed minus the sum of (a) the district's other district receipts through the current payment, and (b) the aid and credit payments through the immediately preceding payment. For purposes of this computation, the payment dates and the cumulative disbursement percent-

ages are as follows:

	<i>Payment date</i>	<i>Percentage</i>
<i>Payment 1</i>	<i>First business day prior to July 15:</i>	2.25
<i>Payment 2</i>	<i>First business day prior to July 30:</i>	4.50
<i>Payment 3</i>	<i>First business day prior to August 15:</i>	6.75
<i>Payment 4</i>	<i>First business day prior to August 30:</i>	9.0
<i>Payment 5</i>	<i>First business day prior to September 15: the greater of (a) one-half of the final adjustment for the prior fiscal year for the state paid property tax credits established in section 273.1392, or (b) the amount needed to provide 12.75 percent</i>	
<i>Payment 6</i>	<i>First business day prior to September 30: the greater of (a) one-half of the final adjustment for the prior fiscal year for the state paid property tax credits established in section 273.1392, or (b) the amount needed to provide 16.5 percent</i>	
<i>Payment 7</i>	<i>First business day prior to October 15: the greater of (a) one-half of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits, or (b) the amount needed to provide 20.75 percent</i>	
<i>Payment 8</i>	<i>First business day prior to October 30: the greater of (a) one-half of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits, or (b) the amount needed to provide 25.0 percent</i>	
<i>Payment 9</i>	<i>First business day prior to November 15:</i>	31.0
<i>Payment 10</i>	<i>First business day prior to November 30:</i>	37.0
<i>Payment 11</i>	<i>First business day prior to December 15:</i>	40.0
<i>Payment 12</i>	<i>First business day prior to December 30:</i>	43.0
<i>Payment 13</i>	<i>First business day prior to January 15:</i>	47.25
<i>Payment 14</i>	<i>First business day prior to January 30:</i>	51.5
<i>Payment 15</i>	<i>First business day prior to February 15:</i>	56.0
<i>Payment 16</i>	<i>First business day prior to February 28:</i>	60.5
<i>Payment 17</i>	<i>First business day prior to March 15:</i>	65.25
<i>Payment 18</i>	<i>First business day prior to March 30:</i>	70.0
<i>Payment 19</i>	<i>First business day prior to April 15:</i>	74.0
<i>Payment 20</i>	<i>First business day prior to April 30:</i>	85.0
<i>Payment 21</i>	<i>First business day prior to May 15:</i>	92.0
<i>Payment 22</i>	<i>First business day prior to May 30:</i>	100.0

Subd. 4. [PAYMENT LIMIT.] Subdivision 3 does not authorize the commissioner of education to pay to a district's operating funds an amount of state general fund cash that exceeds the sum of:

(a) its estimated aid and credit payments for the current year according to subdivision 10;

(b) its actual aid payments according to subdivisions 8 and 9; and

(c) *the final adjustment payment for the prior year.*

Subd. 5. [COMMISSIONER'S ASSUMPTIONS.] For purposes of determining the amount of state general fund cash to be paid to school districts pursuant to subdivision 3, the commissioner of education shall:

(a) assume that the payments to school districts by the county treasurer of revenues accruing to the fiscal year of receipt pursuant to section 276.10 are made in the following manner:

(1) 50 percent within seven business days of each due date; and

(2) 100 percent within 14 business days of each due date;

(b) assume that the payments to school districts by county auditors pursuant to section 124.10, subdivision 2 are made at the end of the months indicated in that subdivision.

Subd. 6. [FINAL ADJUSTMENT PAYMENT.] For all aids and credits paid according to subdivision 10, the final adjustment payment shall include the amounts necessary to pay the district's full aid entitlement for the prior year based on actual data. This payment shall be used to correct all estimates used for the payment schedule in subdivision 3. The payment shall be made in two installments, during September or October, as specified in subdivision 3. In the event actual data are not available, the final adjustment payment may be computed based on estimated data. A corrected final adjustment payment shall be made when actual data are available.

Subd. 7. [PAYMENTS TO SCHOOL NONOPERATING FUNDS.] Beginning in fiscal year 1984, state general fund payments to school nonoperating funds shall be made at 85 percent of the estimated entitlement during the fiscal year of the entitlement. This amount shall be paid in 12 equal monthly installments. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement shall be paid prior to October 31 of the following school year.

Subd. 8. [PAYMENT PERCENTAGE FOR REIMBURSEMENT AIDS.] The following aids shall be paid at 100 percent of the entitlement for the prior fiscal year: special education summer foundation aid according to section 124.201; abatement aid according to section 124.214, subdivision 2; special education residential aid according to section 124.32, subdivision 5; special education summer school aid, according to section 124.32, subdivision 10; veterans farm management aid, according to section 124.625; early retirement aid according to section 125.611; and extended leave and part-time teacher aids according to chapters 354 and 354A.

Subd. 9. [PAYMENT PERCENTAGE FOR CERTAIN AIDS.] The following aids shall be paid at 100 percent of the entitlement for the current fiscal year: school lunch aid, according to section 124.646; teacher institute aid, campus laboratory school aid, and high technology aids.

Subd. 10. [AID PAYMENT PERCENTAGE.] Except as provided in subdivisions 8 and 9, beginning in fiscal year 1984, all education aids and credits in chapters 121, 123, 124, 125, and 273.1392, except post-secondary vocational shall be paid at 85 percent of the estimated entitlement during the fiscal year of the entitlement. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of

the entitlement shall be paid as the final adjustment payment according to subdivision 6.

Sec. 4. [124.5628] [PAYMENT OF AVTI INSTRUCTIONAL AID.]

Beginning for the 1983-1984 school year, 85 percent of the estimated post-secondary vocational instructional aid entitlement for each district shall be paid during the fiscal year of entitlement in 24 uniform payments on the first business day prior to the 15th of each month and on the first business day prior to the last day of each month.

The amount of entitlement, adjusted for actual data on tuition and fund balances, minus the payments made during the fiscal year of entitlement, shall be the final adjustment paid to each district in two payments on September 15 and September 30 in the fiscal year following entitlement.

Sec. 5. Minnesota Statutes 1982, section 273.1392, is amended to read:

273.1392 [PAYMENT; AIDS TO SCHOOL DISTRICTS.]

The amounts of homestead credit under section 273.13, subdivisions 6, 7, and 14a; wetlands credit and reimbursement under section 273.115; native prairie credit and reimbursement under section 273.116; *disaster or emergency reimbursement under section 273.123*; attached machinery aid under section 273.138; reimbursement under section 273.139; and metropolitan agricultural preserve ~~credit~~ *reduction* under section 473H.10, shall be certified to the department of education by the department of revenue. The amounts so certified shall be paid according to the schedule for payment of foundation aids pursuant to section 124.11 *for fiscal year 1983*. ~~The sum sufficient to make the payments required by this section is appropriated from the general fund to the commissioner of education~~ *Beginning in fiscal year 1984, the amounts so certified shall be paid according to section 3, subdivisions 6 and 10.*

Sec. 6. Minnesota Statutes 1982, section 276.09, is amended to read:

276.09 [SETTLEMENT BETWEEN AUDITOR AND TREASURER.]

On the fifth day of March and the 20th day of ~~March, June, and November~~ May, and October of each year, the county treasurer shall make full settlement with the county auditor of all receipts collected by him for all purposes, from the date of the last settlement up to and including each day mentioned. The county auditor shall, within 30 days after each settlement, send an abstract of same to the state auditor in the form prescribed by the state auditor. At each settlement the treasurer shall make complete returns of the receipts on the current tax list, showing the amount collected on account of the several funds included in the list.

For purposes of this section, "receipts" shall include all tax payments received by the county treasurer on or before the settlement date.

Sec. 7. Minnesota Statutes 1982, section 276.10, is amended to read:

276.10 [APPORTIONMENT AND DISTRIBUTION OF FUNDS.]

On the settlement day in March, ~~June, and November~~ May and October of each year, the county auditor and county treasurer shall distribute all undistributed funds in the treasury, apportioning them, as provided by law, and

placing them to the credit of the state, town, city, school district, special district and each county fund. Within 20 days after the distribution is completed, the county auditor shall make a report of it to the state auditor in the form prescribed by the state auditor. The county auditor shall issue his warrant for the payment of moneys in the county treasury to the credit of the state, town, city, school district, or special districts on application of the persons entitled to receive them.

Sec. 8. Minnesota Statutes 1982, section 276.11, is amended to read:

276.11 [WHEN TREASURER SHALL PAY FUNDS.]

As soon as practical after each settlement in ~~March, June, and November~~ the county treasurer shall pay over to the state treasurer or the treasurer of any town, city, school district, or special district, on the warrant of the county auditor, all receipts arising from taxes levied by and belonging to the state, or to such municipal corporation, or other body, and deliver up all orders and other evidences of indebtedness of such municipal corporation or other body, taking triplicate receipts therefor. The treasurer shall file one of the receipts with the county auditor, and shall return one by mail on the day of its reception to the clerk of the town, city, school district, or special district to which payment was made. The clerk shall preserve the receipt in the clerk's office. Upon written request of the state, a municipal corporation or other public body, the county treasurer shall, to the extent practicable, make partial payments of amounts collected periodically in advance of the next settlement and distribution. Accompanying each payment shall be a statement prepared by the county treasurer designating the years for which taxes included in the payment were collected and, for each year, the amount of the taxes and any penalties thereon. The county treasurer shall pay, upon written request of the state, a municipal corporation or other public body except school districts, at least 70 percent of the estimated collection within 30 days after the settlement date. Within ~~15~~ *seven business days* after the ~~settlement due~~ date, the county treasurer shall pay to the treasurer of the school districts ~~at least 70~~ *50* percent of the estimated collections arising from taxes levied by and belonging to the school district *and the remaining 50 percent of the estimated collections shall be paid to the treasurer of the school district within the next seven business days.* The treasurer shall pay the balance of the amounts collected to the state or to a municipal corporation or other body within 60 days after the settlement date, provided, however, that after 45 days interest shall accrue at a rate of eight percent per annum to the credit of and shall be paid to the state, municipal corporation or other body. Interest shall be payable upon appropriation from the general revenue fund of the county and, if not paid, may be recovered by the state, municipal corporation, or other body, in a civil action.

Sec. 9. Minnesota Statutes 1982, section 278.01, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION OF VALIDITY.] Any person having any estate, right, title, or interest in or lien upon any parcel of land, who claims that such property has been partially, unfairly, or unequally assessed in comparison with other property in the city or county, or that the parcel has been assessed at a valuation greater than its real or actual value, or that the tax levied against the same is illegal, in whole or in part, or has been paid, or

that the property is exempt from the tax so levied, may have the validity of his claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving two copies of a petition for such determination upon the county auditor and one copy each on the county treasurer and the county attorney and filing the same, with proof of service, in the office of the clerk of the district court before the ~~first~~ 16th day of ~~June~~ May of the year in which the tax becomes payable. The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be sent to the school board of the school district in which the property is located. A petition for determination under this section may be transferred by the district court to the tax court. An appeal may also be taken to the tax court under chapter 271 at any time following receipt of the valuation notice required by section 273.121 but prior to ~~June~~ + May 16 of the year in which the taxes are payable.

Sec. 10. Minnesota Statutes 1982, section 278.01, subdivision 2, is amended to read:

Subd. 2. [HOMESTEADS.] Any person having any estate, right, title or interest in or lien upon any parcel which is classified as homestead under the provisions of section 273.13, subdivisions 6, 6a, 7, 7b, 10 or 12, who claims that said parcel has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class, in that portion of the county in which that parcel is located, for which the commissioner is able to establish and publish a sales ratio study as determined by the applicable real estate assessment/sales ratio study published by the commissioner of revenue, may have the validity of his claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving two copies of a petition for such determination upon the county auditor and one copy each on the county treasurer and the county attorney and filing the same, with proof of such service, in the office of the clerk of the district court before the ~~first~~ 16th day of ~~June~~ May of the year in which such tax becomes payable. The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be sent to the school board of the school district in which the property is located. A petition for determination under this section may be transferred by the district court to the tax court.

Sec. 11. Minnesota Statutes 1982, section 278.03, is amended to read:

278.03 [PAYMENT OF TAX.]

If the proceedings instituted by the filing of the petition have not been completed before the ~~first~~ 16th day of ~~June~~ May next following the filing, the petitioner shall pay to the county treasurer 50 percent of the tax levied for such year against the property involved, unless permission to continue prosecution of the petition without such payment is obtained as herein pro-

vided. If the proceedings instituted by the filing of the petition have not been completed by the next ~~November~~ *October 16*, the petitioner shall pay to the county treasurer 50 percent of the unpaid balance of the taxes levied for the year against the property involved if the unpaid balance is \$2,000 or less and 80 percent of the unpaid balance if the unpaid balance is over \$2,000, unless permission to continue prosecution of the petition without payment is obtained as herein provided. The petitioner, upon ten days notice to the county attorney and to the county auditor, given at least ten days prior to the ~~first 16th~~ *first 16th* day of ~~June May~~ or the ~~first 16th~~ day of ~~November~~ *October*, may apply to the court for permission to continue prosecution of the petition without payment; and, if it is made to appear

- (1) That the proposed review is to be taken in good faith;
- (2) That there is probable cause to believe that the property may be held exempt from the tax levied or that the tax may be determined to be less than 50 percent of the amount levied; and

- (3) That it would work a hardship upon petitioner to pay the taxes due,

the court may permit the petitioner to continue prosecution of the petition without payment, or may fix a lesser amount to be paid as a condition of continuing the prosecution of the petition.

Failure to make payment of the amount required when due shall operate automatically to dismiss the petition and all proceedings thereunder unless the payment is waived by an order of the court permitting the petitioner to continue prosecution of the petition without payment. The county treasurer shall, upon request of the petitioner, issue duplicate receipts for the tax payment, one of which shall be filed by the petitioner in the proceeding.

Sec. 12. Minnesota Statutes 1982, section 278.05, subdivision 5, is amended to read:

Subd. 5. Any time after the filing of the petition and before the trial of the issues raised thereby, when the defense or claim presented is that the property has been partially, unfairly, or unequally assessed, or that the parcel has been assessed at a valuation greater than its real or actual value, or that a parcel which is classified as homestead under the provisions of section 273.13, subdivisions 6, 6a, 7, 7b, 10 or 12, has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class in that portion of the county in which the parcel is located, for which the commissioner is able to establish and publish a sales ratio study, the attorney representing the state, county, city or town in the proceedings may serve on the petitioner, or his attorney, and file with the clerk of the district court, an offer to reduce the valuation of any tract or tracts to a valuation set forth in the offer. If, within ten days thereafter, the petitioner, or his attorney, gives notice in writing to the county attorney, or the attorney for the city or town, that the offer is accepted, he may file the offer with proof of notice, and the clerk shall enter judgment accordingly. Otherwise, the offer shall be deemed withdrawn and evidence thereof shall not be given; and, unless a lower valuation than specified in the offer is found by the court, no costs or disbursements shall be allowed to the petitioner, but the costs and disbursements of the state, county, city or town, including

interest at six percent on the tax based on the amount of the offer from and after the ~~first 16th day of November~~ *October* of the year the taxes are payable, shall be taxed in its favor and included in the judgment and when collected shall be credited to the county revenue fund, unless the taxes were paid in full before the ~~first 16th day of November~~ *October* of the year in which the taxes were payable, in which event interest shall not be taxable.

Sec. 13. Minnesota Statutes 1982, section 279.01, subdivision 1, is amended to read:

Subdivision 1. On ~~June first~~ *May 16*, of each year, with respect to property actually occupied and used as a homestead by the owner of the property, a penalty of three percent shall accrue and thereafter be charged upon all unpaid taxes on real estate on the current lists in the hands of the county treasurer, and a penalty of seven percent on non-homestead property. Thereafter, for both homestead and non-homestead property, on the ~~first 16th day of each month, up to and including November first~~ *October 16* following, an additional penalty of one percent for each month shall accrue and be charged on all such unpaid taxes. When the taxes against any tract or lot exceed \$10, one-half thereof may be paid prior to ~~June first~~ *May 16*; and, if so paid, no penalty shall attach; the remaining one-half shall be paid at any time prior to ~~November first~~ *October 16* following, without penalty; but, if not so paid, then a penalty of four percent shall accrue thereon for homestead property and a penalty of four percent on non-homestead property. Thereafter, for homestead property, on the ~~first 16th day of each month up to and including January + December 16~~ following, an additional penalty of two percent for each month shall accrue and be charged on all such unpaid taxes. Thereafter, for non-homestead property, on the ~~first 16th day of each month up to and including January + December 16~~ following, an additional penalty of four percent for each month shall accrue and be charged on all such unpaid taxes. If one-half of such taxes shall not be paid prior to ~~June first~~ *May 16*, the same may be paid at any time prior to ~~November first~~ *October 16*, with accrued penalties to the date of payment added, and thereupon no penalty shall attach to the remaining one-half until ~~November first~~ *October 16* following; provided, also, that the same may be paid in installments as follows: One-fourth prior to ~~April first~~ *March 16*; one-fourth prior to ~~June first~~ *May 16*; one-fourth prior to ~~September first~~ *August 16*; and the remaining one-fourth prior to ~~November first~~ *October 16*, subject to the aforesaid penalties. Where the taxes delinquent after ~~November first~~ *October 16* against any tract or parcel exceed \$40, they may be paid in installments of not less than 25 percent thereof, together with all accrued penalties and costs, up to the next tax judgment sale, and after such payment, penalties, interest, and costs shall accrue only on the sum remaining unpaid. Any county treasurer who shall make out and deliver or countersign any receipt for any such taxes without including all of the foregoing penalties therein, shall be liable to the county for the amount of such penalties.

Sec. 14. Minnesota Statutes 1982, section 473F.08, subdivision 7a, is amended to read:

Subd. 7a. The administrative auditor shall determine for each county the difference between the total levy on distribution value pursuant to subdivision 3, clause (a), within the county and the total tax on contribution value pursuant to subdivision 6, within the county. On or before ~~June + May 16~~ of each year, he shall certify the differences so determined to each county auditor. In addition, he shall certify to those county auditors for whose county the total tax on contribution value exceeds the total levy on distribu-

tion value the settlement the county is to make to the other counties of the excess of the total tax on contribution value over the total levy on distribution value in the county. On or before June 30 15 and November 30 15 of each year, each county treasurer in a county having a total tax on contribution value in excess of the total levy on distribution value shall pay one-half of the excess to the other counties in accordance with the administrative auditors certification.

Sec. 15. [EFFECTIVE DATE.]

Sections 6, 7, and 9 to 14 are effective for taxes levied in 1983 and thereafter, payable in 1984 and thereafter. Sections 1 to 5 and 8 are effective July 1, 1983.

ARTICLE 8

ECONOMIC DEVELOPMENT

Section 1. Minnesota Statutes 1982, section 273.13, subdivision 9, is amended to read:

Subd. 9. [CLASS 4A, 4B, 4C, AND 4D.] (1) All property not included in the preceding classes shall constitute class 4a and shall be valued and assessed at 43 percent of the market value thereof, except as otherwise provided in this subdivision.

(2) Real property which is not improved with a structure and which is not utilized as part of a commercial or industrial activity shall constitute class 4b and shall be valued and assessed at 40 percent of market value.

(3) Commercial and industrial property, except as provided in this subdivision, shall constitute class 4c and shall be valued and assessed at 40 percent of the first \$50,000 of market value and 43 percent of the remainder, provided that in the case of state-assessed commercial or industrial property owned by one person or entity, only one parcel shall qualify for the 40 percent assessment, and in the case of other commercial or industrial property owned by one person or entity, only one parcel in each county shall qualify for the 40 percent assessment.

(4) ~~Industrial~~ Employment property defined in section 273.1313, during the period provided in section 273.1313, shall constitute class 4d and shall be valued and assessed at 20 percent of the first \$50,000 of market value and 21.5 percent of the remainder, *except that for employment property located in an enterprise zone designated pursuant to section 273.1312, subdivision 4, paragraph (c), clause (3), the first \$50,000 of market value shall be valued and assessed at 31.5 percent and the remainder shall be assessed and valued at 38.5 percent, unless the governing body of the city designated as an enterprise zone determines that a specific parcel shall be assessed pursuant to the first clause of this sentence. The governing body may provide for assessment under the first clause of the preceding sentence only for property which is located in an area which has been designated by the governing body for the receipt of tax reductions authorized by section 10, subdivision 9, paragraph (a).*

Sec. 2. Minnesota Statutes 1982, section 273.1312, subdivision 2, is amended to read:

Subd. 2. [DESIGNATION.] The commissioner shall designate an area as

an enterprise zone if ~~(i)~~ (a) an application is made in the form and manner and containing the information as prescribed by the ~~commissioner's rules~~ commissioner; ~~(ii)~~ (b) the application is made or approved by the governing body of the area; ~~and (iii)~~ (c) the area is determined by the commissioner to be eligible for designation under subdivision 4; and (d) the zone is selected pursuant to the process provided by section 10.

Sec. 3. Minnesota Statutes 1982, section 273.1312, subdivision 3, is amended to read:

Subd. 3. [DURATION.] The designation of an area as an enterprise zone shall be effective ~~from for seven years after the date of designation to 12 years thereafter.~~

Sec. 4. Minnesota Statutes 1982, section 273.1312, subdivision 4, is amended to read:

Subd. 4. [ELIGIBILITY REQUIREMENTS.] An area is eligible for designation if the following requirements are met:

~~(1)~~ (a) Its boundary is continuous and includes, if feasible, ~~proximately located~~ vacant or underutilized lands or buildings conveniently accessible to residents of the area.

~~(2)~~ Its population as determined under the most recent federal decennial census is at least ~~(i)~~ 4,000 if any of the area is located within an SMSA with a population of 50,000 or more, or ~~(ii)~~ 2,500 in any other case unless the area is an Indian reservation, for which no minimum population is required. (b) The area of the zone is less than 400 acres and the total market value of the taxable property contained in the zone at the time of application is less than \$100,000 per acre or \$300,000 per acre for an area located wholly within a first class city, except that these restrictions shall not apply to areas designated pursuant to paragraph (c), clause (2) or (3).

~~(3)~~ ~~(a)~~ (c) (1) The proposed zone is located within an economic hardship area, as established by meeting ~~three~~ two or more of the following criteria:

~~(1)~~ (A) the ~~percentage number of total~~ residential housing units within the zone area which was constructed prior to 1950 is 70 ~~are substandard~~ is 15 percent or greater under criteria prescribed by the commissioner using data collected by the bureau of the census or data submitted by the municipality and approved by the commissioner;

~~(2)~~ (B) the percentage of households within the zone area that fall below the poverty level, as determined by the United States census bureau, is 20 percent or greater;

~~(3)~~ (C) (i) the total number of persons residing within the zone has declined by ten percent or more over the ten years preceding application market value of commercial and industrial property in the area has declined over three of the preceding five years, or (ii) the total market value of all property in the area, as equalized by the sales ratio study, has declined or its growth has lagged three percentage points behind the statewide growth in total equalized market value in the state over the preceding three year period;

~~(4)~~ (D) for the last full year for which data is available, the percentage of the work force of the jurisdiction of the governing body of the area in which the

zone is located engaged in manufacturing is less than the percentage of the work force of the state engaged in manufacturing nonfarm per capita income in the area was 90 percent or less of the median for the state, excluding standard metropolitan statistical areas, or for the standard metropolitan statistical area if the area is located in a standard metropolitan statistical area;

(5) the jurisdiction of the governing body of the area in which the zone is located has recently experienced a significant employment reduction at a federal military installation within the SMSA in which it is located (E) (i) the current rate of unemployment in the area is 120 percent of the statewide average unemployment for the previous year, or (ii) the total number of employment positions has declined by ten percent during the last 18 months; or

(b) (2) The area is so designated under federal legislation providing for federal tax benefits to investors, employers or employees in enterprise zones similar to the state tax benefits set forth in Laws 1982, Chapter 523; and

(4) The governing body of the area seeking to be designated as an enterprise zone, by resolution, agrees to follow a course of action, during the period for which the designation is effective, designed to promote economic development in the area. The program may be implemented by governmental action, by private entities, or both, and may include but is not limited to:

(a) Reduction or abatement of real property taxes of industrial land and facilities according to section 273.1313;

(b) Issuance of revenue bonds or use of federal funds available to finance loans for private industrial and housing facilities;

(c) Issuance of bonds and use of taxes, tax increments, and available federal funds to finance public facilities in the area;

(d) Increase in the level or efficiency of governmental services;

(e) Commitments from public or private entities in the area to provide jobs, job training, and technical, financial, or other assistance to employees and residents of the area; or

(3) The area consists of a statutory or home rule charter city with a contiguous border with a city in another state or with a contiguous border with a city in Minnesota which has a contiguous border with a city in another state and the area is determined by the commissioner to be economically or fiscally distressed.

For purposes of this subdivision, an economic hardship area must have a population under the most recent federal decennial census of at least (i) 4,000 if any of the area is located wholly or partly within a standard metropolitan statistical area, or (ii) 2,500 for an area located outside of a standard metropolitan statistical area, or (iii) no minimum in the case of an area located in an Indian reservation.

Sec. 5. Minnesota Statutes 1982, section 273.1312, subdivision 5, is amended to read:

Subd. 5. [LIMITATION.] No area shall may be designated as an enterprise zone after December 31, ~~1996~~ 1986.

Sec. 6. Minnesota Statutes 1982, section 273.1313, subdivision 1, is

amended to read:

Subdivision 1. [DEFINITIONS.] ~~(1) Terms~~ (a) As used in this section, the following terms have the meanings given them in this subdivision.

~~(2)~~ (b) "Commissioner" means the commissioner of revenue.

~~(3)~~ ~~Industrial~~ (c) "Employment property" means taxable property, excluding land but including buildings, structures, fixtures, and improvements that satisfy each of the following conditions:

(a) (1) The property is located within an enterprise zone designated according to section 273.1312.

(b) (2) The primary purpose and prospective use of the property is ~~(i) the manufacture or processing of goods or materials by physical or chemical change, or (ii) the provision of office, engineering, research and development, warehousing, parts distribution, or other facilities that are related to a manufacturing or processing operation conducted by the user commercial or industrial property which is not used in a trade or business which either is described in section 103(b)(6)(O) of the Internal Revenue Code of 1954, as amended through January 15, 1983, or is a public utility.~~

(c) The user will own the property or occupy it under a lease requiring the user to pay property taxes on it as if the user were the owner.

(d) The property is classified as industrial employment property by the procedure and subject to the conditions provided in this section, before it is first placed in use.

~~(4)~~ (d) "Market value", as applied to industrial of a parcel of employment property on any particular parcel of land, means the value of all the taxable property situated there except the land, as annually determined pursuant to section 273.12, less (i) the market value of all property existing at the time of application for classification, as last assessed prior to the time of application, and (ii) any increase in the market value of the property referred to in clause (i) as assessed in each year after the industrial employment property is first placed in service. In each year, any change in the values of the industrial employment property and the other property on the land shall be deemed to be proportionate unless caused by a capital improvement or loss.

~~(5)~~ (e) "Municipality" means any home rule charter or statutory city or county, but a county may not exercise the powers granted in this section with reference to property situated within a city.

(f) Notwithstanding the provisions of clauses (c) and (d) "employment property" and "market value" includes in the case of taxable real property located in an enterprise zone designated under section 273.1312, subdivision 4, paragraph (c), clause (3), the entire value of the commercial and industrial property used in a trade or business which is not used in a trade or business which either is described in section 103(b)(6)(O) of the Internal Revenue Code of 1954, as amended through January 15, 1983, or is a public utility; provided that the provisions of this paragraph shall not apply to employment property located in an enterprise zone designated pursuant to section 273.1312, subdivision 4, paragraph (c), clause (3), that is assessed pursuant to the first clause of the first sentence of section 273.13, subdivision 9, paragraph (4).

Sec. 7. Minnesota Statutes 1982, section 273.1313, subdivision 2, is amended to read:

Subd. 2. [PROGRAM.] (1) (a) The governing body of any municipality which contains a designated enterprise zone as provided by section 273.1312 ~~may~~ shall by resolution establish a program for classification of new ~~industrial~~ property or improvements to existing property as ~~industrial~~ employment property pursuant to the provisions of this section; ~~if it finds that the program is needed to facilitate and encourage the renewal or addition of industrial facilities to provide or preserve employment opportunities for its citizens.~~ Applications for classification under the program shall be filed with the municipal clerk or auditor in a form prescribed by the commissioner, with additions as may be prescribed by the municipal governing body. The application shall contain, *where appropriate*, a legal description of the parcel of land on which the facility is to be situated or improved; a general description of the facility or improvement and its proposed use, ~~the equipment proposed to be used in connection with it (including equipment exempt from taxation under existing law);~~ the probable time schedule for undertaking the construction or improvement, and information regarding the matters referred to in paragraph (4) (d); the market value and the assessed value of the land and of all other taxable property then situated on it, according to the most recent assessment; and an estimate of the probable cost of the new construction or improvement and the market value of the new or improved facility (excluding land) when completed.

(2) (b) Upon receipt of an application the municipal clerk or auditor, subject to any prior approval required by the resolution establishing the program, shall furnish a copy to the assessor for the property and to the governing body of each school district and other public body authorized to levy taxes on the property, and shall publish a notice in the official newspaper of the time and place of a hearing to be held by the governing body on the application, not less than 30 days after the notice is published, stating that the applicant, the assessor, representatives of the affected taxing authorities, and any taxpayer of the municipality may be heard or may present their views in writing at or before the hearing. The hearing may be adjourned from time to time, but the governing body shall take action on the application by resolution within 30 days after the hearing. If disapproved, the reasons shall be set forth in the resolution, and the applicant may appeal to the commissioner within 30 days thereafter, but only on the ground that the determination is arbitrary, in relation to prior determinations as to classification under the program, or based upon a mistake of law. If approved, the resolution shall include determinations as to the matters set forth in paragraph (4) (d), and the clerk or auditor shall transmit it to the commissioner.

(3) (c) Within 60 days after receipt of an approved application or an appeal from the disapproval of an application, the commissioner shall take action on it. The commissioner shall approve each application approved by the governing body if he finds that it complies with the provisions of this section. If he disapproves the application, or finds grounds exist for appeal of a disapproved application, he shall transmit the finding to the governing body and the applicant. When grounds for appeal have been determined to exist, the governing body shall reconsider and take further action on the applica-

tion within 30 days after receipt of the commissioner's notice and serve written notice of the action upon the applicant. The applicant, within 30 days after receipt of notice of final disapproval by the commissioner or the governing body, may appeal from the disapproval to a court of competent jurisdiction.

(4) (d) *In the case of enterprise zones qualifying pursuant to section 273.1312, subdivision 4, paragraph (c), clause (1), an application shall not be approved unless the governing body finds and determines that the construction or improvement of the facility:*

(a) (1) *Is reasonably likely to create new employment or prevent a loss of employment in the municipality;*

(b) (2) *Is not likely to have the effect of transferring existing employment from one or more other municipalities within the state;*

(c) (3) *Is not likely to cause the total market value of industrial employment property within the municipality to exceed five percent of the total market value of all taxable property within the municipality; or if it will, the resulting limitation upon the increase of the assessed value of all taxable property within the municipality, considering the amount of additional municipal services likely to be required for the industrial employment property, is not likely to substantially impede the operation or the financial integrity of the municipality or any other public body levying taxes on property in the municipality; and*

(d) (4) *Will not result in the reduction of the assessed value of existing property within the municipality owned by the applicant, through abandonment, demolition, or otherwise, without provision for the restoration of the existing property within a reasonable time in a manner sufficient to restore the assessed valuation.*

Sec. 8. Minnesota Statutes 1982, section 273.1313, subdivision 3, is amended to read:

Subd. 3. [CLASSIFICATION.] Property shall be classified as industrial employment property and assessed as provided for class 4d property in section 273.13, subdivision 9, ~~clause paragraph~~ (4), for taxes levied in the year in which the classification is approved and in each year thereafter to and including the 12th year after the industrial employment property is completed for the four succeeding years after the approval. If the classification is revoked, the revocation is effective for taxes levied in the next year after revocation.

Sec. 9. Minnesota Statutes 1982, section 273.1313, subdivision 5, is amended to read:

Subd. 5. [HEARING.] Upon receipt of the request, the commissioner shall notify the applicant and the governing body by certified mail of a time and place, ~~not less than 30 days after receipt,~~ at which the applicant may be heard ~~and~~. *The hearing must be held within 30 days after receipt of the request. Within 30 days after the hearing, the commissioner will shall determine whether the facts and circumstances are grounds for revocation as recommended by the governing body. If the commissioner revokes the classification, the applicant may appeal from the commissioner's order to a*

court of competent jurisdiction at any time within 30 days after revocation.

Sec. 10. [273.1314] [SELECTION OF ENTERPRISE ZONES.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given.

(a) "City" means a statutory or home rule charter city.

(b) "Commissioner" means the commissioner of energy, planning, and development or its successor agency.

(c) "Legislative advisory commission" means the legislative advisory commission established under section 3.30.

(d) "Municipality" means a city or a county for an area located outside the boundaries of a city. If an area lies in two or more cities or in both incorporated and unincorporated areas, municipality shall include an entity formed pursuant to section 471.59 by the governing bodies of the cities with jurisdiction over the incorporated area and the counties with jurisdiction over the unincorporated area.

Subd. 2. [SUBMISSION OF APPLICATIONS.] On or before August 31 of each year, a municipality seeking designation of an area as an enterprise zone shall submit an application to the commissioner. The commissioner shall establish procedures and forms for the submission of applications for enterprise zone designation.

Subd. 3. [APPLICATIONS; CONTENTS.] The applications for designation as an enterprise zone shall contain, at a minimum:

(a) verification that the area is eligible for designation pursuant to section 273.1312;

(b) a development plan, outlining the types of investment and development within the zone that the municipality expects to take place if the incentives and tax reductions specified under paragraphs (d) and (e) are provided, the specific investment or development reasonably expected to take place, any commitments obtained from businesses, the projected number of jobs that will be created, the anticipated wage level of those jobs, and any proposed targeting of the jobs created, including affirmative action plans if any;

(c) the municipality's proposed means of assessing the effectiveness of the development plan or other programs to be implemented within the zone once they have been implemented;

(d) the specific form of tax reductions, authorized by subdivision 9, proposed to be granted to businesses, the duration of the tax reductions, an estimate of the total state taxes likely to be foregone as a result, and a statement of the relationship between the proposed tax reductions and the type of investment or development sought or expected to be attracted to or maintained in the area if it is designated as a zone;

(e) the municipality's contribution to the zone as required by subdivision 6;

(f) any additional information required by the commissioner; and

(g) any additional information which the municipality considers relevant to the designation of the area as an enterprise zone.

Paragraph (b) does not apply to an application for designation under section 273.1312, subdivision 4, paragraph (c), clause (3).

Subd. 4. [EVALUATION OF APPLICATIONS.] The commissioner shall review and evaluate the applications submitted pursuant to subdivision 3 and shall determine whether each area is eligible for designation as an enterprise zone. If the department of energy, planning, and development no longer exists as presently constituted, the commissioner shall consult with the successor to the responsibilities of the planning division of that department in making this determination. In determining whether an area is eligible under section 273.1312, subdivision 4, paragraph (c), if unemployment, employment, income or other necessary data are not available for the area from the federal departments of labor or commerce or the state demographer, the commissioner may rely upon other data submitted by the municipality if he determines it is statistically reliable or accurate. The commissioner, in conjunction with the commissioner of revenue, shall prepare an estimate of the amount of state tax revenue which will be foregone for each application if the area is designated as a zone.

On or before October 1 of each year, the commissioner shall submit to the legislative advisory commission a list of the areas eligible for designation as enterprise zones, along with his recommendations for designation and supporting documentation. In making recommendations for designation, the commissioner shall consider and evaluate the applications pursuant to the following criteria:

(a) the pervasiveness of poverty, unemployment, and general distress in the area;

(b) the extent of chronic abandonment, deterioration or reduction in value of commercial, industrial or residential structures in the area and the extent of property tax arrearages in the area;

(c) the prospects for new investment and economic development in the area with the tax reductions proposed in the application relative to the state and local tax revenue which would be foregone;

(d) the competing needs of other areas of the state;

(e) the municipality's proposed use of other state and federal development funds or programs to increase the probability of new investment and development occurring;

(f) the extent to which the projected development in the zone will provide employment to residents of the economic hardship area, and particularly individuals who are unemployed or who are economically disadvantaged as defined in the federal Job Training Partnership Act of 1982, 96 Statutes at Large 1322;

(g) the funds available pursuant to subdivision 8; and

(h) other relevant factors which he specifies in his recommendations.

The commissioner shall submit a separate list of the areas entitled to designation as enterprise zones under section 273.1312, subdivision 4, paragraph (c), clauses (2) and (3), along with his recommendations for the amount of funds to be allocated to each area.

Subd. 5. [LAC RECOMMENDATIONS.] On or before October 15, the legislative advisory commission shall submit to the commissioner its advisory recommendations regarding the designation of enterprise zones. By October 30 of each year the commissioner shall make the final designation of the areas as enterprise zones, pursuant to section 273.1312, subdivision 2. In making the designation, the commissioner may make modifications in the design of or limitations on the tax reductions contained in the application necessary because of the funding limitations under subdivision 8.

Subd. 6. [LOCAL CONTRIBUTION.] No area may be designated as an enterprise zone unless the municipality agrees to make a qualifying local contribution in the form of (a) a property tax reduction for employment property as provided by section 273.1313 for any business qualifying for a state tax reduction pursuant to this section, or (b) an equivalent local contribution or investment out of other municipal funds, but excluding any special federal grants or loans. If the local contribution is to be used to fund additional reductions in state taxes, the commissioner and the governing body of the municipality shall enter an agreement for timely payment to the state to reimburse the state for the amount of tax revenue foregone as a result.

Subd. 7. [LIMITATIONS; NUMBER OF DESIGNATIONS.] (a) In each of the years 1983 and 1984, the commissioner shall designate at least two but not more than five areas as enterprise zones. No designations shall be made after December 31, 1984.

(b) No more than one area may be designated as an enterprise zone in any county, except that two areas may be designated in a county containing a city of the first class.

(c) No more than one area in a congressional district may be designated as an enterprise zone in any calendar year.

This subdivision shall not apply to enterprise zones designated pursuant to section 273.1312, subdivision 4, paragraph (c), clauses (2) or (3).

Subd. 8. [FUNDING LIMITATIONS.] The maximum amount of the tax reductions which may be authorized pursuant to designations of enterprise zones under section 273.1312 and this section is limited to \$32,000,000. The maximum amount of this total which may be authorized by the commissioner for tax reductions pursuant to subdivision 9 that will reduce tax revenues which otherwise would have been received during fiscal years 1984 and 1985 is limited to \$8,000,000. Of the total limitation and the 1984-85 biennial limitation the commissioner shall allocate to enterprise zones designated under section 273.1312, subdivision 4, paragraph (c), clause (3), an amount equal to \$10,000,000 and \$4,000,000 respectively. These funds shall be allocated among such zones on a per capita basis. An amount sufficient to fund the state funded property tax credits authorized pursuant to this section is appropriated to the commissioner of revenue. Upon designation of an enterprise zone the commissioner shall certify the total amount available for tax reductions in the zone for its duration. The amount certified shall reduce the amount available for tax reductions in other enterprise zones. If subsequent estimates indicate or actual experience shows that the approved tax reductions will result in amounts of tax reductions in excess of the amount certified, the commissioner shall implement a plan to reduce the available tax

reductions in the zone to an amount within the sum certified. If subsequent estimates indicate or actual experience shows that the approved tax reductions will result in amounts of tax reductions below the amount certified, the difference shall be available for certification in other zones or used in connection with an amended plan of tax reductions for the zone as the commissioner determines appropriate. If the tax reductions authorized result in reduced revenues for a dedicated fund, the commissioner of finance shall transfer equivalent amounts to the dedicated fund from the general fund as necessary.

Subd. 9. [AUTHORIZED FORMS OF STATE TAX REDUCTIONS.] (a) The following types of tax reductions may be approved by the commissioner for businesses located in an enterprise zone:

(1) An exemption from the general sales tax imposed by chapter 297A for purchases of construction materials or equipment for use in the zone;

(2) A credit against the income tax of an employer for workers employed in the zone, other than workers employed in construction, up to a maximum of \$3,000 per employee;

(3) An income tax credit for a percentage of the cost of debt financing to construct new facilities in the zone;

(4) A state paid property tax credit for a portion of the property taxes paid by a new commercial or industrial facility or the additional property taxes paid by an expansion of an existing commercial or industrial facility in the zone.

(b) The municipality shall specify in its application for designation the types of tax reductions it seeks to be made available in the zone and the percentage rates and other appropriate limitations on the reductions.

(c) Upon designation of an enterprise zone and approval by the commissioner of the tax reductions to be made available therein, the commissioner of revenue shall take the steps necessary to implement the tax reductions.

(d) The tax reductions provided by this subdivision shall not apply to any facility described in section 103(b)(6)(O) of the Internal Revenue Code of 1954, as amended through January 15, 1983, or to any regulated public utility.

(e) The commissioner shall approve tax reductions authorized by paragraph (a) within an enterprise zone designated pursuant to section 273.1312, subdivision 4, paragraph (c), clause (3), only after the governing body of a city designated as an enterprise zone has designated an area or areas, each consisting of at least 100 acres, of the city not in excess of 400 acres in which the tax reductions may be provided.

(f) In addition to the tax reductions authorized by paragraph (a), for an enterprise zone designated under section 273.1312, subdivision 4, paragraph (c), clause (3), the following types of tax reductions may be approved:

(1) A credit against income tax for workers employed in the zone up to a maximum of \$1,500 per employee;

(2) A state paid property tax credit for a portion of the property taxes paid by a commercial or industrial facility located in the zone.

(g) Each tax reduction provided to a business pursuant to this subdivision shall terminate not longer than five years after the effective date of the tax reduction for the business. Subject to the five year limitation, the tax reductions may be provided after expiration of the zone's designation.

(h) The income tax credits provided pursuant to clauses (a) and (f) may be refundable.

Subd. 10. [RECAPTURE.] Any business which receives tax reductions authorized by subdivision 9 and which ceases to operate its facility located within the enterprise zone within two years after the expiration of the tax reductions shall repay the amount of the tax reduction pursuant to the following schedule:

<i>Termination of operations</i>	<i>Repayment Portion</i>
<i>Less than 6 months</i>	<i>100 percent</i>
<i>6 months or more but less than 12 months</i>	<i>75 percent</i>
<i>12 months or more but less than 18 months</i>	<i>50 percent</i>
<i>18 months or more but less than 24 months</i>	<i>25 percent</i>

Subd. 11. [DEVELOPMENT AND REDEVELOPMENT POWERS.] Notwithstanding any contrary provision of law or charter, any city of the first or second class which contains an enterprise zone or which has been designated as an enterprise zone may, in addition to its other powers and without limiting them, exercise the powers granted to a governmental subdivision by chapters 458, 462, and 472. Section 458.192, subdivision 14, shall apply to the city in the exercise of the powers granted pursuant to this section. It may exercise the powers assigned to redevelopment agencies pursuant to chapter 474, without limitation to further the purposes of sections 458.09 to 458.1991, 462.411 to 462.705, and chapters 472 and 472A. It may exercise the powers set forth in sections 458.09 to 458.1991, 462.411 to 462.705, and chapters 472 and 472A, without limitation to further the purposes and policies set forth in chapter 474. It may exercise the powers granted by this subdivision and any other development or redevelopment powers authorized by other laws, including chapters 472A and 474, independently or in conjunction with each other as though all the powers had been granted to a single entity. Any project undertaken to accomplish the purposes of chapter 462 that qualifies as single-family housing under section 462C.02, subdivision 4, shall be subject to the provisions of chapter 462C.

The authorization for a city to exercise powers pursuant to this subdivision shall terminate upon the expiration of the designation of the enterprise zone provided that the powers granted by this subdivision may be exercised after that date with respect to any project, program, or activity commenced or established prior to that date. The powers granted by this subdivision may only be exercised within the zone.

Subd. 12. [TECHNICAL ASSISTANCE.] The commissioner shall establish a mechanism for providing and shall provide technical assistance to small municipalities seeking designation of an area as an enterprise zone under this section and section 273.1312. For purposes of this subdivision, a small municipality means a municipality with a population of 20,000 or less.

Subd. 13. [ADMINISTRATIVE PROCEDURES ACT.] The provisions of

chapter 14 shall not apply to designation of enterprise zones pursuant to this section or section 273.1312.

Subd. 14. [FEDERAL DESIGNATIONS.] The commissioner may accept applications and may at any time grant a contingent designation of area as an enterprise zone for purposes of seeking a designation of the area as a federal enterprise zone. For purposes of the designations, the commissioner may waive any of the requirements or limitations on designations contained in this section. If the contingent designation would require funding in excess of the amount available pursuant to subdivision 8, the commissioner shall inform the members of the legislative advisory commission and shall submit a request for the necessary funding to the tax and appropriations committees of the legislature.

Subd. 15. [REPORTING.] The commissioner shall require municipalities receiving enterprise zone designations pursuant to section 273.1312, subdivision 4, to supply information or otherwise report to the state regarding the economic activity which has occurred in the zone following the designation. This information shall include the number of jobs created in the zone, the number of economically disadvantaged individuals hired in the zone, the average wage level of the jobs created, and descriptions of any affirmative action programs undertaken by the municipality in connection with the zone.

Subd. 16. [INFORMATION SHARING.] Notwithstanding the provisions of sections 290.61 and 297A.43, the commissioner of revenue may share information with the commissioner or with a municipality receiving an enterprise zone designation, insofar as necessary to administer the funding limitations provided by subdivision 8.

Subd. 17. [REPEALER.] This section is repealed effective December 31, 1996.

Sec. 11. [INSTRUCTION TO REVISOR.]

If the department of energy, planning, and development no longer exists as presently constituted, "commissioner" as defined in section 273.1312 and section 10 means the successor to the responsibilities of the economic development division of that department. The revisor of statutes shall change the definition as appropriate in Minnesota Statutes 1984, and subsequent editions.

Sec. 12. Minnesota Statutes 1982, section 290.068, is amended by adding a subdivision to read:

Subd. 6. [ADDITIONAL CREDIT.] (a) In addition to the credit allowed by subdivision 1, a credit shall be allowed against the tax imposed by this chapter for the taxable year equal to 12.5 percent of the amount of qualified research expenses paid or incurred for qualified research performed by a Minnesota-domiciled corporation for or on behalf of one or more of its wholly-owned subsidiary corporations which has in effect during the taxable year a valid election under section 936 of the Internal Revenue Code, including any expenses paid or incurred that are attributable to a wholly-owned subsidiary corporation by reason of paragraph (h) of section 936 for purposes of determining each corporation's combined taxable income.

(b) The maximum credit allowed by clause (a) for the taxable year shall be

the excess of

(1) the total amount of tax imposed by this chapter on all members of the unitary group for the taxable year, over

(2) the sum of (A) the total amount of tax which would be imposed on the unitary group, if the corporation or corporations with valid elections under section 936 of the Internal Revenue Code were excluded from the unitary group, plus (B) the tax, if any, which would be imposed on the corporation or corporations with valid elections under section 936 of the Internal Revenue Code without regard to the other members of the unitary group.

(c)(1) If the amount of the credit determined under clause (a) for any taxable year exceeds the limitation provided in clause (b), the excess shall be a research credit carryover to each of the 15 succeeding taxable years. The entire amount of the excess unused credit for the taxable year shall be carried first to the earliest of the taxable years to which the credit may be carried and then to each successive year to which the credit may be carried.

(2) The amount of the unused credit which may be added under subparagraph (1) for any preceding taxable year shall not exceed the amount by which the limitation provided by clause (b) for the taxable year exceeds the sum of

(i) the credit allowable under this subdivision for the taxable year, and

(ii) the amounts, which, by reason of subparagraph (1), are added to the amount allowable for the taxable year and which are attributable to taxable years preceding the taxable year in which an excess credit arises.

Sec. 13. [290.069] [SMALL BUSINESS INVESTMENT CREDITS.]

Subdivision 1. [DEFINITIONS.] (a) "Small business assistance office" means a nonprofit corporation which is formed under chapter 317, is an exempt organization under section 501(c)(3) of the Internal Revenue Code, and satisfies the following conditions:

(1) The primary purpose of the corporation is to aid in the formation of new businesses which create jobs in the state by training or providing other direct assistance to entrepreneurs, managers, inventors, and other individuals in the development, financing, and operation of qualified small businesses.

(2) The corporation provides audited financial statements to all contributors and the commissioner of energy, planning, and development within 90 days following the close of the corporation's fiscal year.

(3) The corporation employs, at least, two full-time professional employees or the equivalent.

(4) The corporation is not engaged in providing financing or primarily engaged in arranging financing for businesses.

(5) The commissioner of energy, planning and development certifies that the corporation satisfies the requirements of this paragraph for the calendar year.

(b) "Technology" means a proprietary process, formula, pattern, device, or compilation of scientific or technical information unless it

(1) is in the public domain; or

(2) cannot be accurately valued.

(c) "Controlled group of corporations" means the controlled group of corporations as defined in section 1563 of the Internal Revenue Code, and if the corporation is part of a unitary business, includes the corporations or entities constituting the unitary business which are not in the controlled group of corporations as defined in section 1563.

(d) An "innovation center public corporation" is a non-profit public corporation located at a state university in Minnesota that has the purpose of assisting, encouraging, developing, and advancing the high technology small business prosperity and economic welfare of the state.

(e) The "Internal Revenue Code" means the Internal Revenue Code of 1954, as amended through January 15, 1983.

(f) "Qualified small business" means a business entity organized for profit if the entity:

(1) Has 20 or fewer employees and has less than \$1,000,000 in gross annual receipts;

(2) Is not a subsidiary or an affiliate of a business which employs more than 20 employees or has total gross receipts for the previous year of more than \$1,000,000, computed by aggregating all of the employees and gross receipts of the business entities affiliated with the business;

(3) Has its commercial domicile in this state;

(4) Does not derive more than 20 percent of its gross receipts from royalties, rents, dividends, interest, annuities, and sales or exchanges of stock or securities;

(5) Is not engaged in a trade or business, the primary purpose of which is described in section 103(b)(6)(O) of the Internal Revenue Code of 1954, as amended through January 15, 1983; and

(6) Is certified by the commissioner of energy, planning and development that it satisfies the requirements of clauses (1) to (5).

Subd. 2. [TECHNOLOGY TRANSFER CREDIT.] A credit may be claimed against the taxes imposed by this chapter in an amount equal to 30 percent of the net value of the technology transferred to a qualified small business if the following conditions are satisfied:

(a) The commissioner certifies that the technology has the value claimed by the transferor taxpayer.

(b) The transferor taxpayer is the exclusive and undisputed owner of the technology at the time the transfer is made.

(c) Except as provided in paragraph (h), the transferor retains no proprietary or financial interest in the technology subsequent to its transfer to the qualified small business and no credit is claimed for the transfer of the technology in a prior or subsequent taxable year, except pursuant to the carryover provisions of subdivision 5.

(d) The credit shall apply only to the first \$1,000,000 of the net value of the technology transferred during the taxable year. The value of the technology

shall not exceed the total qualified research expenses, as defined in section 290.068, subdivision 2, expended by the transferor to create or develop the technology. For purposes of this clause, "net value" means the total value of the technology less any payments received from the transferee and less the value of any equity interest in the transferee received by the transferor in exchange for the technology. For purposes of determining the value of the equity interest, the total value of the transferee shall be deemed to be not less than the value of the technology transferred, less any cash payment made to the transferor.

(e) The taxpayer has not deducted the value of the transferred property from income under any other provisions of this chapter, except that the costs of developing the technology may have been deducted as a business expense or depreciated or included in the computation of the research and experimental expenditure credit pursuant to section 290.068.

(f) The transferee business entity may not be a subsidiary or affiliate of the transferor taxpayer.

(g) The transferee makes a substantial investment in acquiring or developing the technology. The requirements of this clause are satisfied if (1) transferee pays the transferor an amount equal to 20 percent of the value of the technology in return for acquisition of the rights to the technology, or if (2) the transferee expends an equivalent amount for equipment, materials, wages, or other direct costs to develop, produce, or otherwise use the technology. The requirements of this paragraph may not be satisfied by granting the transferor an equity interest as provided by paragraph (h).

(h) The transferor may receive in exchange for the transfer of the technology an equity interest in the transferee, but this interest may not exceed 25 percent of the capital interest, if the transferee is a partnership, or 25 percent in value of the outstanding stock, if the transferee is a corporation. The transferor's basis in the equity interest shall be reduced by the amount of the credits received pursuant to this subdivision. The transferor may not deduct any loss realized on the sale or exchange of the equity interest.

The commissioner may require that the taxpayer obtain an appraisal of the value of the transferred technology by a reliable, expert third party. The commissioner may promulgate administrative rules for appraising the value of transferred technology.

Subd. 3. [CONTRIBUTION CREDIT.] A credit shall be allowed against the taxes imposed by this chapter in an amount equal to 50 percent of the first \$50,000 of contributions made during the taxable year to a small business assistance office or to an innovation center public corporation. No credit shall be allowed for any contributions deducted pursuant to any other provision of this chapter.

Subd. 4. [EQUITY INVESTMENT CREDIT.] (a) A credit shall be allowed against the tax imposed by this chapter for the taxable year in an amount equal to 30 percent of the net investment in excess of \$25,000 in the equity stock of a qualified small business. The maximum amount of the credit for a taxable year may not exceed \$75,000. For purposes of this credit the following limitations apply:

(1) Equity stock shall not include any security which provides for fixed or

variable interest payments.

(2) *The taxpayer and any related persons may not own more than 49 percent of the value of any class of stock. For purposes of this paragraph, a person is a related person to another person if (i) the relationship between the persons would result in a disallowance of losses under section 267 or 707(b) of the Internal Revenue Code of 1954 or (ii) the persons are members of the same controlled group of corporations. The restrictions provided by this subdivision shall apply for a three year period beginning on the date the stock is purchased. If the taxpayer or a related person acquires more than 49 percent of the value of any class of stock after the allowance of a credit under this subdivision and prior to the end of the three year period, the taxpayer's tax for the taxable year in which the credit was allowed shall be increased by the amount of the credit previously claimed.*

(3) *The credit shall not exceed 75 percent of the taxpayer's tax liability computed after the subtraction of all credits, other than the credit provided in this subdivision.*

(b) *If the principal place of business of the qualified small business is located in an enterprise zone designated pursuant to section 273.1312, \$10,000 shall be substituted for \$25,000 and \$100,000 for \$75,000 in paragraph (a).*

(c) *The taxpayer's basis in the stock shall be reduced by the amount of the credit.*

Subd. 5. [LIMITATIONS; OTHER CONDITIONS.] The provisions of section 290.068, subdivisions 3, clause (a); 4; and 5 shall apply to the sum of the credits which this section allows, except that no carryback shall be allowed. The carryover provisions of section 290.068, subdivision 3, clause (b), shall apply to the sum of the credits allowed by this section except that the term "research credit" or "research and experimental expenditure credit" shall include the credits authorized by subdivisions 2 and 3 of this section. The credits allowed by subdivisions 2 and 3 shall only be available to corporations and banks whose tax is computed pursuant to section 290.06, subdivision 1.

The maximum limitations on the amount of credits pursuant to subdivisions 2 and 3 shall be determined by aggregating together the credits of all the corporations in the controlled group of corporations with the taxpayer. In order to facilitate compliance with and enforcement of this provision the commissioner may require the taxpayer to claim the credit on a combined report of the unitary business or to file a copy of the consolidated federal return with the state return or both.

Subd. 6. [REPEALER.] This section is repealed effective for contributions made to a small business office or to an innovation center public corporation as provided in subdivision 3, for technology transferred as described in subdivision 2, and for investments made as described in subdivision 4 in taxable years beginning after December 31, 1985.

Sec. 14. Minnesota Statutes 1982, section 290.09, subdivision 4, is amended to read:

Subd. 4. [TAXES.] Taxes paid or accrued within the taxable year, except

(a) income or franchise taxes imposed by this chapter and income or franchise taxes paid to any other state or to any province or territory of Canada for which a credit is allowed under section 290.081; (b) taxes assessed against local benefits of a kind deemed in law to increase the value of the property assessed; (c) inheritance, gift and estate taxes except as provided in section 290.077, subdivision 4; (d) cigarette and tobacco products excise tax imposed on the consumer; (e) that part of Minnesota property taxes for which a credit or refund is claimed and allowed under chapter 290A; (f) federal income taxes (including the windfall profit tax on domestic crude oil), by corporations, national and state banks; (g) mortgage registry tax; (h) real estate transfer tax; (i) federal telephone tax; (j) federal transportation tax; and (k) *income or franchise taxes based on net income paid by a corporation to another state, to a political subdivision of another state, or to the District of Columbia; and (l) tax paid by any corporation or national or state bank to any foreign country or possession of the United States to the extent that a credit against federal income taxes is allowed under the provisions of the Internal Revenue Code of 1954, as amended through December 31, 1981. If the taxpayer's foreign tax credit consists of both foreign taxes deemed paid and foreign taxes actually paid or withheld, it will be conclusively presumed that foreign taxes deemed paid were first used by the taxpayer in its foreign tax credit. Minnesota gross income shall include the amount of foreign tax paid which had been allowed as a deduction in a previous year, provided such foreign tax is later allowed as a credit against federal income tax.*

Taxes imposed upon a shareholder's interest in a corporation which are paid by the corporation without reimbursement from the shareholder shall be deductible only by such corporation.

Property taxes shall be allowed as a deduction to the same taxpayer and in the same manner as provided in section 164 of the Internal Revenue Code of 1954, as amended through December 31, 1981, notwithstanding the provisions of section 272.31.

Sec. 15. Minnesota Statutes 1982, section 471.59, is amended by adding a subdivision to read:

Subd. 11. [JOINT POWERS BOARD.] Two or more governmental units, through action of their governing bodies, may establish a joint board to issue bonds or obligations pursuant to any law by which any of the governmental units establishing the joint board may independently issue bonds or obligations and may use the proceeds of the bonds or obligations to carry out the purposes of the law under which the bonds or obligations are issued. A joint board created pursuant to this section may issue obligations and other forms of indebtedness only pursuant to authority granted by the action of the governing bodies of the governmental units which established the joint board. The joint board established pursuant to this subdivision shall be composed solely of members of the governing bodies of the governmental unit which established the joint board, and the joint board may not pledge the full faith and credit or taxing power of any of the governmental units which established the joint board. The obligations or other forms of indebtedness shall be obligations of the joint board. The obligations or other forms of indebtedness shall be issued in the same manner and subject to the same conditions and limitations which would apply if the obligations were issued or indebtedness

incurred by one of the governmental units which established the joint board provided that any reference to a governmental unit in the statute, law, or charter provision authorizing the issuance of the bonds or the incurring of the indebtedness shall be considered a reference to the joint board.

Sec. 16. Laws 1981, Third Special Session chapter 2, article III, section 22, as amended by Laws 1982, chapters 523, article XXIX, section 5, and 641, article II, section 7, is amended to read:

Sec. 22. [EFFECTIVE DATE.]

Sections 1 and 19 to 21 are effective February 1, 1982. The provision of section 2 relating to commodity tax straddles and section 7 are effective for taxable years beginning after December 31, 1980. The provisions of section 2 relating to the exclusion of dividend and interest income are effective for taxable years beginning after December 31, 1981. Section 2, clauses (a)(22), (b)(24), the portion of clause (a)(16) relating to recovery property, (b)(25), and sections 8, 11, and 12 are effective for property placed in service after December 31, 1980 in taxable years ending after that date. Section 2, clauses (a)(17), (b)(2), the portion of clause (a)(16) relating to gain from the sale or disposition of property and section 9 are effective for taxable years beginning after December 31, 1982. Section 6 is effective for taxable years beginning after December 31, 1981. Section 10 is effective for ~~the sale or other disposition of property~~ taxable years beginning after December 31, 1982. For taxpayers subject to tax under Minnesota Statutes, chapter 290, sections 13, 14, and 15 are effective for taxable years beginning after June 30, 1981. Section 16 is effective for taxable years beginning after December 31, 1981. Sections 17 and 18 are effective for petitions filed after January 31, 1982.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 11 and 15 are effective the day following final enactment. Sections 12 and 14 are effective for taxable years beginning after December 31, 1982. Section 13 is effective for taxable years beginning after December 31, 1983. Section 16 is effective January 1, 1983.

ARTICLE 9

SATELLITE BROADCASTING; DISTILLERIES.

Section 1. Minnesota Statutes 1982, section 272.02, subdivision 1, is amended to read:

Subdivision 1. Except as provided in other subdivisions of this section or in section 272.025 or section 273.13, subdivisions 17, 17b, 17c or 17d, all property described in this section to the extent herein limited shall be exempt from taxation:

- (1) All public burying grounds;
- (2) All public schoolhouses;
- (3) All public hospitals;
- (4) All academies, colleges, and universities, and all seminaries of learning;
- (5) All churches, church property, and houses of worship;

(6) Institutions of purely public charity except property assessed pursuant to section 273.13, subdivisions 17, 17b, 17c or 17d;

(7) All public property exclusively used for any public purpose;

(8) (a) Class 2 property of every household of the value of \$100, maintained in the principal place of residence of the owner thereof. The county auditor shall deduct such exemption from the total valuation of such property as equalized by the revenue commissioner assessed to such household, and extend the levy of taxes upon the remainder only. The term "household" as used in this section is defined to be a domestic establishment maintained either (1) by two or more persons living together within the same house or place of abode, subsisting in common and constituting a domestic or family relationship, or (2) by one person.

(b) During the period of his active service and for six months after his discharge therefrom, no member of the armed forces of the United States shall lose status of a householder under paragraph (a) which he had immediately prior to becoming a member of the armed forces.

In case there is an assessment against more than one member of a household the \$100 exemption shall be divided among the members assessed in the proportion that the assessed value of the Class 2 property of each bears to the total assessed value of the Class 2 property of all the members assessed. The Class 2 property of each household claimed to be exempt shall be limited to property in one taxing district, except in those cases where a single domestic establishment is maintained in two or more adjoining districts.

Bonds and certificates of indebtedness hereafter issued by the state of Minnesota, or by any county or city of the state, or any town, or any common or independent school district of the state, or any governmental board of the state, or any county or city thereof, shall hereafter be exempt from taxation; provided, that nothing herein contained shall be construed as exempting such bonds from the payment of a tax thereon, as provided for by section 291.01, when any of such bonds constitute, in whole or in part, any inheritance or bequest, taken or received by any person or corporation.

(9) Farm machinery manufactured prior to 1930, which is used only for display purposes as a collectors item;

(10) The taxpayer shall be exempted with respect to, all agricultural products, inventories, stocks of merchandise of all sorts, all materials, parts and supplies, furniture and equipment, manufacturers material, manufactured articles including the inventories of manufacturers, wholesalers, retailers and contractors; and the furnishings of a room or apartment in a hotel, rooming house, tourist court, motel or trailer camp, tools and machinery which by law are considered as personal property, and the property described in section 272.03, subdivision 1, clause (c), except personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures. Railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80 are not exempt.

(11) Containers of a kind customarily in the possession of the consumer during the consumption of commodities, the sale of which are subject to tax under the provisions of the excise tax imposed by Extra Session Laws 1967, Chapter 32;

(12) All livestock, poultry, all horses, mules and other animals used exclusively for agricultural purposes;

(13) All agricultural tools, implements and machinery used by the owners in any agricultural pursuit.

(14) Real and personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, other than real property used primarily as a solid waste disposal site.

Any taxpayer requesting exemption of all or a portion of any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. Any such equipment or device shall meet standards, regulations or criteria prescribed by the Minnesota Pollution Control Agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota Pollution Control Agency shall upon request of the commissioner furnish information or advice to the commissioner. If the commissioner determines that property qualifies for exemption, he shall issue an order exempting such property from taxation. Any such equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota Pollution Control Agency remains in effect.

(15) Wetlands. For purposes of this subdivision, "wetlands" means land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes. "Wetlands" shall be land preserved in its natural condition, drainage of which would be feasible and practical and would provide land suitable for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice. "Wetlands" shall include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(16) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause and section 273.116. Upon receipt of an application for the exemption and credit provided in this clause and section 273.116 for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of his decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

(17) Property used in a continuous program to provide emergency shelter

FOR DEVELOPMENT.]

Notwithstanding the time limitation provided in Minnesota Statutes, section 272.02, subdivision 5, the holding of property by the city of Austin or by the city of Hastings for later resale for economic development purposes shall be considered a public purpose in accordance with Minnesota Statutes, section 272.02, subdivision 1, clause (7) for a period not to exceed six years. This section shall not operate to create an exemption from sections 272.01, subdivision 2; 272.68; 273.19; or 462.575, subdivision 3, or other provisions of law providing for the taxation of or for payments in lieu of taxes for publicly held property which is leased, loaned, or otherwise made available and used by a private person.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for taxes levied in 1983, payable in 1984 and thereafter.

ARTICLE 11

BEMIDJI

Section 1. [CITY OF BEMIDJI; PROPERTY TAX EXEMPTION FOR PROPERTY HELD FOR FUTURE DEVELOPMENT.]

The governing body of the city of Bemidji may authorize the exemption from property tax of property entirely located within the city of Bemidji, held by a qualified nonprofit organization for later resale for economic development purposes.

For purposes of this section, a "qualified nonprofit organization" is a corporation organized under the provisions of chapter 317 which is prohibited by its articles of incorporation from affording any pecuniary gain to its members or directors and which has as its primary purpose the civic betterment and development of the city of Bemidji. The exemption provided under this subdivision for property held by a qualified nonprofit organization shall apply only to property held for the purpose of encouraging development of commerce and industry in the city in accordance with the provisions of the articles of incorporation of the organization. This section shall not operate to create an exemption from sections 272.01, subdivision 2; 272.68; 273.19; or 462.575, subdivision 3; or other provision of law providing for the taxation of or for payments in lieu of taxes for publicly held property which is leased, loaned, or otherwise made available and used by a private person.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day after approval by the city council of the city of Bemidji at 12:01 a.m. the day after compliance with Minnesota Statutes, section 645.021, subdivision 3.

ARTICLE 12

I.S.D. No. 692

Section 1. [EXEMPTION FROM PROPERTY TAX FOR LEASED PROPERTY.]

Property leased from Independent School District No. 692 by a nonprofit organization established for the purpose of providing services and rental

space to community organizations and businesses and which donates its revenues that exceed its operating and maintenance costs and necessary reserves to the school district or to a community service fund to be used for educational and recreational purposes within the district, shall not be subject to taxation pursuant to Minnesota Statutes, section 272.01, subdivision 2 prior to the leasing or renting of the property from the nonprofit organization to a tenant.

Sec. 2. [LOCAL APPROVAL.]

Section 1 is effective upon local approval by the governing bodies of St. Louis County, the city of Babbitt, and Independent School District No. 692.

ARTICLE 13

CITY LODGING TAX

Section 1. [477A.018] [CITY LODGING TAX.]

Subdivision 1. [AUTHORIZATION.] Notwithstanding section 477A.016 or any other law, a statutory or home rule charter city may by ordinance impose a tax of up to three percent on the gross receipts from the furnishing for consideration of lodging at a hotel, motel, rooming house, tourist court, or other use of space by a transient, other than the renting or leasing of it for a continuous period of 30 days or more.

Subd. 2. [EXISTING TAXES.] No statutory or home rule charter city may impose a tax under this section upon transient lodging that, when combined with any tax authorized by special law or enacted prior to 1972, exceeds a rate of three percent.

Subd. 3. [DISPOSITION OF PROCEEDS.] Ninety-five percent of the gross proceeds from any tax imposed under subdivision 1 shall be used by the statutory or home rule charter city to fund a local convention or tourism bureau for the purpose of marketing and promoting the city as a tourist or convention center. This subdivision shall not apply to any statutory or home rule charter city that has a lodging tax authorized by special law or enacted prior to 1972 at the time of enactment of this section.

Sec. 2. [COLLECTION.]

The statutory or home rule charter city may agree with the commissioner of revenue that a tax imposed pursuant to section 1 shall be collected by the commissioner together with the tax imposed by Minnesota Statutes, chapter 297A, and subject to the same interest, penalties and other rules and that its proceeds, less the cost of collection, shall be remitted to the city.

Sec. 3. [EFFECTIVE DATE.]

This article is effective July 1, 1983.

ARTICLE 14

GRAVEL TAX

Section 1. Minnesota Statutes 1982, section 298.75, is amended to read:

Subdivision 1. [DEFINITIONS.] Except as may otherwise be provided, the following words, when used in this section, shall have the meanings herein ascribed to them.

(1) "Aggregate material" shall mean non-metallic natural mineral aggregate including, but not limited to sand, silica sand, gravel, building stone, crushed rock, limestone, and granite. Aggregate material shall not include dimension stone and dimension granite.

(2) "Person" shall mean any individual, firm, partnership, corporation, organization, trustee, association, or other entity.

(3) "Operator" shall mean any person engaged in the business of removing aggregate material from the surface or subsurface of the soil, for the purpose of sale, either directly or indirectly, through the use of the aggregate material in a marketable product or service.

(4) "Extraction site" shall mean a pit, quarry, or deposit containing aggregate material and any contiguous property to the pit, quarry, or deposit which is used by the operator for stockpiling the aggregate material.

(5) "Importer" shall mean any person who buys aggregate material produced from a county not listed in paragraph (6) or another state and causes the aggregate material to be imported into a county in this state which imposes a tax on aggregate material.

(6) "County" shall mean the counties of Stearns, Benton, Sherburne, Wright, Carver, Scott, Dakota, LeSeuer, Kittson, Marshall, Pennington, Red Lake, Polk, Norman, Mahnomen, Clay, Becker, Wilkin, Traverse, Big Stone, Stevens, Pope, Anoka, Hennepin, Washington, and Ramsey.

Subd. 2. A county shall impose upon every importer and operator, engaged in the business of removing aggregate material for sale from a pit, quarry, or deposit, a production tax equal to ten cents per cubic yard or seven cents per ton of aggregate material removed except that the county board may, in its discretion, decide not to impose this tax if it determines that in the previous year operators removed less than 20,000 tons or 14,000 cubic yards of aggregate material from that county. The tax shall be imposed on aggregate material produced in the county when the aggregate material is transported from the extraction site or sold, when in the case of storage the stockpile is within the state of Minnesota and the highways are not used for transporting the aggregate material. The tax shall be imposed on an importer when the aggregate material is imported into the county that imposes the tax.

In the event that If the aggregate material is transported directly from the extraction site to a waterway, railway, or another mode of transportation other than a highway, road or street, the tax imposed by this section shall be apportioned equally between the county where the aggregate material is extracted and the county to which the aggregate material is originally transported. If that destination is not located in Minnesota, then the county where the aggregate material was extracted shall receive all of the proceeds of the tax.

Subd. 3. By the 14th day following the last day of each calendar quarter, every operator or importer shall make and file with the county auditor of the county in which the aggregate material is removed or imported, a correct report under oath, in such form and containing such information as the auditor shall require relative to the quantity of aggregate material removed or imported during the preceding calendar quarter. The report shall be accompanied by a remittance of the amount of tax due.

If any of the proceeds of the tax is to be apportioned as provided in subdivision 2, the operator *or importer* shall also include on the report any relevant information concerning the amount of aggregate material transported, the tax and the county of destination. The county auditor shall notify ~~his~~ the county treasurer of the amount of such tax and the county to which it is due. The county treasurer shall remit the tax to the appropriate county within 30 days.

Subd. 4. If any operator *or importer* fails to make the report required by subdivision 3 or files an erroneous report, the county auditor shall, by the fifth working day after the date the report became due, determine the amount of tax due and notify the operator *or importer* by registered mail of the amount of tax so determined. An operator *or importer* may, within 30 days from the date of mailing the notice, file in the office of the county auditor a written statement of objections to the amount of taxes determined to be due. The statement of objections shall be deemed to be a petition within the meaning of chapter 278, and shall be governed by sections 278.02 to 278.13.

Subd. 5. Failure to file the report shall result in a penalty of \$5 for each of the first 30 days, beginning on the 14th day after the date when the county auditor has sent notice to the operator *or importer* as provided in subdivision 4, during which the report is overdue and no statement of objection has been filed. For each subsequent day during which the report is overdue and no statement of objection has been filed, a penalty of \$10 shall be assessed against the operator *or importer* who is required to file the report. The penalties imposed by this subdivision shall be collected as part of the tax. If neither the report nor a statement of objection has been filed after more than 60 days have elapsed from the date when the notice was sent, the operator *or importer* who is required to file the report is guilty of a misdemeanor.

Subd. 6. It is a misdemeanor for any operator *or importer* to remove aggregate material from a pit, quarry, or deposit *or for any importer to import aggregate material* unless all taxes due under this section for the previous reporting period have been paid or objections thereto have been filed pursuant to subdivision 4.

Subd. 7. All moneys collected as taxes under this section shall be deposited in the county treasury and credited as follows, for expenditure by the county board:

(a) Sixty percent to the county road and bridge fund for expenditure for the maintenance, construction and reconstruction of roads, highways and bridges;

(b) Thirty percent to the road and bridge fund of those towns as determined by the county board and to the general fund or other designated fund of those cities as determined by the county board, to be expended for maintenance, construction and reconstruction of roads, highways and bridges; and

(c) Ten percent to a special reserve fund which is hereby established, for expenditure for the restoration of abandoned pits, quarries, or deposits located upon public and tax forfeited lands within the county.

~~In the event that~~ If there are no abandoned pits, quarries or deposits located

upon public or tax forfeited lands within the county, this portion of the tax shall be deposited in the county road and bridge fund for expenditure for the maintenance, construction and reconstruction of roads, highways and bridges.

Sec. 2. [REPEALER.]

Laws 1961, chapter 605; Laws 1963, chapter 475; Laws 1965, chapter 163; Laws 1977, chapters 112 and 117; and Laws 1979, chapter 273 are repealed.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective for aggregate material produced after June 30, 1983.

Section 2 is effective January 1, 1983.

ARTICLE 15

DELINQUENCY; TAX FORFEITURE

Section 1. [PURPOSES; POLICY.]

Laws pertaining to the processing of delinquent real estate taxes in this state respecting billing, delinquency, judgment, sale, forfeiture, and redemption create risks respecting the validity of the title of the state, or its successors in interest, arising out of the tax forfeiture process. It is the policy of the state of Minnesota that the body of law pertaining to the processing of delinquent real property taxes be liberally construed in favor of the state, its officers, agents, and its successors in interest, to accomplish the following:

(a) to promote the policy of unfettered marketability as expressed in section 284.28;

(b) to provide for uniform and reasonable notices to taxpayers and other interested parties with regard to:

(1) mailing of billing notices;

(2) notice of delinquency, judgment, and sale;

(3) notice of expiration of the redemption period; and

(c) to eliminate other potential defects or ambiguities as fetter the marketability of title held by the state, or its successors in interest.

Sec. 2. Minnesota Statutes 1982, section 276.04, is amended to read:

276.04 [NOTICE OF RATES; PROPERTY TAX STATEMENTS.]

On receiving the tax lists from the county auditor, the county treasurer shall, if directed by the county board, give three weeks' published notice in a newspaper specifying the rates of taxation for all general purposes and the amounts raised for each specific purpose. He shall, whether or not directed by the county board, cause to be printed on all tax statements, or on an attachment, a tabulated statement of the dollar amount due to each taxing authority and the amount to be paid to the state of Minnesota from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the state, county, township or municipality and school district shall be separately stated but the amounts due other taxing districts, if any, may be aggregated. The property tax statements for class 2a property shall

contain the same information that is required on the tax statements for real property. The county treasurer shall mail to taxpayers statements of their personal property taxes due, such statements to be mailed not later than February 15 (except in the case of Class 2a property), statements of the real property taxes due shall be mailed not later than January 31; provided, that the validity of the tax shall not be affected by failure of the treasurer to mail such statement. *The taxpayer is defined as the owner who is responsible for the payment of the tax.* Such real and personal property tax statements shall contain the market value, as defined in section 272.03, subdivision 8, used in determining the tax. The statement shall show the amount attributable to section 124.2137 as "state paid agricultural credit" and the amount attributable to section 273.13, subdivisions 6 and 7 as "state paid homestead credit". The statement shall show the reduction attributable to the aid given pursuant to section 273.139 and shall indicate that the reduction is paid by the state of Minnesota. If so directed by the county board, the treasurer shall visit places in the county as he deems expedient for the purpose of receiving taxes and the county board is authorized to pay the expenses of such visits and of preparing duplicate tax lists. *Failure to mail the tax statement shall not be deemed a material defect to affect the validity of any judgment and sale for delinquent taxes.*

Sec. 3. [276.041] [FILING TO RECEIVE NOTICE OF DELINQUENT TAXES.]

Fee owners, vendees, mortgagees, lienholders, and lessees may file their names and current mailing addresses with the county auditor in the county in which the land is located for the purpose of receiving notices affecting such land that are issued pursuant to sections 276.04, 281.23, and section 6. Each person filing his name and address shall pay a filing fee of \$15 to the county auditor for each parcel. The filing shall expire after three years. Persons may refile their names and addresses for additional three year periods, and a fee of \$15 shall be paid with each refiling. The county auditor shall furnish a copy of the list of names and addresses to the county treasurer. Taxpayers of record with the county auditor and mortgagees who remit taxes on their behalf shall receive tax statements and other notices as otherwise provided by law and shall not be required to file and pay fees under this section.

Sec. 4. Minnesota Statutes 1982, section 279.05, is amended to read:

279.05 [DELINQUENT LIST, FILING, EFFECT.]

On or before February fifteenth, in each year, the county auditor shall file with the clerk of the district court of the county a list of the delinquent taxes upon real estate within his county, which list shall contain a description of each parcel of land on which such taxes shall be so delinquent, except such parcels as shall have theretofore been bid in by the state and not assigned by it or redeemed; with the name of the owner, if known, and, if unknown, so stated, appearing on the delinquent list, and the total amount of taxes and penalties; with the years for which the same are delinquent, set opposite such description, and shall verify such list by his affidavit. *The list shall contain the following information:*

(a) a legal description of the land and tax parcel or identification number of each parcel of land on which taxes shall be so delinquent except those parcels as shall have theretofore been bid in by the state and not redeemed;

(b) names of the taxpayers and fee owners and in addition those parties who have filed their addresses pursuant to section 3, and, at the election of the county auditor, the current filed addresses; and

(c) the total amount of taxes and penalties, with the years for which the same are delinquent, set opposite the description.

The filing of such list shall have the effect of filing a complaint in an action by the county against each parcel of land therein described, to enforce payment of the taxes and penalties therein appearing against it, and shall be deemed the institution of such action, and the same shall operate as notice of the pendency thereof. The auditor shall verify the list by affidavit. The affidavit shall be substantially in the following form:

State of Minnesota)
)
County of) ss.

....., being by me first duly sworn, deposes, and says that he is the auditor of the county of; that he has examined the foregoing list, and knows the contents thereof; and that the same is a correct list of taxes delinquent for the year (or years) therein appearing upon real estate in said county true and correct.

Subscribed and sworn to before me this day of, 19.....

Sec. 5. Minnesota Statutes 1982, section 279.06, is amended to read:

279.06 [COPY OF LIST AND NOTICE.]

Within five days after the filing of such list, the clerk shall return a copy thereof to the county auditor, with a notice prepared and signed by him, and attached thereto, which may be substantially in the following form:

State of Minnesota)
)
County of) ss.

District Court
..... Judicial District.

The state of Minnesota, to all persons, companies, or corporations who have or claim any estate, right, title, or interest in, claim to, or lien upon, any of the several parcels of land described in the list hereto attached:

The list of taxes and penalties on real property for the county of remaining delinquent on the first Monday in January, 19....., has been filed in the office of the clerk of the district court of said county, of which that hereto attached is a copy. Therefore, you, and each of you, are hereby required to file in the office of said clerk, on or before the twentieth day after the publication of this notice and list, your answer, in writing, setting forth any objection or defense you may have to the taxes, or any part thereof, upon any parcel of land described in the list, in, to, or on which you have or claim any estate, right, title, interest, claim,

or lien, and, in default thereof, judgment will be entered against such parcel of land for the taxes on such list appearing against it, and for all penalties, interest, and costs. *Based upon said judgment, the land shall be sold to the state of Minnesota on the second Monday in May, 19... The period of redemption for all lands sold to the state at a tax judgment sale shall be three years from the date of sale to the state of Minnesota if the land is within an incorporated area unless it is: (a) homesteaded land as defined in section 273.13, subdivision 7; (b) agricultural land as defined in section 273.13, subdivision 6; or (c) seasonal recreational land as defined in section 273.13, subdivision 4, in which event the period of redemption is five years from the date of sale to the state of Minnesota.*

The period of redemption for all other lands sold to the state at a tax judgment sale shall be five years from the date of sale.

Inquiries as to the proceedings set forth above can be made to the county auditor of county whose address is

(Signed),
 Clerk of the District Court of the County
 of

(Here insert list.)

The list referred to in the notice shall be substantially in the following form:

List of real property for the county of, on which taxes remain delinquent on the first Monday in January, 19...:

Town of (Fairfield),
 Township (40), Range (20),

Name of Owner
*Names (and
 Current Filed
 Addresses) for
 the Taxpayers
 and Fee Owners
 and in Addition
 Those Parties
 Who Have Filed
 Their Addresses*

<i>Pursuant to</i>	<i>Subdivision of Section</i>	<i>Section</i>	<i>Tax Parcel Number</i>	<i>Total Tax and Penalty \$ cts.</i>
<i>section 3 John Jones (825 Fremont Fairfield, MN 55000)</i>	<i>S.E. 1/4 of S.W. 1/4</i>	<i>10</i>	<i>23101</i>	<i>2.20</i>
<i>James Smith Amos Brown</i>	<i>Und. half of S.E. 1/4 Beg. at; thence in N.E. dire. 40 rods to; thence in E. dire.</i>	<i>20</i>		<i>4.40</i>

40 rods to; thence
 in S.W. dire. 40 rods to
; thence 40 rods N.
 to place of beg.....21

3.15

Bruce Smith (2059 Hand Fairfield, MN 55000) and Fairfield State Bank (100 Main Street Fairfield, MN 55000) That part of N.E. 1/4 of S.W. 1/4 desc. as follows: Beg. at the S.E. corner of said N.E. 1/4 of S.W. 1/4; thence N. along the E. line of said N.E. 1/4 of S.W. 1/4 a distance of 600 ft.; thence W. parallel with the S. line of said N.E. 1/4 of S.W. 1/4 a distance of 600 ft.; thence S. parallel with said E. line a distance of 600 ft. to S. line of said N.E. 1/4 of S.W. 1/4; thence E. along said S. line a distance of 600 ft. to the point of beg.

21 33211 3.15

As to platted property, the form of heading shall conform to circumstances and be substantially in the following form:

City of (Smithtown)
 Brown's Addition, or Subdivision

Name of Owner
 Names (and Current Filed Addresses) for the Taxpayers and Fee Owners and in Addition Those Parties Who have Filed Their Addresses

Pursuant to section 3	Lot	Block	Tax Parcel Number	Total Tax and Penalty \$ cts
John Jones (825 Fremont Fairfield, MN 55000)	15	9	58243	2.20

James Smith	12	9		1.20
Amos Brown	4	10		4.40
Bruce Smith	16	9	58244	3.15
<i>(2059 Hand</i>				
<i>Fairfield,</i>				
<i>MN 55000)</i>				
<i>and</i>				
<i>Fairfield</i>				
<i>State Bank</i>				
<i>(100 Main Street</i>				
<i>Fairfield,</i>				
<i>MN 55000)</i>				

The names, descriptions, and figures employed in parentheses in the above forms are merely for purposes of illustration.

The name of the town, township, range or city, and addition or subdivision, as the case may be, shall be repeated at the head of each column of the printed lists as brought forward from the preceding column.

Errors in the list shall not be deemed to be a material defect to affect the validity of the judgment and sale.

Sec. 6. [279.091] [MAILING OF NOTICE AND LIST; FAILURE TO MAIL.]

On or before March 20 immediately following the filing of such list with the clerk of district court, the county auditor shall cause the notice and the pertinent portion of the list of delinquent real property to be mailed to all real property taxpayers and in addition those parties who have filed their addresses pursuant to section 3. Failure to mail the notice and the pertinent portions of the list shall not be deemed to be a material defect to affect the validity of the judgment and sale.

Sec. 7. [279.092] [PUBLICATION AND RELATED COSTS.]

The county auditor shall assess a service fee of the greater of (a) \$10.00, or (b) the amount determined by the county board as reasonably necessary to recover all costs incurred, against each parcel included in the delinquent tax list filed pursuant to section 279.05. The unpaid fees shall constitute a lien against the property in the manner provided in section 272.31 for unpaid taxes. When the fee is collected, the general revenue fund of the county shall be credited to defray costs incurred by the county auditor and the clerk of district court to prepare and publish the delinquent tax list and to enter judgment if no answer is filed.

Sec. 8. [279.131] [AFFIDAVIT OF MAILING.]

The county auditor shall forthwith file with the clerk of the district court an affidavit of mailing of such notice and list. The affidavit shall be substantially in the following form:

State of Minnesota)
) ss.
County of)

....., being the county auditor of County, being duly sworn, on oath, deposes and says that on the day of 19.., he mailed the notice and the pertinent portion of the list of real estate remaining delinquent in County on the first Monday of January, 19.., to those parties named in the pertinent portion of the list by placing a true and correct copy of the pertinent portion of the list in an envelope addressed to them as shown in said list and depositing the same with postage prepaid, in the U.S. Mails at, Minnesota.

Subscribed and sworn to before me this day of, 19...

Sec. 9. Minnesota Statutes 1982, section 279.14, is amended to read:

279.14 [CONCLUSIVENESS OF JUDGMENT, JURISDICTIONAL DEFECTS.]

When the last publication shall have been made and the notice and list shall have been mailed by the county auditor, the notice shall be deemed to have been served and the court to have acquired full and complete jurisdiction to enforce against each parcel of land in such published list described in the taxes, accrued penalties, and costs upon it then delinquent, so as to bind every estate, right, title, interest, claim, or lien, in law or equity, in, to, or upon such parcel of land, of every person, company, or corporation. Such jurisdiction shall not be affected by any error in making the list filed with the clerk, nor by any error, irregularity, or omission in the assessment or levy of the taxes, or in any other proceedings, prior to filing the list; nor by any mistake in copying the list for publication, or in publishing the list, or in mailing the list and notice or in the designation of the newspaper wherein such list is published; nor by reason of the taxes having been charged in any other name than that of the rightful owner; nor by any mistake in the amount of tax in such published list appearing against any piece or parcel of land therein described; provided, that any judgment rendered in such proceedings shall be void upon satisfactory proof made at any time prior to the expiration of the statute of limitations provided in section 284.28 that such real estate was exempt from taxation or that such taxes were paid before judgment was rendered.

Sec. 10. Minnesota Statutes 1982, section 279.15, is amended to read:

279.15 [WHO MAY ANSWER; FORM.]

Any person having any estate, right, title, or interest in, or lien upon, any parcel of land embraced in such list as published, within 20 days after the last publication of the notice, may file with the clerk of the district court an answer, verified as a pleading in a civil action, setting forth his defense or objection to the tax or penalty against such parcel of land. The answer need not be in any particular form, but shall clearly refer to the parcel of land intended, and set forth in concise language the facts constituting the defense or objection to such tax or penalty; and, if the list shall embrace the taxes for two or more years, the defense or objection may be to the taxes or penalty for one or more of such years. The answer may embrace his defense or objection to any number of parcels of land in or upon which he has any estate, right, title, interest, or lien. No reply shall be necessary, but at the trial

279.20 [PAPERS FILED BY CLERK.]

The clerk shall attach together and file the list, notice, affidavit of publication, *affidavit of mailing*, one copy of the newspaper and supplement, if any, in which the notice and list were published, all answers, all orders made in the proceedings, and all affidavits and other papers filed in the course thereof.

Sec. 13. Minnesota Statutes 1982, section 280.01, is amended to read:

280.01 [~~MODE OF STATE BID IN AT SALE.~~]

On the second Monday in May, in each year, the county auditor shall sell all parcels of land against which judgment has been entered and remains unsatisfied for the taxes of the preceding year or years. *The auditor shall bid in for the state for all such parcels of land the amount of all delinquent taxes, penalties, costs, and interest to date. No notice of sale shall be required to be published, posted, or served prior to sale. Before making such sale he shall give ten days posted notice thereof, one notice to be posted in the office of the clerk of the court where the judgment has been entered, one in the office of the county treasurer, and one at some conspicuous place at the county seat; and two weeks' published notice, the first publication to be at least 15 days before the day of sale. If answer has been filed, or a republication of the notice and list of delinquent taxes has been made, and judgment has been entered, the auditor shall sell the lands charged with taxes in such judgment within 30 days thereafter, first giving the required notice by posting and publication. The notice may be substantially in the following form:*

"TAX JUDGMENT SALE

Pursuant to a real estate tax judgment of the district court of the county of _____, state of Minnesota, entered the _____ day of _____, 19____, in proceedings for enforcing payment of taxes and penalties upon real estate in the county of _____ remaining delinquent on the first Monday in January, 19____, and of the statutes in such case made and provided, I shall, on _____ the _____ day of _____, 19____, at ten o'clock a.m., at _____, _____, in the (town or city) of _____ and county of _____, sell the lands which are charged with taxes, penalties, and costs in said judgment, and on which taxes shall not have been previously paid.

Auditor of _____ County."

At the time and place appointed in such notice the auditor shall commence the sale of such lands, and proceed with the sale thereof from day to day for six consecutive days, or until the whole shall be sold. If, for any reason, any parcel against which a judgment has been entered be omitted from the tax judgment sale or sales of the year in which the same was entered, such judgment shall bear interest at one percent per month from the date thereof, and the auditor may include such parcel in the next annual tax judgment sale.

Sec. 14. Minnesota Statutes 1982, section 280.07, is amended to read:

280.07 [ENTRIES IN JUDGMENT BOOKS AFTER SALE.]

Immediately after such sale the county auditor shall set out in the copy judgment book ~~what disposition was made at such sale of each parcel of land; if sold to an actual purchaser, to whom and for what amount; and for what rate of interest; and, if bid in for the state, then so stating that all parcels were bid in for the state.~~ He shall thereupon deliver such book to the clerk of the court, who shall forthwith enter on the right-hand page of the real estate tax judgment book, opposite the description of each parcel sold, the words, "~~satisfied by sale,~~" and ~~opposite each parcel bid in for the state the words,~~ "bid in for the state," and he shall thereupon redeliver the copy judgment book to the auditor. Upon any assignment or redemption the auditor shall make a note thereon in the copy judgment book, opposite the parcel assigned or redeemed.

Sec. 15. Minnesota Statutes 1982, section 280.10, is amended to read:

280.10 [PAYMENT OF SUBSEQUENT TAXES.]

The taxes for subsequent years shall be levied on property so sold or bid in for the state in the same manner as if the sale had not been made. The purchaser or assignee of the state may pay the amount of such taxes at the annual May sale following the date they become delinquent. Any such purchaser or assignee paying such taxes shall, if he be the owner of a prior certificate of sale, notify the county auditor prior to the annual May sale that he is the owner of a tax certificate and such notice shall contain a description of the property for which such certificate was issued, together with the year of sale, and thereupon the county auditor shall issue the certificate or a certificate for such taxes in the same form as now provided by section 280.03; such certificate shall bear interest at the rate provided by section 280.02, unless the prior certificate bears a lower rate of interest, in which case such lower rate shall apply; provided, that, if there shall have been any parcel redemption, he shall pay the delinquent taxes on the unredeemed portion of the land described in his tax certificate, and such tax certificate, after such parcel redemption, shall be applicable to such unredeemed portion of the land therein described only, in all respects as if a portion of the land unredeemed from had been all of the land described in the certificate at the time of its issuance, and all proceedings thereafter had as to notice of expiration of redemption and otherwise shall be as to the certificate so modified by the elimination therefrom of the portion of the land redeemed from as aforesaid.

Sec. 16. Minnesota Statutes 1982, section 280.38, is amended to read:

280.38 [LANDS BID IN FOR THE STATE; ATTACHMENTS.]

When any parcel of land is bid in for the state, until its rights be assigned or the land be redeemed, the sale shall not operate as a payment of the amount for which the same is sold, but at any time after such sale the county auditor may make and file with the clerk where the judgment is entered an affidavit stating the date of the sale, the amount for which such parcel was bid in for the state, and the amount of all subsequent delinquent taxes, ~~that its right has not been assigned,~~ that there has been no redemption, and that the land is rented, in whole or in part, and produces rent, and giving the names of the persons paying rent. Upon presentation of such affidavit, the judge or court commissioner for the county shall endorse thereon an order directing an attachment to issue to attach the rents of such lands. The clerk shall thereupon issue a writ directing the sheriff to attach the rents accruing for such

Sec. 25. Minnesota Statutes 1982, section 281.18, is amended to read:

281.18 [LANDS MAY BE REDEEMED.]

Every parcel of land heretofore sold to an actual purchaser or bid in for the state at any tax judgment sale and now subject to redemption; and every ~~parcel of land hereafter sold to an actual purchaser or bid in for the state at any such sale;~~ shall continue subject to redemption until the expiration of the time allowed for redemption after the giving of notice of expiration as provided by law. Upon the expiration of such time absolute title to such parcel, if not theretofore redeemed, shall vest in the state; ~~the purchaser; or its or his assigns; as the case may be.~~

Sec. 26. Minnesota Statutes 1982, section 281.23, is amended to read:

281.23 [NOTICE.]

Subdivision 1. [DUTY OF AUDITOR.] In case any parcel of land bid in for the state at any tax judgment sale ~~hereafter held~~ has not been sold or assigned to an actual purchaser redeemed by 60 days before the expiration of the ~~stated~~ period of redemption of such parcel, it shall be the duty of the county auditor thereupon forthwith to give notice of expiration of the time for redemption of such parcel, as herein provided; provided, that delay in giving such notice shall not affect the validity thereof.

Subd. 2. [MAY COVER PARCELS BID IN AT SAME TAX SALE.] All parcels of land bid in at the same tax judgment sale and having the same ~~stated~~ period of redemption shall be covered by a single posted notice, but a separate notice may be posted for any parcel which may be omitted. Such notice shall be sufficient if substantially in the following form:

“NOTICE OF EXPIRATION OF REDEMPTION

Office of the County Auditor

County of, State of Minnesota.

To all persons interested in the lands hereinafter described:

You are hereby notified that the parcels of land hereinafter described, situated in the county of, state of Minnesota, were bid in for the state on the day of, 19....., at the tax judgment sale of land for delinquent taxes for the year 19.....; that the legal descriptions and tax parcel identification numbers of such parcels and the names of the persons to whom the same are assessed; ~~respectively;~~ taxpayers and fee owners and in addition those parties who have filed their addresses pursuant to section 3, and the amount necessary to redeem as of the date hereof and, at the election of the county auditor, the current filed addresses of any such persons, are as follows:

Description	Persons to whom assessed
.....
.....

Names (and Current Filed Addresses) for

*the Taxpayers
and Fee Owners
and in Addition
Those Parties
Who Have Filed
Their Addresses
Pursuant to
section 3*

*Legal
Description*

*Amount
Tax
Parcel
Number*

*Amount
Necessary to
Redeem as of
Date Hereof*

.....
.....

That the time for redemption of such lands from such sale will expire 60 days after service of notice and the filing of proof thereof in my office, as provided by law. *The redemption must be made in my office.*

FAILURE TO REDEEM SUCH LANDS PRIOR TO THE EXPIRATION OF REDEMPTION WILL RESULT IN THE LOSS OF THE LAND AND FORFEITURE OF SAID LAND TO THE STATE OF MINNESOTA.

Inquiries as to the proceedings set forth above can be made to the County Auditor for the County of, whose address is set forth below.

Witness my hand and official seal this day of, 19.....

.....
County Auditor²²

(OFFICIAL SEAL)

.....
(Address)

.....
(Telephone).''

Such notice shall be posted by the auditor in his office, subject to public inspection, and shall remain so posted until at least one week after the date of the last publication of notice, as hereinafter provided. Proof of such posting shall be made by the certificate of the auditor, filed in his office.

Subd. 3. [PUBLICATION.] As soon as practicable after the posting of the notice prescribed in subdivision 2, the county auditor shall cause to be published for three successive weeks in the official newspaper of the county, *a the notice in substantially the following form:*

“NOTICE OF EXPIRATION OF REDEMPTION

Office of the County Auditor

County of, State of Minnesota.

Notice is hereby given that the time for redemption of certain lands bid in for the state on the day of

19....., at the tax judgment sale of lands for delinquent taxes for the year 19....., will expire 60 days after service of notice and the filing of proof thereof in my office, as provided by law; that a notice containing a description of said lands and the names of the persons to whom the same are assessed has been posted in my office, subject to public inspection, as required by law.

Dated, 19.....

.....
County Auditor.—”

prescribed by subdivision 2.

Subd. 4. [PROOF OF PUBLICATION.] Proof of publication of such notice affidavit, as provided by law, shall be filed in the office of the county auditor. A single published notice shall be sufficient for all parcels of land bid in at the same tax judgment sale, having the same stated period of redemption, and covered by a notice or notices kept posted during the time of the publication, as hereinbefore provided. ~~As to either service upon persons in possession or return as to vacant lands, the sheriff shall charge mileage only for one trip if the occupants of more than two tracts are served simultaneously, and in such case such mileage shall be prorated and charged equitably against all such owners.~~

Subd. 5. [MAILING OF NOTICE.] Forthwith after the commencement of such publication, the county auditor shall cause the notice of expiration of redemption to be mailed by certified mail, return receipt requested, to all real property taxpayers and fee owners and in addition to those parties who have filed their addresses pursuant to section 3. Proof of such mailing shall be made by the certificate of the auditor filed in his office. Failure to receive the notice shall not operate to postpone or excuse any default.

Subd. 5 6. [SERVICE BY SHERIFF OR CERTIFIED MAIL.] Forthwith after the commencement of such publication the county auditor shall deliver to the sheriff of the county a sufficient number of copies of such ~~published~~ notice of expiration of redemption for service upon the persons in possession of all parcels of such land as are actually occupied, ~~together with a copy of the posted notice or notices referred to in such published notice.~~ Within 30 days after receipt thereof, the sheriff shall make such investigation as may be necessary to ascertain whether the parcels covered by such notice are actually occupied or not, and shall serve a copy of such ~~published~~ notice of expiration of redemption upon the person in possession of each parcel found to be so occupied, in the manner prescribed for serving summons in a civil action. The sheriff shall make prompt return to the auditor as to all notices so served and as to all parcels found vacant and unoccupied. Such return shall be made upon a copy of such ~~published~~ notice and of the ~~posted notice or notices covered thereby~~ and shall be prima facie evidence of the facts therein stated. Unless compensation for such services is otherwise provided by law, the sheriff shall receive from the county, in addition to his other compensation prescribed by law, such fees and mileage for service on persons in possession as are prescribed by law for such service in other cases, and shall also receive such compensation for making investigation and return as to vacant and unoccupied lands as the county board may fix, subject to appeal to the district court as in case of other claims against the county. *As to either*

service upon persons in possession or return as to vacant lands, the sheriff shall charge mileage only for one trip if the occupants of more than two tracts are served simultaneously, and in such case mileage shall be prorated and charged equitably against all such owners.

Forthwith after the commencement of such publication, the county auditor shall also give notice by certified mail to the taxpayer as shown on the last statement without regard to the county or state of residency, and give notice by certified mail at the last known address of the person in whose name the property is assessed on the latest tax statement without regard to the county or state of residency. Failure to receive the notice shall not operate to postpone any payment or excuse any default under this section. Proof of such mailing shall be made by the certificate of the auditor filed in his office.

Subd. 6 7. [EXPIRATION OF TIME FOR REDEMPTION.] The time for redemption of any parcel of land as to which notice of expiration has been given, as provided in subdivisions 2 and, 3, 5, and 6, shall expire 60 days after the giving of such notice and the filing of proof thereof in the office of the county auditor, unless such parcel shall theretofore be assigned to an actual purchaser, as hereinafter provided.

Subd. 7 8. [COST.] The cost of giving notice, as provided by subdivisions 2 and, 3, 5, and 6, shall be paid by the county.

Subd. 8 9. [CERTIFICATE.] After the time for redemption of any lands shall have expired after notice given, as provided in subdivisions 2 and, 3, 5, and 6, the county auditor shall execute a certificate describing the lands, specifying the tax judgment sale at which the same were bid in for the state, and stating that the time for redemption thereof has expired after notice given as provided by law and that absolute title thereto has vested in the state of Minnesota. Such certificate shall be recorded in the office of the county recorder and thereafter filed in the office of the county auditor, except that in case of registered land such certificate shall be filed in the office of the registrar of titles and a duplicate filed in the office of the county auditor. Such certificate and the record thereof shall be prima facie evidence of the facts therein stated, but failure to execute or record or file such certificate shall not affect the validity of any proceedings hereunder respecting such lands or the title of the state thereto.

Sec. 27. Minnesota Statutes 1982, section 281.25, is amended to read:

281.25 [TITLES TO BE HELD IN TRUST BY THE STATE.]

Except as otherwise provided by law, the title to every parcel of land acquired by the state, as provided by sections 281.16 to 281.27, shall be held by the state in trust for the respective taxing districts interested in the taxes, assessments, penalties, interest, and costs accrued against such parcel at the time of such acquisition in proportion to the respective interests of such taxing districts therein.

Sec. 28. Minnesota Statutes 1982, section 281.34, is amended to read:

281.34 [FEES FOR NOTICE.]

For serving such notice the sheriff shall receive the same fees as for the service of summons in a civil action in the district court, except that where more than one notice is served upon one person or corporation at the same

time and place the sheriff shall be entitled to charge but one mileage. Such fees and the printer's fees for publishing such notice *and the costs of the certified mail shall be paid in the first instance by the holder of the tax certificate, and repaid by the party offering to redeem such land before a certificate of redemption shall issue.*

Sec. 29. Minnesota Statutes 1982, section 281.39, is amended to read:

281.39 [TIME FOR REDEMPTION FROM TAX SALE EXTENDED IN CERTAIN CASES.]

Whenever at the time fixed by law for absolute forfeiture of any parcel of land heretofore or hereafter bid in for the state ~~and not assigned or disposed of by the state pursuant to Mason's Minnesota Statutes of 1927, Section 2439-2, and acts amendatory thereof and supplemental thereto,~~ there shall be pending, in the United States district court, proceedings in eminent domain affecting such parcel, and such eminent domain proceedings shall have been pending more than two years prior to the date of forfeiture, the time of the forfeiture of such parcel shall be and is postponed and continued until the expiration of one year after the final determination of such eminent domain proceedings; and the owner of such parcel, regardless of whether such parcel is included within the boundaries of any game preserve, reforestation project, or conservation area, or any person having an interest therein, may discharge the delinquent taxes and assessments against such parcel and redeem such parcel, or portion thereof, from such sale to the state within such period, as so extended, upon payment of the portion of such unpaid taxes and assessments permitted by any law in effect during the pendency of such condemnation proceedings. Such redemption and discharge of delinquent taxes and assessments may be so made regardless of any or no determination of the value or other action by the county board or the commissioner of revenue.

Sec. 30. Minnesota Statutes 1982, section 282.01, subdivision 5, is amended to read:

Subd. 5. [SALE ON TERMS, CERTIFICATE.] When sales hereafter are made on terms the purchaser shall receive a certificate from the county auditor in such form, consistent with the provisions of sections 282.01 to 282.13 and setting forth the terms of sale, as may be prescribed by the attorney general. Failure of the purchaser or any person claiming under him, to pay any of the deferred instalments with interest, or the current taxes, or to comply with any conditions that may have been stipulated in the notice of sale or in the auditor's certificate herein provided for, shall constitute default; and the state may, by order of the county board, during the continuance of such default, ~~without notice,~~ declare such certificate canceled and take possession of such lands and may thereafter resell or lease the same in the same manner and under the same rules as other lands forfeited to the state for taxes are sold or leased. When the county board shall have adopted a resolution ordering the cancellation of such certificate or certificates ~~the cancellation shall be deemed complete and the cancellation shall have been completed in accord with section 37,~~ then a reentry shall be deemed to have been made on the part of the state without any other act or deed, and without any right of redemption by the purchaser or any one claiming under him; and the original purchaser in default or any person claiming under him, who shall remain in possession or enter thereon shall be deemed a willful tres-

passer and shall be punished as such.

When the cancelation of such certificate has been completed the county auditor shall cancel all taxes and tax liens, delinquent and current, and special assessments, delinquent or otherwise, imposed upon the lands described in the certificate after the issuance thereof by him.

Sec. 31. Minnesota Statutes 1982, section 282.039, is amended to read:

282.039 [VETERAN'S CREDIT APPLICATION.]

The provisions of Minnesota Statutes 1980, Sections 282.031 to 282.037 shall continue in effect with respect to any veteran who has applied to purchase land under those sections before March 23, 1982 or to any veteran who purchases land under those sections and applies within the required time for a credit under Minnesota Statutes 1980, Section 282.033. *Any contract canceled or terminated for breach of the conditions thereof pursuant to Minnesota Statutes 1980, section 282.036, shall be canceled in the manner set forth in section 37.* This section is repealed April 1, 1988.

Sec. 32. Minnesota Statutes 1982, section 282.17, is amended to read:

282.17 [CANCELATION OF CONTRACTS.]

Failure of the purchaser to make any payment of any instalment or of any interest required under a contract within six months from the date on which such payment becomes due, or to pay before they become delinquent all taxes that may be levied upon the lands so purchased shall constitute a default, and thereupon the contract shall be deemed canceled, and all right, title, and interest of the purchaser, his heirs, representatives, or assigns in the premises shall terminate ~~without the doing by the state of any act or thing whatsoever~~ upon cancelation in accord with section 37. A record of such default shall be made in the state land records kept by or under the direction of the commissioner of natural resources, and a certificate of such default may be made by or under the direction of the commissioner and filed with the county treasurer or recorded in the office of the county recorder of the county in which the premises are situated. Any such record or certificate shall be prima facie evidence of the facts therein stated, but the making of such record or certificate shall not be essential to the taking effect of such cancelation and termination, and thereupon the land described in the contract shall be subject to disposition as provided in sections 282.15 and 282.16, upon first having been reclassified and reappraised as provided by section 282.14. The county auditor shall report any such default to the commissioner of natural resources on or before June 30th of each year.

Sec. 33. Minnesota Statutes 1982, section 282.171, is amended to read:

282.171 [CONTRACTS, MEMBERS OF ARMED FORCES, CANCE-
LATION.]

No contract entered into by persons in the armed forces of the United States prior to their induction or enlistment for the purchase of tax-forfeited or other lands from the state of Minnesota on the instalment plan shall be terminated or canceled for non-payment of instalments except as provided herein.

Any person in the armed forces of the United States, who, as vendee, in

any contract with the state of Minnesota for the purchase of tax-forfeited or other lands, is in default on any instalment, or is unable to pay any instalment or instalments thereafter becoming due, and desires to retain his or her rights under said contract, and such contract has not heretofore been canceled and the land sold, shall during the period of military service file, or cause to be filed by an adult, with knowledge of the facts, with the county auditor or other state agency, having charge of said contract, an affidavit, giving the legal description of said lands, and the number, if any, of said contract, and stating that the vendee in said contract is in the military service of the United States, the branch of the service, the date of enlistment or induction, and that said vendee desires to retain his or her rights under said contract. If said affidavit is filed within the time herein limited and provided, said contract shall remain in full force and effect, notwithstanding any default or non-payment of any instalment or instalments thereunder, for six months after the vendee's discharge from the military service. If said vendee fails to pay all delinquent instalments within six months after his or her discharge, then in such event said contract may be canceled and terminated as provided by law in section 37.

Sec. 34. Minnesota Statutes 1982, section 282.222, subdivision 4, is amended to read:

Subd. 4. [TERMS OF SALE.] All sales under sections 282.221 to 282.226 shall be for cash or on the following terms: at least 15 percent of the purchase price shall be paid in cash at the time of the sale, and the balance shall be paid in equal annual instalments over a period of 20 years, with interest at a rate equal to the rate in effect at the time under section 549.09, payable annually, on the portion remaining unpaid, with privilege of prepayment of any instalment on any interest date. Sales on terms shall be evidenced by a certificate issued by the county auditor in a form prescribed by the attorney general. The county auditor shall submit a copy of the certificate to the commissioner of natural resources within 30 days. The appraised value of all merchantable timber on such agricultural lands shall be paid for in cash in full at the time of sale. The county auditor shall report all sales to the commissioner of natural resources within 30 days. Failure of the purchaser to make any payment of any instalment or of any interest required under any contract within six months from the date on which the payment is due, or to pay all taxes that may be levied upon the land purchased before they become delinquent, shall constitute a default. Upon default the contract shall be ~~deemed~~ canceled and all right, title, and interest of the purchaser, his heirs, representatives, or assigns in the premises shall ~~automatically~~ terminate upon cancellation in accord with section 37. A record of the default shall be made in the state land records kept by or under the direction of the commissioner of natural resources. A certificate of the default may be made by or under the direction of the commissioner and filed with the county treasurer or recorded in the office of the county recorder of the county in which the premises are situated. Any record or certificate shall be prima facie evidence of the facts stated in it. The making of the record or certificate is not essential to the taking effect of the cancellation and termination. Upon cancellation and termination, the land described in the contract shall be subject to disposition as provided in this section after having been reclassified and reappraised as provided by section 282.221. The county auditor shall report any default to the commissioner of natural resources on or before June 30th of each year.

Sec. 35. Minnesota Statutes 1982, section 282.222, subdivision 5, is

amended to read:

Subd. 5. [CANCELATION VALIDATED.] In any case where a certificate of cancelation of any certificate of sale of lands sold pursuant to sections 282.221 to 282.226, has heretofore been made by either the commissioner of finance or the commissioner of natural resources and filed in the office of the officer executing the same or in the office of the commissioner of finance or recorded in the office of the county recorder of the county in which the land lies, such cancelation is hereby validated and made effective, and the certificate of sale shall be deemed canceled as if canceled by the proper officer and in the manner prescribed by law. *All cancelations made after the effective date of this act shall be in accord with section 37.*

Sec. 36. Minnesota Statutes 1982, section 282.301, is amended to read:

282.301 [RECEIPTS FOR PAYMENTS.]

The purchaser shall receive from the county auditor at the time of repurchase a receipt, in such form as may be prescribed by the attorney general. When the purchase price of a parcel of land shall be paid in full, the following facts shall be certified by the county auditor to the commissioner of revenue of the state of Minnesota: the description of land, the date of sale, the name of the purchaser or his assignee, and the date when the final instalment of the purchase price was paid. Upon payment in full of the purchase price, the purchaser or his assignee shall receive a quitclaim deed from the state, to be executed by the commissioner of revenue. Failure to make any payment herein required ~~within 60 days from the date on which payment was due~~ shall constitute default and upon such default ~~and cancelation in accord with section 37~~, the right, title and interest of the purchaser or his heirs, representatives, or assigns in such parcel shall terminate ~~without the doing by the state of any act or thing~~.

Sec. 37. [282.40] [CANCELATION OF INSTALLMENT SALE CONTRACTS BY STATE.]

The cancelation of any sale by the state of Minnesota under an installment contract of any parcel of land shall be completed pursuant to section 559.21, and all costs, attorney's fees, and other amounts payable by the purchaser thereunder shall be payable to the county.

Sec. 38. Minnesota Statutes 1982, section 559.21, is amended by adding a subdivision to read:

Subd. 6. [CANCELATION OF LAND SALE.] *The state of Minnesota shall cancel any sale of land made by the state under an installment contract upon default therein only in accord with the provisions of this section.*

Sec. 39. [REPEALER.]

Minnesota Statutes 1982, sections 279.24 and 281.36 are repealed.

Sec. 40. [EFFECTIVE DATE.]

This article is effective January 1, 1984, except for section 26, which is effective January 1, 1985.

ARTICLE 16

MULTISTATE TAX COMPACT

1. As used in this article, unless the context otherwise requires:

(a) "Business income" means income arising from transactions and activity in the regular course of the taxpayer's trade or business, and includes income from tangible and intangible property if the acquisition, management, and disposition of the property constitute integral parts of the taxpayer's regular trade or business operations.

(b) "Commercial domicile" means the principal place from which the trade or business of the taxpayer is directed or managed.

(c) "Compensation" means wages, salaries, commissions and any other form of remuneration paid to employees for personal services.

(d) "Financial organization" means any bank, trust company, savings bank, industrial bank, land bank, safe deposit company, private banker, savings and loan association, credit union, cooperative bank, small loan company, sales finance company, investment company, or any type of insurance company.

(e) "Nonbusiness income" means all income other than business income.

(f) "Public utility" means any business entity (1) which owns or operates any plant, equipment, property, franchise, or license for the transmission of communications, transportation of goods or persons, except by pipeline, or the production, transmission, sale, delivery, or furnishing of electricity, water or steam; and (2) whose rates of charges for goods or services have been established or approved by a federal, state or local government or governmental agency.

(g) "Sales" means all gross receipts of the taxpayer not allocated under paragraphs of this article.

(h) "State" means any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, and any foreign country or political subdivision thereof.

(i) "This state" means the state in which the relevant tax return is filed or, in the case of application of this article to the apportionment and allocation of income for local tax purposes, the subdivision or local taxing district in which the relevant tax return is filed.

2. Any taxpayer having income from business activity which is taxable both within and without this state, other than activity as a financial organization or public utility or the rendering of purely personal services by an individual or any income received by a Minnesota resident individual or income from the operation of a farm, shall allocate and apportion his net income as provided in this article. If a taxpayer has income from business activity as a public utility but derives the greater percentage of his income from activities subject to this article, the taxpayer may elect to allocate and apportion his entire net income as provided in this article.

3. For purposes of allocation and apportionment of income under this article, a taxpayer is taxable in another state if (1) in that state he is subject to a net income tax, a franchise tax measured by net income, a franchise tax for the privilege of doing business, or a corporate stock tax, or (2) that state has jurisdiction to subject the taxpayer to a net income tax regardless of whether,

in fact, the state does or does not.

4. All business income shall be apportioned to this state by multiplying the income by a fraction, the numerator of which is the property factor plus the payroll factor plus the sales factor, and the denominator of which is three.

5. The property factor is a fraction, the numerator of which is the average value of the taxpayer's real and tangible personal property owned or rented and used in this state during the tax period and the denominator of which is the average value of all the taxpayer's real and tangible personal property owned or rented and used during the tax period.

6. Property owned by the taxpayer is valued at its original cost. Property rented by the taxpayer is valued at eight times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the taxpayer less any annual rental rate received by the taxpayer from subrentals.

7. The average value of property shall be determined by averaging the values at the beginning and ending of the tax period but the tax administrator may require the averaging of monthly values during the tax period if reasonably required to reflect properly the average value of the taxpayer's property.

8. The payroll factor is a fraction, the numerator of which is the total amount paid in this state during the tax period by the taxpayer for compensation and the denominator of which is the total compensation paid everywhere during the tax period.

9. Compensation is paid in this state if:

(a) The individual's service is performed entirely within the state;

(b) The individual's service is performed both within and without the state, but the service performed without the state is incidental to the individual's service within the state; or

(c) Some of the service is performed in the state and (1) the base of operations or, if there is no base of operations, the place from which the service is directed or controlled is in the state, or (2) the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this state.

10. The sales factor is a fraction, the numerator of which is the total sales of the taxpayer in this state during the tax period, and the denominator of which is the total sales of the taxpayer everywhere during the tax period.

11. Sales of tangible personal property are in this state if:

(a) The property is delivered or shipped to a purchaser, other than the United States government, within this state regardless of the f.o.b. point or other conditions of the sale; or

(b) The property is shipped from an office, store, warehouse, factory, or other place of storage in this state and (1) the purchaser is the United States government or (2) the taxpayer is not taxable in the state of the purchaser.

12. Sales, other than sales of tangible personal property, are in this state if:

(a) *The income-producing activity is performed in this state; or*

(b) *The income-producing activity is performed both in and outside this state and a greater proportion of the income-producing activity is performed in this state than in any other state, based on costs of performance.*

13. *If the allocation and apportionment provisions of this article do not fairly represent the extent of the taxpayer's business activity in this state, the taxpayer may petition for or the tax administrator may require, in respect to all or any part of the taxpayer's business activity, if reasonable:*

(a) *Separate accounting;*

(b) *The exclusion of any one or more of the factors;*

(c) *The inclusion of one or more additional factors which will fairly represent the taxpayer's business activity in this state; or*

(d) *The employment of any other method to effectuate an equitable allocation and apportionment of the taxpayer's income.*

Article V. Elements of Sales and Use Tax Laws.

Tax Credit.

1. *Each purchaser liable for a use tax on tangible personal property shall be entitled to full credit for the combined amount or amounts of legally imposed sales or use taxes paid by him with respect to the same property to another state and any subdivision thereof. The credit shall be applied first against the amount of any use tax due the state, and any unused portion of the credit shall then be applied against the amount of any use tax due a subdivision.*

2. *Whenever a vendor receives and accepts in good faith from a purchaser a resale or other exemption certificate or other written evidence of exemption authorized by the appropriate state or subdivision taxing authority, the vendor shall be relieved of liability for a sales or use tax with respect to the transaction.*

Article VI. The Commission.

Organization and Management.

1. (a) *The multistate tax commission is hereby established. It shall be composed of one "member" from each party state who shall be the head of the state agency charged with the administration of the types of taxes to which this compact applies. If there is more than one such agency the state shall provide by law for the selection of the commission member from the heads of the relevant agencies. State law may provide that a member of the commission be represented by an alternate but only if there is on file with the commission written notification of the designation and identity of the alternate. The attorney general of each party state or his designee, or other counsel if the laws of the party state specifically provide, shall be entitled to attend the meetings of the commission, but shall not vote. Such attorneys general, designees, or other counsel shall receive all notices of meetings required under paragraph 1(e) of this article.*

(b) *Each party state shall provide by law for the selection of representatives from its subdivisions affected by this compact to consult with the com-*

mission member from that state.

(c) Each member shall be entitled to one vote. The commission shall not act unless a majority of the members are present, and no action shall be binding unless approved by a majority of the total number of members.

(d) The commission shall adopt an official seal to be used as it may provide.

(e) The commission shall hold an annual meeting and such other regular meetings as its bylaws may provide and such special meetings as its executive committee may determine. The commission bylaws shall specify the dates of the annual and any other regular meetings, and shall provide for the giving of notice of annual, regular and special meetings. Notices of special meetings shall include the reasons therefor and an agenda of the items to be considered.

(f) The commission shall elect annually, from among its members, a chairman, a vice chairman and a treasurer. The commission shall appoint an executive director who shall serve at its pleasure, and it shall fix his duties and compensation. The executive director shall be secretary of the commission. The commission shall make provision for the bonding of such of its officers and employees as it may deem appropriate.

(g) Irrespective of the civil service, personnel or other merit system laws of any party state, the executive director shall appoint or discharge such personnel as may be necessary for the performance of the functions of the commission and shall fix their duties and compensation. The commission bylaws shall provide for personnel policies and programs.

(h) The commission may borrow, accept or contract for the services of personnel from any state, the United States, or any other governmental entity.

(i) The commission may accept for any of its purposes and functions any and all donations and grants of money, equipment, supplies, materials and services, conditional or otherwise, from any governmental entity, and may utilize and dispose of the same.

(j) The commission may establish one or more offices for the transacting of its business.

(k) The commission shall adopt bylaws for the conduct of its business. The commission shall publish its bylaws in convenient form, and shall file a copy of the bylaws and any amendments thereto with the appropriate agency or officer in each of the party states.

(l) The commission annually shall make to the governor and legislature of each party state a report covering its activities for the preceding year. Any donation or grant accepted by the commission or services borrowed shall be reported in the annual report of the commission, and shall include the nature, amount and conditions, if any, of the donation, gift, grant or services borrowed and the identity of the donor or lender. The commission may make additional reports as it may deem desirable.

Committees.

2. (a) To assist in the conduct of its business when the full commission is not meeting, the commission shall have an executive committee of seven mem-

paid by the state or local government or governments for which it performs the service, for any audits performed by it in order to reimburse itself for the actual costs incurred in making the audit.

2. The commission may require the attendance of any person within the state where it is conducting an audit or part thereof at a time and place fixed by it within such state for the purpose of giving testimony with respect to any account, book, paper, document, other record, property or stock of merchandise being examined in connection with the audit. If the person is not within the jurisdiction, he may be required to attend for such purpose at any time and place fixed by the commission within the state of which he is a resident, provided that such state has adopted this article.

3. The commission may apply to any court having power to issue compulsory process for orders in aid of its powers and responsibilities pursuant to this article and any and all such courts shall have jurisdiction to issue such orders. Failure of any person to obey any such order shall be punishable as contempt of the issuing court. If the party or subject matter on account of which the commission seeks an order is within the jurisdiction of the court to which application is made, such application may be to a court in the state or subdivision on behalf of which the audit is being made or a court in the state in which the object of the order being sought is situated. The provisions of this paragraph apply only to courts in a state that has adopted this article.

4. The commission may decline to perform any audit requested if it finds that its available personnel or other resources are insufficient for the purpose or that, in the terms requested, the audit is impracticable of satisfactory performance. If the commission, on the basis of its experience, has reason to believe that an audit of a particular taxpayer, either at a particular time or on a particular schedule, would be of interest to a number of party states or their subdivisions, it may offer to make the audit or audits, the offer to be contingent on sufficient participation therein as determined by the commission.

5. Information obtained by any audit pursuant to this article shall be confidential and available only for tax purposes to party states, their subdivisions or the United States. Availability of information shall be in accordance with the laws of the states or subdivisions on whose account the commission performs the audit, and only through the appropriate agencies or officers of such states or subdivisions. Nothing in this article shall be construed to require any taxpayer to keep records for any period not otherwise required by law.

6. Other arrangements made or authorized pursuant to law for cooperative audit by or on behalf of the party states or any of their subdivisions are not superseded or invalidated by this article.

7. In no event shall the commission make any charge against a taxpayer for an audit.

8. As used in this article, "tax," in addition to the meaning ascribed to it in article II, means any tax or license fee imposed in whole or in part for revenue purposes.

Article IX. Arbitration.

1. Whenever the commission finds a need for settling disputes concerning

apportionments and allocations by arbitration, it may adopt a regulation placing this article in effect, notwithstanding the provisions of article VII.

2. The commission shall select and maintain an arbitration panel composed of officers and employees of state and local governments and private persons who shall be knowledgeable and experienced in matters of tax law and administration.

3. Whenever a taxpayer who has elected to employ article IV, or whenever the laws of the party state or subdivision thereof are substantially identical with the relevant provisions of article IV, the taxpayer, by written notice to the commission and to each party state or subdivision thereof that would be affected, may secure arbitration of an apportionment or allocation, if he is dissatisfied with the final administrative determination of the tax agency of the state or subdivision with respect thereto on the ground that it would subject him to double or multiple taxation by two or more party states or subdivisions thereof. Each party state and subdivision thereof hereby consents to the arbitration as provided herein, and agrees to be bound thereby.

4. The arbitration board shall be composed of one person selected by the taxpayer, one by the agency or agencies involved, and one member of the commission's arbitration panel. If the agencies involved are unable to agree on the person to be selected by them, such person shall be selected by lot from the total membership of the arbitration panel. The two persons selected for the board in the manner provided by the foregoing provisions of this paragraph shall jointly select the third member of the board. If they are unable to agree on the selection, the third member shall be selected by lot from among the total membership of the arbitration panel. No member of a board selected by lot shall be qualified to serve if he is an officer or employee or is otherwise affiliated with any party to the arbitration proceeding. Residence within the jurisdiction of a party to the arbitration proceeding shall not constitute affiliation within the meaning of this paragraph.

5. The board may sit in any state or subdivision party to the proceeding, in the state of the taxpayer's incorporation, residence or domicile, in any state where the taxpayer does business, or in any place that it finds most appropriate for gaining access to evidence relevant to the matter before it.

6. The board shall give due notice of the times and places of its hearings. The parties shall be entitled to be heard, to present evidence, and to examine and cross-examine witnesses. The board shall act by majority vote.

7. The board shall have power to administer oaths, take testimony, subpoena and require the attendance of witnesses and the production of accounts, books, papers, records, and other documents, and issue commissions to take testimony. Subpoenas may be signed by any member of the board. In case of failure to obey a subpoena, and upon application by the board, any judge of a court of competent jurisdiction of the state in which the board is sitting or in which the person to whom the subpoena is directed may be found may make an order requiring compliance with the subpoena, and the court may punish failure to obey the order as a contempt. The provisions of this paragraph apply only in states that have adopted this article.

8. Unless the parties otherwise agree the expenses and other costs of the arbitration shall be assessed and allocated among the parties by the board in

such manner as it may determine. The commission shall fix a schedule of compensation for members of arbitration boards and of other allowable expenses and costs. No officer or employee of a state or local government who serves as a member of a board shall be entitled to compensation therefor unless he is required on account of his service to forego the regular compensation attaching to his public employment, but any such board member shall be entitled to expenses.

9. The board shall determine the disputed apportionment or allocation and any matters necessary thereto. The determinations of the board shall be final for purposes of making the apportionment or allocation, but for no other purpose.

10. The board shall file with the commission and with each tax agency represented in the proceeding: the determination of the board; the board's written statement of its reasons therefor; the record of the board's proceedings; and any other documents required by the arbitration rules of the commission to be filed.

11. The commission shall publish the determinations of boards together with the statements of the reasons therefor.

12. The commission shall adopt and publish rules of procedure and practice and shall file a copy of such rules and of any amendment thereto with the appropriate agency or officer in each of the party states.

13. Nothing contained herein shall prevent at any time a written compromise of any matter or matters in dispute, if otherwise lawful, by the parties to the arbitration proceedings.

Article X. Entry Into Force and Withdrawal.

1. This compact shall become effective as to any other state upon its enactment. The commission shall arrange for notification of all party states whenever there is a new enactment of the compact.

2. Any party state may withdraw from this compact by enacting a statute repealing the same. No withdrawal shall affect any liability already incurred by or chargeable to a party state prior to the time of such withdrawal.

3. No proceeding commenced before an arbitration board prior to the withdrawal of a state and to which the withdrawing state or any subdivision thereof is a party shall be discontinued or terminated by the withdrawal, nor shall the board thereby lose jurisdiction over any of the parties to the proceeding necessary to make a binding determination therein.

Article XI. Effect on Other Laws and Jurisdictions.

Nothing in this compact shall be construed to:

(a) Affect the power of any state or subdivision thereof to fix rates of taxation, except that a party state shall be obligated to implement article III 2 of this compact.

(b) Apply to any tax or fixed fee imposed for the registration of a motor vehicle or any tax on motor fuel, other than a sales tax, provided that the definition of "tax" in article VIII 9 may apply for the purposes of that article and the commission's powers of study and recommendation pursuant to ar-

title VI 3 may apply.

(c) *Withdraw or limit the jurisdiction of any state or local court or administrative officer or body with respect to any person, corporation or other entity or subject matter, except to the extent that such jurisdiction is expressly conferred by or pursuant to this compact upon another agency or body.*

(d) *Supersede or limit the jurisdiction of any court of the United States.*

Article XII. Construction and Severability.

This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any state or of the United States or the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any state participating therein, the compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the state affected as to all severable matters.

Sec. 2. [290.172] [COMMISSIONER OF REVENUE.]

The commissioner of revenue shall represent the state of Minnesota on the multistate tax commission. The commissioner may be represented on the commission by an alternate designated by him. The alternate shall be a deputy or assistant commissioner in the department of revenue.

Sec. 3. [290.173] [MULTISTATE COMPACT ADVISORY COMMITTEE.]

There is hereby established the multistate tax compact advisory committee composed of the commissioner of revenue or the alternate member of the commission designated by him, the attorney general or his designee, and two members of the senate, appointed by the committee on committees, and two members of the house of representatives appointed by the speaker of the house. The chairman shall be the member of the multistate tax commission, representing the state of Minnesota. The committee shall meet at the call of its chairman or at the request of a majority of its members, but in any event not less than three times in each year. The committee may consider any and all matters relating to recommendations of the multistate tax commission and the activities of the members in representing the state of Minnesota on the commission.

Sec. 4. [290.174] [INTERSTATE AUDITS.]

Article VIII of the multistate tax compact relating to interstate audits shall be in force in and with respect to the state of Minnesota.

Sec. 5. [290.175] [OPTIONAL APPORTIONMENT.]

Notwithstanding the provisions of section 1, the taxpayer may elect to apportion his income to Minnesota pursuant to this chapter, without regard to section 1, article IV.

Sec. 6. [APPROPRIATION.]

There is hereby appropriated \$175,000 to the multistate tax commission for fiscal years 1984 and 1985.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day following final enactment.

ARTICLE 17

ST. LOUIS COUNTY ABATEMENT

Section 1. [ST. LOUIS COUNTY ABATEMENT OF TAXES DUE TO CERTIFICATION OR PROCESSING ERROR OR DELAY.]

The county board of St. Louis County may abate any property taxes or order the refund of any property taxes if, due to an error or delay in processing or certifying the tax, an incorrect tax is calculated or certified by the county auditor and the county board finds that the owner of the property has justifiably relied on the calculation or certification of the tax by the county auditor and that payment of the tax as recalculated or recertified would be unjust. The board shall abate the taxes only upon the written application of the owner. The application must be approved by the county auditor.

Notwithstanding section 270.07, the order of the commissioner of revenue shall not be required for abatement of taxes under this section. Abatement of taxes under this section shall be in addition to the method provided in section 270.07.

Sec. 2. [APPLICABILITY.]

On its effective date, section 1 applies to St. Louis County.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective after local approval at 12:01 a.m. on the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, for property taxes payable in 1978 and 1979.

ARTICLE 18

BUDGET RESERVE

Section 1. Minnesota Statutes 1982, section 16A.15, subdivision 1, is amended to read:

Subdivision 1. [REDUCTION.] In case the commissioner of finance shall discover at any time that the probable receipts from taxes or other sources for any appropriation, fund, or item will be less than was anticipated, and that consequently the amount available for the remainder of the biennium will be less than the amount estimated or allotted therefor, he shall, with the approval of the governor, ~~and after notice to the agency concerned and after consultation with the legislative advisory commission created by section 3.30, either:~~

(a) ~~after consultation with the legislative advisory commission created by section 3.30,~~ transfer from the budget reserve account established in ~~section 16A.153, subdivision 6~~ to the general fund the amount necessary to balance revenue and expenditures;

(b) ~~reduce the amount allotted or to be allotted so as to prevent a deficit; or~~

~~(a)~~ ~~and~~ ~~(b)~~. ~~Any additional deficit shall, with the approval of the governor and after consultation with the legislative advisory commission, be made up by reducing allotments.~~

In reducing allotments, the commissioner of finance may consider other sources of revenue available to recipients of state appropriations and apply allotment reductions based on all sources of revenue available.

In like manner he shall request reduction of the amount allotted or to be allotted to any agency by the amount of any saving which can be effected upon previous spending plans through a reduction in prices or other cause.

Sec. 2. Minnesota Statutes 1982, section 16A.15, is amended by adding a subdivision to read:

Subd. 6. [BUDGET RESERVE ACCOUNT.] The commissioner of finance on July 1, 1983 shall transfer \$250,000,000 to a budget reserve account in the general fund in the state treasury.

Sec. 3. Minnesota Statutes 1982, section 16A.15, is amended by adding a subdivision to read:

Subd. 7. [DELAY IN PAYMENT; REDUCTION.] The commissioner of finance may delay payment of an amount up to 15 percent of an appropriation due to a special taxing district or a system of higher education in that entity's fiscal year for up to 60 days after the start of its next fiscal year. The amount delayed is subject to allotment reduction under section 1.

Sec. 4. [REPEALER.]

Minnesota Statutes 1982, section 16A.153, is repealed.

Sec. 5. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 19

ROCHESTER SALES TAX

Section 1. [SALES TAX.]

Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Rochester may, by ordinance, impose an additional sales tax of up to one percent on sales transactions taxable pursuant to Minnesota Statutes, chapter 297A that occur within the city.

Sec. 2. [EXCISE TAX.]

Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Rochester may, by ordinance, impose an excise tax of up to \$20 per motor vehicle, as defined by ordinance, purchased or acquired from any person engaged within the city in the business of selling motor vehicles at retail.

Sec. 3. [COLLECTION.]

The commissioner of revenue may enter into appropriate agreements with the city of Rochester to provide for collection by the state on behalf of the city

of a tax imposed by the city of Rochester pursuant to section 1. The commissioner may charge the city of Rochester from the proceeds of any tax a reasonable fee for its collection.

Sec. 4. [ALLOCATION OF REVENUES.]

Revenues received from taxes authorized by sections 1 and 2 shall be used to pay the costs of collecting the taxes, capital and administrative costs of improvements to the city park and recreation system and flood control improvements for which the city voters at a special election held on November 2, 1982, approved the issuance of general obligation bonds, and to pay debt service on the bonds. The total capital and administrative expenditures payable from bond proceeds and revenues received from the taxes authorized by sections 1 and 2, excluding investment earnings thereon, shall not exceed \$16,000,000 for improvements to the city park and recreation system and \$16,000,000 for flood control improvements.

Sec. 5. [TERMINATION OF TAXES.]

The taxes imposed pursuant to sections 1 and 2 shall terminate on the first day of the second month next succeeding a determination by the city council that sufficient funds have been received from the taxes and bond proceeds to finance capital and administrative costs of \$16,000,000 for improvements to the city park and recreation system and \$16,000,000 for flood control improvements and to prepay or retire at maturity the principal, interest, and premium due on any bonds issued for the improvements. Any funds remaining after completion of the improvements and retirement or redemption of the bonds may be placed in the general fund of the city.

Sec. 6. [BONDS.]

The city of Rochester, pursuant to the approval of the city voters at a special election held on November 2, 1982, may issue general obligation bonds of the city in an amount not to exceed \$16,000,000 for improvements to the city park and recreation system and \$16,000,000 for flood control improvements. The debt represented by the bonds shall not be included in computing any debt limitation applicable to the city, and the levy of taxes required by Minnesota Statutes, section 475.61 to pay the principal of and interest on the bonds shall not be subject to any levy limitation or be included in computing or applying any levy limitation applicable to the city. The amount of any special levy for debt service imposed pursuant to Minnesota Statutes, section 275.50, subdivision 5, clause (e), for payment of principal and interest on the bonds shall not include the amount of estimated collection of revenues from the taxes imposed pursuant to sections 1 and 2 that are pledged for the payment of those obligations.

Sec. 7. [EFFECTIVE DATE.]

This article is effective the day after compliance by the governing body of the city of Rochester with Minnesota Statutes, section 645.021, subdivision 3.

ARTICLE 20

MISCELLANEOUS

Section 1. [168.022] [REFUNDS; MANDATORY REFUND OR REPLACEMENT LAWS.]

Subdivision 1. [ENTITLEMENT TO REFUND.] If a manufacturer of

motor vehicles is required by Laws 1983, chapter 108, section 1, subdivision 3, to refund the tax imposed by this chapter, the tax shall be refunded to the manufacturer as provided in this section.

Subd. 2. [AMOUNT OF REFUND.] The amount of the refund shall be the tax paid by the purchaser pursuant to this chapter less 1/12 of the annual tax for the vehicle for each calendar month or fraction of a calendar month between the date of registration and the date the purchase price is refunded.

Subd. 3. [APPLICATION.] The refund shall be paid to the manufacturer upon written application to the registrar of motor vehicles with proof of compliance with this section as the registrar may require.

Subd. 4. [PAYMENT OUT OF HIGHWAY USER FUND.] Payment of any refund pursuant to this section shall be made out of the highway user fund and the amounts necessary to pay the refunds are appropriated out of the highway user fund.

Sec. 2. Minnesota Statutes 1982, section 325D.32, subdivision 9, is amended to read:

Subd. 9. "Basic cost of cigarettes" means ~~whichever of the two following amounts is lower, namely (1) the gross invoice cost of cigarettes to the wholesaler or retailer, as the case may be, or (2) the lowest replacement cost of cigarettes to the wholesaler or retailer in the quantity last purchased,~~ plus the full face value of any stamps which may be required by any cigarette tax act of this state, unless included by the manufacturer in his list price.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment.

Delete the title and insert:

"A bill for an act relating to taxation; establishing income tax definitions; altering, establishing, and eliminating certain income tax modifications, deductions, and credits; extending the income tax surtax; allowing suspension of indexing; modifying income tax administrative provisions; altering certain property tax credit, assessment, and administrative provisions; adjusting computation of property tax refunds; providing for computation and distribution of state aids to school districts and other local units of government; establishing the rate of sales and motor vehicle excise taxes and modifying exemption provisions; providing tax incentives for business development; authorizing the cities of Austin and Hastings and certain non-profit entities in the city of Bemidji and within Independent School District No. 692, Babbitt, to hold property for economic development purposes; authorizing the imposition of city lodging taxes; providing for the imposition of a tax on aggregate materials by the counties of Stearns, Benton, Sherburne, Wright, Carver, Scott, Dakota, LeSueur, Kittson, Marshall, Pennington, Red Lake, Polk, Norman, Mahnomen, Clay, Becker, Wilkin, Traverse, Big Stone, Stevens, Pope, Anoka, Hennepin, Washington, and Ramsey; revising provisions governing property tax delinquencies and sales of tax-forfeited lands; enacting the multistate tax compact; authorizing St. Louis County to abate certain taxes; providing for a budget reserve account and prescribing certain budget procedures; authorizing the city of Rochester to impose a local sales tax; authorizing certain refunds of motor vehicle

excise tax; defining terms; imposing penalties; appropriating money; amending Minnesota Statutes 1982, sections 16A.15, subdivision 1, and by adding subdivisions; 116J.42, subdivision 7; 124.11, subdivisions 2a and 2b; 124.2137, subdivision 1; 270.60; 272.02, subdivision 1; 272.03, subdivision 8; 272.115, subdivision 1; 273.11, subdivision 1 and by adding subdivisions; 273.115, subdivision 1; 273.13, subdivisions 6, 6a, 7, 9, 11, 14a, 17, 17b, 17c, 20; 273.1311; 273.1312, subdivisions 2, 3, 4, and 5; 273.1313, subdivisions 1, 2, 3, and 5; 273.135, subdivision 1; 273.138, subdivisions 2, 3, and 6; 273.1391, subdivision 1; 273.1392; 275.50, subdivisions 2, 5, and by adding a subdivision; 275.51, by adding subdivisions; 276.04; 276.09; 276.10; 276.11; 278.01, subdivisions 1 and 2; 278.03; 278.05, subdivisions 4 and 5; 279.01, subdivision 1; 279.05; 279.06; 279.14; 279.15; 279.16; 279.20; 280.01; 280.07; 280.10; 280.38; 280.385, subdivision 1; 281.01; 281.02; 281.03; 281.05; 281.17; 281.18; 281.23; 281.25; 281.34; 281.39; 282.01, subdivision 5; 282.039; 282.17; 282.171; 282.222, subdivisions 4 and 5; 282.301; 287.05, subdivision 1; 290.01, subdivisions 19, 20, 20a, as amended, 20b, as amended, 20f; 290.06, subdivisions 2e, as amended, 11, 13, 14, and by adding a subdivision; 290.067, subdivisions 1 and 2; 290.068, by adding a subdivision; 290.07, subdivision 1; 290.09, subdivisions 1, 2, 3, as amended, 4, 5, and 29; 290.14; 290.17, subdivision 2; 290.18, subdivisions 1 and 2; 290.21, subdivisions 1 and 3; 290.23, subdivision 5; 290.31, subdivisions 2 and 3; 290.34, subdivision 2; 290.37, subdivision 1; 290.39, subdivision 2; 290.431; 290.46; 290.53, subdivision 2, as amended, 290.92; subdivision 2a, and by adding subdivisions; 290A.03, subdivisions 3, 6, 8, 11, 13, as amended, and by adding a subdivision; 290A.04, subdivisions 1, 2, 2a, 2b, 3, and by adding subdivisions; 290A.07, subdivision 3; 290A.16; 290A.18; 290A.19; 296.18, subdivision 1; 296.421, subdivision 5; 297A.02, as amended; 297A.03, subdivision 2, as amended; 297A.14, as amended; 297A.25, subdivision 1; 297A.35, subdivision 3; 297B.01, subdivision 8; 297B.02, as amended; 298.75; 325D.32, subdivision 9; 471.59, by adding a subdivision; 473F.08, subdivision 7a; 477A.011, subdivisions 6, 7, 10, and by adding subdivisions; 477A.012; 477A.013; 477A.014, subdivision 1; 477A.03, subdivision 2; 515A.1-105; 559.21, by adding a subdivision; Laws 1981, First Special Session, chapter 1, article II, section 25; Third Special Session chapter 2, article III, section 22, as amended; proposing new law coded in Minnesota Statutes, chapters 124; 168; 273; 276; 279; 280; 282; 290; 297A; 297B; 477A; 507; repealing Minnesota Statutes 1982, sections 16A.153; 273.13, subdivision 15b; 273.138, subdivisions 1 and 4; 273.139; 275.09, subdivision 3; 275.50, subdivision 6; 275.51, subdivisions 3e and 5; 279.24; 281.36; 290.01, subdivisions 23, 27, and 28; 290.032, subdivision 5; 290.06, subdivisions 9 and 9a; 290.077, subdivision 2; 290.08, subdivision 25; 290.09, subdivisions 10, 15, 22, and 27, 290.21, subdivision 32; 290.501; 340.986; 352C.07; 477A.011, subdivisions 8 and 9; Laws 1961, chapter 605; Laws 1963, chapter 475; Laws 1965, chapter 163; Laws 1977, chapters 112 and 117; and Laws 1979, chapter 273; Laws 1982, chapter 523, article VII, section 3, and Third Special Session chapter 1, article V, section 4."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) John D. Tomlinson, John E. Brandl, Robert E. Vanasek, Willis Eken, Harry A. Sieben, Jr.

Senate Conferees: (Signed) Douglas J. Johnson, Collin C. Peterson, Linda Berglin, Neil Dieterich, Steven G. Novak.

Mr. Johnson, D.J. moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1259 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1259 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 40 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Lantry	Pehler	Samuelson
Berglin	Frank	Lessard	Peterson, C. C.	Solon
Bertram	Freeman	Luther	Peterson, D. C.	Spear
Brataas	Hughes	Merriam	Peterson, R. W.	Stumpf
Chmielewski	Johnson, D.J.	Moe, D. M.	Petty	Vega
Dahl	Jude	Moe, R. D.	Pogemiller	Waldorf
Davis	Kroening	Nelson	Purfeerst	Wegscheid
Dicklich	Langseth	Novak	Reichgott	Willet

Those who voted in the negative were:

Anderson	Frederick	Knutson	Peterson, D. L.	Taylor
Belanger	Frederickson	Kronebusch	Ramstad	Ulland
Benson	Isackson	Laidig	Renneke	
Berg	Johnson, D.E.	McQuaid	Schmitz	
Bernhagen	Kamrath	Mehrkens	Sieloff	
DeCramer	Knaak	Olson	Storm	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

SPECIAL ORDER

H.F. No. 559: A bill for an act relating to courts; providing for interest rates on judgments; amending Minnesota Statutes 1982, section 549.09, subdivision 1.

Mr. Sieloff moved to amend H.F. No. 559, as amended by the Senate May 21, 1983, as follows:

Strike the Diessner and the two Sieloff amendments adopted by the Senate May 21, 1983, and further amend as follows:

Page 2, line 6, after "made," and before "(c)", insert "Pre-verdict or pre-report interest shall not be awarded on the following:

(i) judgments, awards, or benefits in workers' compensation cases, but not including third-party actions;

(ii) judgments, decrees, or orders in dissolution, annulment, or legal separation actions;

(iii) that portion of any award, judgment, decree or report that represents compensation for damages accruing after the verdict or report;

(iv) punitive damages, fines, or other damages that are non-compensatory in nature;

(v) judgments not in excess of the amount specified in section 487.30; and
 (vi) that portion of any verdict or report which is founded upon interest, or costs, disbursements, attorney fees or other similar items added by the court.”

The motion prevailed. So the amendment was adopted.

H.F. No. 559 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 46 and nays 14, as follows:

Those who voted in the affirmative were:

Adkins	Freeman	Lessard	Petty	Taylor
Berglin	Hughes	Luther	Pogemiller	Ulland
Brataas	Johnson, D.E.	McQuaid	Purfeerst	Vega
Chmielewski	Jude	Merriam	Ramstad	Waldorf
Dahl	Knaak	Moe, R. D.	Reichgott	Wegscheid
DeCramer	Knutson	Novak	Samuelson	Willet
Dicklich	Kroening	Olson	Schmitz	
Dieterich	Kronebusch	Peterson, C.C.	Sieloff	
Frederick	Langseth	Peterson, D.C.	Solon	
Frederickson	Lantry	Peterson, R.W.	Spear	

Those who voted in the negative were:

Anderson	Bertram	Frank	Laidig	Storm
Belanger	Davis	Isackson	Pehler	Stumpf
Bernhagen	Diessner	Kamrath	Renneke	

So the bill, as amended, passed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1290, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1290 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 23, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1290

A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain money in the state treasury; authorizing land acquisition in certain cases; fixing and limiting the amount of fees to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; imposing a penalty; amending Minnesota Statutes 1982,

sections 3.732, by adding a subdivision; 15.16, subdivision 5; 15A.083, subdivision 1; 16.32, subdivision 2; 16.75, by adding a subdivision; 16.82, subdivision 1; 16.866, subdivision 1; 16A.125, subdivision 5; 16A.127, subdivisions 1 and 7; 16A.36; 16A.50; 16A.64, subdivisions 2 and 4; 16A.66, subdivisions 1, 2, and 3; 40.072, subdivision 3; 43A.05, subdivision 5; 85A.01, subdivision 2; 85A.04, subdivision 3; 98.47, by adding a subdivision; 98.48, subdivision 9; 105.405, subdivision 2; 105.41, subdivision 5; 116.07, subdivision 2a; 124.46, subdivision 2; 136.40, subdivision 8; 169.123, subdivision 6; 175A.05; 176.183, subdivision 2; 179.7411; 181A.12, subdivision 1; 183.375, subdivision 5; 183.411, subdivision 3; 183.545; 183.57, subdivision 2; 256.481; 256.482; 270.18; 271.01, subdivision 1; 290.06, subdivision 13; 296.18, subdivision 1; 296.421, subdivision 5; 309.53, subdivision 2, and by adding a subdivision; 357.08; 363.02, subdivision 1; 363.06, subdivision 4, and by adding a subdivision; 363.071, subdivision 2; 462A.05, by adding a subdivision; 462A.21, by adding a subdivision; 480.09, subdivision 5; 480.241, subdivision 2; 480A.01, subdivision 2; 481.01; and 546.27, subdivision 2; Laws 1976, chapter 314, section 3; Laws 1980, chapter 614, section 192; proposing new law coded in Minnesota Statutes, chapters 3; 16A; 116C; 198; 270; repealing Minnesota Statutes 1982, sections 3.472; 3.86; 4.073; 105.71; 105.72; 105.73; 105.74; 105.75; 105.751; 105.76; 105.77; 105.78; 105.79; 114A.01; 114A.02; 114A.03; 114A.04; 114A.05; 114A.06; 114A.07; 114A.08; 114A.09; 193.35; 297A.05; and Laws 1965, chapter 66.

May 21, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1290, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 1290 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [STATE DEPARTMENTS; APPROPRIATIONS.]

The sums set forth in the columns designated “APPROPRIATIONS” are appropriated from the general fund, or any other fund designated, to the agencies and for the purposes specified in the following sections of this act, to be available for the fiscal years indicated for each purpose. The figures “1983,” “1984,” and “1985,” where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1984, or June 30, 1985, respectively.

SUMMARY BY FUND

	1984	1985	TOTAL
General	\$446,377,500	\$472,622,200	\$918,999,700
Special	10,828,900	13,489,000	24,317,900
State Airports	70,000	140,000	210,000

Game and Fish	31,069,800	31,530,300	62,600,100
Trunk Highway	9,460,300	19,260,700	28,721,000
Highway User	1,267,700	1,502,600	2,770,300
Special Comp.	1,678,900	1,697,000	3,375,900
TOTAL	\$500,753,100	\$540,241,800	\$1,040,994,900

APPROPRIATIONS
Available for the Year
Ending June 30
1984 1985

Sec. 2. LEGISLATURE

Subdivision 1. Total for this section		\$26,974,200	\$29,483,900
Subd. 2. Senate		8,253,400	9,280,500
Subd. 3. House of Representatives		12,266,000	13,520,000
Subd. 4 Legislative Coordinating Commission		3,891,300	4,089,900

The amounts that may be expended from this appropriation for each activity are as follows:

Legislative Reference Library
 1984 1985
 \$ 578,400 \$ 600,600

Revisor of Statutes
 \$2,446,600 \$2,619,400

Legislative Commission on the Economic
Status of Women
 \$ 91,000 \$ 95,500

Great Lakes Commission
 \$ 31,500 \$ 31,900

Interstate Cooperation Commission
 \$ 58,800 \$ 59,200

\$51,900 the first year and \$52,000 the second year is for the state contribution to the council of state governments.

Legislative Commission on Pensions and Retirement
 \$ 170,200 \$ 176,300

Legislative Commission on Employee Relations
 \$ 84,100 \$ 88,500

Legislative Commission to Review Administrative Rules
 \$ 94,100 \$ 98,100

Legislative Commission on Waste Management
 \$ 122,500 \$ 97,100

Mississippi River Parkway Commission
 \$ 10,300 \$ 10,700

This appropriation is from the trunk highway fund.

LCC - General Support
 \$ 203,800 \$ 212,600

\$50,000 the first year and \$50,000 the second year is reserved for unanticipated costs of agencies in this subdivision and subdivision 5. The legislative coordinating commission may transfer necessary amounts from this appropriation to the appropriations of the agencies concerned, and the amounts transferred are appropriated to those agencies for expenditure by them. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$56,400 the first year and \$60,300 the second year is for the state contribution to the national conference of state legislatures.

Subd. 5. Legislative Audit Commission	2,563,500	2,593,500
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The amounts that may be expended from this appropriation for each activity are as follows:

Legislative Audit Commission
 \$ 11,500 \$ 11,800

Legislative Auditor
 \$2,552,000 \$2,581,700

Sec. 3. SUPREME COURT

General Operations and Management	6,321,400	6,093,800
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The amounts that may be expended from this appropriation for each program are as follows:

Supreme Court Operations
 \$3,737,200 \$3,516,900

\$1,202,100 the first year and \$1,204,100 the second year is from the legal services account in the special revenue fund for legal services to low-income clients. Any unencumbered balance remaining of the legal services appropriation in the first year does not cancel but is available for the second year of the biennium.

\$2,100 the first year and \$2,100 the second year is for a contingent account for expenses necessary for the normal operation of the court for which no other reimbursement is provided.

The state court administrator, as directed by the supreme court, may transfer the unencumbered balance of the appropriation for supreme court operations to an appropriation for the court of appeals. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

State Court Administrator
\$2,073,600 \$2,059,900

\$24,800 the first year is to continue an alternative dispute resolution grant through December 31, 1983.

Of this amount \$200,000 the first year and \$200,000 the second year is available for the costs associated with the installation and operation of automated trial court information systems within a judicial district. This appropriation shall be expended with the approval of the governor after consultation with the legislative advisory commission pursuant to Minnesota Statutes, section 3.30.

The ongoing cost of operating the trial court information system (TCIS) in a judicial district shall be shared between the state and the participating counties of a judicial district. The state share of operating costs shall be limited to the following categories: computer and terminal equipment hardware, computer and terminal equipment maintenance, software acquisition and maintenance, durable supplies, communications equipment acquisition and maintenance, data communications, and new judicial district systems personnel. The participating counties of a judicial district shall pay all other ongoing operating costs, including but not limited to: space rental for computer equipment, utilities, consumable supplies, postage, off-site computer disk file storage, and all personnel-related expenses other than salaries and fringe benefits for judicial district systems per-

sonnel.

If the appropriation for the state court administrator for either year is insufficient, the appropriation for the other year is available for it.

State Law Library
\$ 510,600 \$ 517,000

Sec. 4. COURT OF APPEALS

General Operations and Management 1,141,100 1,948,100

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 5. TRIAL COURTS

General Operations and Management 12,805,500 12,846,300

The amounts that may be expended from this appropriation for each program are as follows:

District and County Court Judges
\$12,262,000 \$12,302,100

Included in this appropriation is \$24,000 the first year and \$24,000 the second year for judges' membership dues in state and local judges' associations, up to \$100 per judge.

District Court Administrators
\$ 543,500 \$ 544,200

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 6. BOARD ON JUDICIAL STANDARDS 111,200 112,600

Approved Complement - 2

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 7. BOARD OF PUBLIC DEFENSE 349,100 348,900

This appropriation includes \$340,000 each year to assist in the provision of criminal and juvenile defense to indigent individuals, allocated as follows:

St. Paul-Neighborhood Justice Center, Inc.
For cases arising in Ramsey county.
\$ 95,000 \$ 95,000

Minneapolis-Legal Rights Center, Inc.
For cases arising in Hennepin county.
\$ 55,000 \$ 55,000

Duluth-Duluth Indian Legal Assistance Program

For cases arising in St. Louis and Mille Lacs counties.

\$ 85,000 \$ 85,000

Cass Lake-Leech Lake Reservation Criminal and Juvenile Defense Corp.

For cases arising in Cass, Itasca, Hubbard, and Beltrami counties.

\$ 52,500 \$ 52,500

White Earth-White Earth Reservation Criminal and Juvenile Defense Corp.

For cases arising in Mahnomen, Becker, and Clearwater counties.

\$ 52,500 \$ 52,500

For the biennium ending June 30, 1985, the legislative auditor may conduct periodic post-award audits of these grants as may be requested by the board of public defense and approved by the legislative audit commission.

In accordance with procedures established by the board of public defense, applications for funding during fiscal years 1986 and 1987 shall be received from Minnesota based public defense corporations currently established or from agencies or nonprofit organizations seeking to become established as public defense corporations.

The applications shall be reviewed and prioritized by the board, and a recommended level of funding shall be included in the budget document transmitted from the board to the 1985 legislature.

Sec. 8. PUBLIC DEFENDER

General Operations and Management	964,300	970,500
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Approved Complement - 25

The amounts that may be expended from this appropriation for each activity are as follows:

Public Defender Operations
\$ 727,000 \$ 732,100

Legal Assistance to Minnesota Prisoners
\$ 142,400 \$ 143,100

Legal assistance to Minnesota prisoners shall serve the civil legal needs of persons confined to state institutions.

None of this appropriation shall be used to pay for lawsuits against public agencies or public officials to change social or public policy.

Legal Advocacy Project
\$ 94,900 \$ 95,300

Sec. 9. GOVERNOR

General Operations and Management 2,209,400 2,215,700

The amounts that may be expended from this appropriation for each program are as follows:

Executive Operations
\$2,147,600 \$2,153,900

This appropriation includes \$248,700 the first year and \$251,200 the second year for the office of lieutenant governor.

\$66,700 the first year and \$66,700 the second year is for the committee on appointments.

\$225,500 the first year and \$226,900 the second year is for the state ceremonial building, of which \$10,000 each year is to provide part-time staff assistance to the state ceremonial building council established in Minnesota Statutes, section 16.872.

\$125,000 the first year and \$125,000 the second year is for executive operations in Washington, D.C.

Of this appropriation \$17,000 the first year and \$17,000 the second year is for personal expenses connected with the offices of the governor and lieutenant governor.

Interstate Representation and Cooperation
\$ 61,800 \$ 61,800

This appropriation is for membership dues of the national governors association.

The governor may transfer unencumbered balances among the purposes specified in this section, except that no transfer may be made from the appropriation to the lieutenant governor. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 10. SECRETARY OF STATE

General Operations and Management 1,205,900 1,537,200

The amounts that may be expended from this appropriation for each activity are as follows:

Elections and Publications	\$ 251,200	\$ 499,900
Uniform Commercial Code	\$ 108,600	\$ 105,700
Business Services	\$ 485,500	\$ 575,900
Administration	\$ 268,000	\$ 269,400
Fiscal Operations	\$ 92,600	\$ 86,300

The secretary of state may transfer unencumbered balances not specified for a particular purpose among the activities specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 11. STATE AUDITOR	381,100	383,900
Approved Complement - 122		
General - 7.5		
Revolving - 114.5		

\$72,000 each year is to provide an account the auditor may bill for costs associated with conducting single audits of federal funds. This account may be used only when no other billing mechanism is feasible.

During the biennium ending June 30, 1985, the commissioner of finance shall not approve any rate increase for the state auditor beyond those in effect on January 1, 1983, except for adjustments necessitated by salary increases, indirect cost assessments, and other verifiably escalating expenses associated with performing their reimbursable audits.

Sec. 12. STATE TREASURER

Subdivision 1. Treasury Management	612,400	584,600
Approved Complement - 20		

During the biennium ending June 30, 1985, the state treasurer shall use armored car services to transport cash outdoors.

Subd. 2. Unclaimed property	392,200	395,100
Approved Complement - 9		

This appropriation is to the commissioner of commerce.

Sec. 13. ATTORNEY GENERAL

General Operations and Management	12,603,400	13,039,000
Approved Complement - 304		
General - 293		
Federal - 11		

The amounts that may be expended from this appropriation for each activity are as follows:

Public Administration	\$1,519,800	\$1,579,500
Public Resources	\$3,052,900	\$3,179,300
Public Assistance	\$1,717,800	\$1,786,500
Public Protection	\$3,428,000	\$3,560,100

\$49,100 the first year and \$48,200 the second year is for the state match associated with establishing a public assistance vendor fraud unit. The attorney general shall report to the committee on finance in the senate and the committee on appropriations in the house of representatives at the end of each fiscal year of the biennium ending June 30, 1985. The report shall include the purposes for which the funding was utilized and documented revenues returned to the treasury pursuant to the activities of this unit. The state does not guarantee any continued funding beyond this biennium.

\$442,700 the first year and \$466,200 the second year is for costs and expenses incurred by the attorney general in enforcing and making claims under state and federal antitrust laws. The attorney general shall report the purposes for which this money is utilized. The reports shall be made to the committee on finance of the senate and the committee on appropriations of the house of representatives at the end of each fiscal year. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$94,100 in the second year shall be expended with the approval of the governor after consultation with the legislative advisory commission pursuant to Minnesota Statutes, section 3.30.

The commissioner of public safety shall report to the chairmen of the house appropriations committee and the senate finance committee by February 15, 1984, on the effects of the recent changes in Minnesota Statutes, section 169.123 on the numbers of requests for administrative review, petitions for judicial review, hearings, and appeals.

Legal Policy and Administration
\$2,884,900 \$2,933,600

Of this appropriation \$50,000 each year is for a special account for unanticipated legal expenses. If the appropriation for either year is insufficient, the appropriation for the other years is available for it.

The attorney general may transfer unencumbered balances not specified for a particular purpose among the activities specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 14. INVESTMENT BOARD 1,391,300 1,405,000

Approved Complement - 30

During the biennium ending June 30, 1985, the executive director of the board of investment shall apportion the actual expenses incurred by the board on an accrual basis among the several funds whose assets are invested by the board based on the weighted average assets under management during each quarter. The charge to each retirement fund shall be calculated, billed, and paid on a quarterly basis in accordance with procedures for interdepartmental payments established by the commissioner of finance. The amounts necessary to pay these charges are appropriated from the investment earnings of each retirement fund. Receipts shall be credited to the general fund as non-dedicated receipts. Funds other than retirement funds shall be not billed; their portion of the expenses will be borne by the general fund. It is estimated that these receipts will be \$999,700 for the first year and \$1,013,700 for the second year.

Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

The legislature intends to address during the interim before the 1984 session the proper role

of retirement fund members, both active and retired, and the constitutional officers, in the process of making investment decisions.

Sec. 15. ADMINISTRATIVE HEARINGS . . . 1,414,000 1,428,400

Approved Complement

General - 34.0

Revolving - 20.5

Workers' Compensation

\$1,414,000 \$1,428,400

During the biennium ending June 30, 1985, the legislative commission to review administrative rules shall explore alternative dispute resolution procedures including, but not limited to, informal mediation and binding arbitration to be offered as alternative options to the administrative hearing process. The commission may call upon the resources of the office of administrative hearings, the state planning agency, and the bureau of mediation services to assist the commission with the study. The study shall be coordinated with any similar efforts being made by the office of the governor.

Sec. 16. ADMINISTRATION

General Operations and Management 20,514,100 20,424,200

1984 1985

Approved Complement - 770 760

General - 369.7 359.7

Dedicated - 400.3 400.3

The amounts that may be expended from this appropriation for each program are as follows:

Management Services

\$3,807,300 \$3,737,000

By January 1, 1984, the commissioner of administration shall complete a review of the records retention and disposition schedules for state agencies in the executive branch previously approved by the records disposition panel and recommend to the agency and to the panel shortening the retention period for records whose cost of retention for that period is, in her opinion, excessive in relation to the benefit from retention for that period.

Real Property Management

\$8,956,300 \$9,087,600

\$140,000 the first year and \$195,000 the second year is for operation and maintenance of

the Minnesota education association building at 55 Sherburne Avenue, if acquired by the state.

By January 1, 1984, the commissioner shall conduct a study of parking fees and parking policies in the Capitol Complex, the seven county metropolitan area, and outstate areas. The study shall include, but not be limited to, the review of free, subsidized, and full rate lots and whether rates charged should recover in total or in part the costs of improvements to the lots. The report shall be sent to the chairmen of the appropriations committee in the house and the finance committee in the senate.

The cost of energy audits performed on buildings housing activities of the department of natural resources and the transportation department shall be reimbursed to the general fund from the game and fish fund and the trunk highway fund respectively.

The department of administration shall designate adequate space on second floor of the capitol building to be retained for food distribution services pursuant to section 248.07, subdivision 7.

Repair and Betterment

\$ 642,200 \$ 384,500

\$67,000 the first year shall be used to incorporate prairie landscaping in Cass Gilbert park and, if funds are available, install irrigation systems in the remainder of the park and other areas within the capitol complex.

\$58,000 each year is for tree and shrub replacement. This appropriation shall be used for native Minnesota trees and shrubs, primarily evergreens.

The commissioner and the capitol area architectural and planning board shall consult with and solicit the assistance of volunteers provided by the state horticultural society to improve and maintain the flowers, shrubs, and trees in the capitol area.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

State Agency Services

\$1,914,000 \$1,554,000

\$250,000 the first year and \$20,000 the second

year is for automation of the procurement system.

During the biennium ending June 30, 1985, the commissioner of administration shall purchase goods under contracts held by the regents of the university of Minnesota and Hennepin and Ramsey counties whenever this will result in cost savings to the state. The commissioner shall study the consequences of doing this for all purchases.

During the biennium ending June 30, 1985, the commissioner of administration shall provide state agency guidebooks to members of the legislature.

Public Services

\$4,248,000 \$4,712,600

\$211,800 each year is for block grants to public television stations.

\$373,500 each year is for matching grants to public television stations.

\$195,100 each year is for grants to public radio stations pursuant to Minnesota Statutes, section 139.19.

\$120,000 the first year is for emergency equipment replacement at the Austin public television station.

\$2,000 the first year and \$2,000 the second year is for the state employees' band.

Any unencumbered balance remaining in the first year for grants to public television or radio stations does not cancel but is available for the second year of the biennium.

General Support

\$ 946,300 \$ 948,500

The commissioner of administration with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 17. CAPITOL AREA
ARCHITECTURAL AND PLANNING BOARD

90,800

91,300

Sec. 18. FINANCE

General Operations and Management	6,430,300	6,591,300
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Approved Complement - 122

The amounts that may be expended from this appropriation for each program are as follows:

Accounting Operations

\$4,075,300	\$4,133,400
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During the biennium ending June 30, 1985, the commissioner of finance shall not allow the allotment by any agency for statewide accounting terminal or printer costs if the costs are no longer to be incurred by those agencies. This shall produce additional cancellations to the general fund of \$16,000 each year.

Budget and Control

\$1,246,400	\$1,344,000
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Fiscal Management and Administration

\$1,108,600	\$1,113,900
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The commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 19. EMPLOYEE RELATIONS

General Operations and Management	3,423,900	3,432,400
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Approved Complement - 101

General - 95

Special - 6

The amounts that may be expended from this appropriation for each program are as follows:

Administration

\$1,038,700	\$1,044,500
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Equal Opportunity

\$ 158,100	\$ 158,300
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Labor Relations

\$ 372,600	\$ 374,000
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No state employee negotiated labor agreement shall contain a provision that guarantees a minimum number of allowable overtime hours to any employee.

The commissioner of employee relations shall

not recommend or adopt a compensation plan pursuant to Minnesota Statutes, section 43A.18, subdivisions 2, 3, and 4, for payroll periods that begin after July 1, 1983, and end before July 1, 1985, if the compensation plan permits an employee who has received a salary increase after July 1, 1983 to convert accumulated vacation leave into cash or deferred compensation before separation from state service.

Personnel

\$1,854,500 \$1,855,600

The commissioner of employee relations with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 20. REVENUE

General Operations and Management	33,107,900	33,770,200
	1984	1985
Approved Complement -	973	982

The complement number includes ten unfunded positions.

The amounts that may be expended from this appropriation for each program are as follows:

Revenue Management
\$9,928,500 \$10,129,600

\$200,000 the first year and \$400,000 the second year is for a management and systems review of the department's data processing networks, for preparation of a plan for development or replacement of computerized systems, and for proceeding with development in the areas of highest demonstrated need.

None of the appropriation for the development of computer systems shall be expended until the commissioner of revenue has submitted to the legislature a plan for the development of new computer systems and has received the recommendations of the chairmen of the committee on finance of the senate and the committee on appropriations of the house of representatives on the plan.

When projects for computer systems have

been approved in writing by the commissioner of revenue, the commissioner may cause funds to be encumbered in the state accounting system and the encumbered funds shall not cancel at the end of the fiscal year but shall be available for the approved project only, for a period not exceeding one year or until the approved project has been completed, whichever is shorter.

After the commissioner of revenue begins to expend the appropriation, he shall report every three months describing the progress made and the money expended in developing computer systems. The report shall be submitted to the committee on finance of the senate and the committee on appropriations of the house of representatives.

\$50,000 each year is to prepare the tax expenditure budget report required by this act. By March 1, 1984, the commissioner shall present a progress report to the chairmen of the appropriations and tax committees in the house of representatives and the finance and tax committees in the senate. The progress report on the tax expenditure budget shall include, but not be limited to, the proposed format to be used, preliminary data collected, the basis on which estimates were made, and the funding sources involved.

The commissioner shall report by January 15, 1984, on the feasibility of either establishing a fee or retaining a percentage of each debt recaptured pursuant to Minnesota Statutes, section 270A.07, in order to cover the costs of administering the program. The report shall be submitted to the chairmen of the appropriations committee in the house of representatives and the finance committee in the senate.

Income, Sales, and Use Tax Management
\$18,859,000 \$19,317,800

\$136,000 each year is for the reinstatement of walk-in taxpayer assistance programs.

If the office of the legislative auditor does not evaluate the desirability of continuing the current system of field offices and their satellite offices by July 1, 1984, the management analysis division of the department of administration shall do so. The study shall include consideration of management requirements; and

evaluation of field versus office audit work; and the cost benefit of co-locating these offices with federal district revenue offices, merger, or elimination. A report shall be submitted to the chairmen of the appropriations committee in the house of representatives and the finance committee in the senate by July 1, 1984, if done by the legislative auditor, or by July 1, 1985, if done by the management analysis division.

Property and Special Taxes Management
\$4,200,900 \$4,202,400

\$4,000 the first year and \$4,000 the second year is for payment of property taxes of veterans awarded the congressional medal of honor.

Assessors Board
\$ 119,500 \$ 120,400

\$75,000 each year is for state paid tuition for required assessor training.

The commissioner of revenue with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs specified in this section. Transfer shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 21. TAX COURT 313,000 314,000

Approved Complement - 6

Sec. 22. NATURAL RESOURCES

General Operations and Management 84,765,100 86,231,600

Approved Complement - 1572

General - 1003

Special - 21

Game and Fish - 523

Federal - 25

Of this appropriation \$46,019,500 the first year and \$45,465,400 for the second year is from the general fund; \$500,000 the first year and \$500,000 the second year is from the consolidated conservation area account in the special revenue fund; \$2,417,200 the first year and \$4,798,500 the second year is from the

forest management account in the special revenue fund; \$622,800 the first year and \$696,800 the second year is from the nongame wildlife management account in the special revenue fund; \$3,000,500 the first year and \$3,000,500 the second year is from the state park maintenance and operation account in the special revenue fund; \$2,360,300 the first year and \$2,540,100 the second year is from the snowmobile trails and enforcement account in the special revenue fund; and \$29,844,800 the first year and \$29,230,300 the second year is from the game and fish fund.

The amounts that may be expended from this appropriation for each program are as follows:

Administrative Management Services

\$6,272,300 \$6,508,800

\$2,442,400 the first year and \$2,484,900 the second year is from the game and fish fund.

\$75,000 the first year and \$225,000 the second year is from the snowmobile trails and enforcement account in the special revenue fund.

During the biennium ending June 30, 1985, the fee for transferring existing leases, licenses, and agreements at the lessee's request is \$30.

During the biennium ending June 30, 1985, the utility crossing application fee is \$100.

During the biennium ending June 30, 1985, the fee for certifying trust fund land ownership, railroad land grants, and conveyances of them, as requested, is \$25.

\$300,000 the first year and \$300,000 the second year is for boating safety pursuant to Minnesota Statutes, section 296.421, subdivision 4.

The commissioner of natural resources with the approval of the commissioner of finance may transfer unencumbered balances among the programs authorized pursuant to Laws 1981, chapter 304, section 4. No transfer of balances among the programs may be authorized until the legislative commission on Minnesota resources has approved amended work programs. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the

house of representatives.

Regional Administration

\$3,306,600 \$3,324,000

\$773,400 the first year and \$783,500 the second year is from the game and fish fund.

Of these amounts, \$508,100 from the general fund and \$156,700 from the game and fish fund in the second year is for a regional office contingent account. Up to this amount may be released for regional administration only after the legislature has received a study of the regional and subregional structure of the department of natural resources. The management analysis unit in the department of administration shall conduct the study with the assistance of the department of natural resources. The study along with any recommendation for reorganization shall be presented to the legislature by January 1, 1984.

Notwithstanding the provisions of Laws 1982, chapter 641, article I, section 2, subdivision 1, paragraph (f), the commissioner need not close the metropolitan region office.

Field Services Support

\$5,190,000 \$5,276,000

\$1,549,600 the first year and \$1,627,700 the second year is from the game and fish fund.

Water Resources Management

\$3,305,200 \$3,311,500

Of the general fund appropriation reduction in Laws 1982, Third Special Session chapter 1, article II, section 2, subdivision 1, paragraph (m), clause (2), \$415,000 is from the water bank appropriation in Laws 1976, chapter 83, section 27.

Mineral Resources Management

\$5,036,300 \$4,544,200

\$250,000 the first year and \$250,000 the second year is for copper-nickel test drilling. Two positions for this purpose are in the unclassified civil service and their continued employment is contingent upon the availability of money from the appropriation. When the appropriation has been expended, their positions shall be canceled and the approved complement of the agency reduced accordingly. Part-time employment of persons is authorized.

\$300,000 the first year and \$300,000 the second year is for minerals research. Any unencumbered balance remaining in the first year shall not cancel but is available for the second year.

\$750,000 the first year and \$750,000 the second year is for direct reduction research, of which \$500,000 the first year and \$500,000 the second year is available only as matched by \$1 of non-state money for each \$2 of state money. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

In order to promote the establishment of energy efficient direct reduction technologies that could increase the competitiveness of Minnesota's taconite, the iron range resources and rehabilitation board should consider sponsoring research and development of a direct reduction facility on the iron range.

\$277,200 the first year and \$283,100 the second year is for mineland reclamation.

\$1,529,500 the first year and \$1,027,900 the second year is for peat management, of which \$1,250,000 the first year and \$750,000 the second year is for peat development. The commissioner may match this state money with money from non-state sources. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Of these amounts, \$250,000 the first year and \$250,000 the second year is for a detailed peat survey, environmental monitoring, reclamation field work, and rules development.

Six positions in peat development are in the unclassified civil service and their continued employment is contingent upon the availability of money from the appropriation. When the appropriation has been expended, their positions shall be canceled and the approved complement of the agency reduced accordingly. Part-time employment of persons is authorized.

The commissioner shall review all peatlands identified as ecologically significant areas in the Minnesota peat program final report dated August, 1981. If any of these lands meet the

resource and site qualifications for designation as a unit of the outdoor recreation system under Minnesota Statutes, chapter 86A, the commissioner shall designate the units or recommend that the legislature authorize the units pursuant to Minnesota Statutes, section 86A.07 on or before July 1, 1986.

Site preparation for commercial peat mining is limited to the west central lakes peat bog and any other bog that will be disturbed by activities relating to the mining of metallic minerals or other construction or excavation that would seriously impair the value of the land for other purposes.

The commissioner shall report to the legislature by January 1, 1984 and January 1, 1985 on the progress of peat development projects funded by this appropriation.

Forest Management

\$18,789,100 \$20,931,200

\$2,342,200 the first year and \$4,723,500 the second year is from the forest management account in the special revenue fund.

\$500,000 the first year and \$500,000 the second year is from the consolidated conservation areas account in the special revenue fund.

\$930,700 the first year and \$967,600 the second year is for emergency fire fighting. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. No more than \$382,100 the first year and \$398,600 the second year is available for pre-suppression costs.

\$3,750,000 the first year and \$3,750,000 the second year is to implement the federal Boundary Waters Canoe Area legislation and is available only to match federal money on a basis of 80 percent federal, 20 percent state, provided that no more than \$250,000 the first year and \$250,000 the second year may be expended prior to the appropriation of federal funds. If the federal reimbursement is appropriated, the state appropriations are available until September 30, 1984, and September 30, 1985, respectively. The federal reimbursement shall be deposited in the general fund.

The following positions now in the unclassified service shall be transferred to the classi-

fied civil service of the state: three forest soil and hydrology positions (three natural resources forest soil specialists); four forest planners (one planning supervisor state, two planner seniors state, one planner principal state); ten forest management specialists (nine natural resources specialist 2/foresters, and one clerk typist 2). The incumbents of these positions shall be transferred, without competitive examination, to probationary status in the classified civil service. Positions and employees shall be placed in the same classification and pay step as of June 30, 1983, by the commissioner of employee relations.

All of the employees' accrued vacation and sick leave shall be transferred to their credit.

It is requested that the legislative audit commission undertake a study of the fees and taxes imposed by the state relative to the forest industry. The study should seek to determine the cost and benefit relationship between state expenditures that enhance the commercial and industrial forest economy and the revenue generated through fees and taxes imposed on that sector. The study should be completed and presented to the legislature by December 1, 1983.

Fish Management

\$7,965,300 \$8,031,400

Except for \$32,100 the first year and \$32,200 the second year from the general fund for acid rain, this appropriation is from the game and fish fund.

\$149,700 the first year and \$178,300 the second year is for trout stream management.

Wildlife Management

\$10,490,100 \$9,649,900

\$610,300 the first year and \$684,300 the second year is from the nongame wildlife management account in the special revenue fund. \$9,749,200 the first year and \$8,834,900 the second year is from the game and fish fund.

The following positions now in the unclassified service shall be transferred to the classified civil service of the state: two natural heritage positions (natural resource specialist 3). The incumbents of these positions shall be transferred, without competitive examination,

to probationary status in the classified civil service and shall be placed in the same classification and at the same step as at present. All of the employees' accrued vacation and sick leave shall be transferred to their credit.

\$854,300 the first year and \$854,900 the second year is for deer habitat improvement.

\$633,000 in the first year and \$653,400 the second year is for payments to counties in lieu of taxes on acquired wildlife lands.

\$2,310,700 the first year and \$1,310,700 the second year is from the wildlife acquisition account for the acquisition and development of wildlife management areas.

Ecological Services

\$ 880,500 \$ 881,700

\$535,500 the first year and \$535,200 the second year is from the game and fish fund.

Effective July 1, 1983, aquatic plant control permit fees established pursuant to Minnesota Statutes, section 98.48, subdivision 9 are doubled. Notice of the revised fees shall be published in the state register as soon as practicable.

Parks and Recreation Management

\$9,703,100 \$9,787,800

\$3,000,500 the first year and \$3,000,500 the second year is from the state park maintenance and operation account in the special revenue fund.

\$171,700 the first year and \$180,400 the second year is for the program to employ needy elderly persons in the maintenance and operation of state parks.

Upon expiration of the concessionaire contract at Fort Snelling state park, the commissioner shall work with the contract holder to establish a youth hostel at the park.

\$23,500 the first year and \$23,200 the second year is for payments in lieu of taxes on lands in voyageurs national park and St. Croix wild river state park. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Enforcement

\$8,351,500 \$8,427,000

\$75,000 the first year and \$75,000 the second year is from the snowmobile trails and enforcement account in the special revenue fund.

\$6,010,500 the first year and \$6,090,900 the second year is from the game and fish fund.

\$994,300 the first year and \$994,300 the second year is for grants to counties for boat and water safety.

The appropriation from the game and fish fund includes \$12,000 the first year and \$12,000 the second year for the purpose of controlling smelt fishing activities on the north shore, including development of parking facilities, traffic control, coordination of regulatory agencies, control of trespass and vandalism, control of littering and sanitation, and public information and education. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Planning and Research

\$ 868,800 \$ 893,500

The following positions now in the unclassified service shall be transferred to the classified civil service of the state: four policy development and management analysis positions and five natural resources data systems positions. The incumbents of these positions shall be transferred, without competitive examination, to probationary status in the classified civil service. Positions and employees shall be placed in the proper classifications by the commissioner of employee relations, with compensation appropriate to the assigned classifications. All of the employees' accrued vacation and sick leave shall be transferred to their credit.

\$84,600 the first year and \$84,600 the second year is for a grant to the Mississippi headwaters board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under its jurisdiction.

\$19,900 the first year and \$19,900 the second year is for department operating and administrative expenses associated with the Mississippi headwaters board grant and the implementation of the plan in areas along the river that are not included within the jurisdiction of

the Mississippi headwaters board.

The commissioner of natural resources shall not disburse any money to the Mississippi headwaters board or for implementation of the plan in areas along the river that are not included within the jurisdiction of the Mississippi headwaters board until a copy of the cooperative Mississippi river management and jurisdiction agreement, signed by all the parties, has been filed in his office.

Youth Programs

\$ 805,600 \$ 809,300

This appropriation is for the operation of the Minnesota conservation corps, a summer youth program and a year-round young adult program. The department shall ensure that youths in all parts of the state have an equal opportunity for employment and that equal numbers of male and female youth be selected for the summer residential program. Youth enrollees shall be 15 - 18 years old inclusive and young adult enrollees shall be 18 - 26 years old inclusive. Enrollees in the Minnesota conservation corps shall not be considered a public employee under the definition contained in Minnesota Statutes, section 179.63, subdivision 7. The youth conservation corps shall provide service for the various department of natural resources disciplines including parks, forestry and wildlife habitat improvement, and trails and waterways.

\$125,000 the first year and \$125,000 the second year is from the wildlife acquisition account in the game and fish fund for the development of wildlife management areas.

\$75,000 the first year and \$75,000 the second year is from the forest management account in the special revenue fund for the development of forest lands.

\$12,500 the first year and \$12,500 the second year is from the nongame wildlife management account in the special revenue fund for the purpose of nongame wildlife management. Any unencumbered balance remaining in the first year shall not cancel, but is available the second year.

\$50,000 the first year and \$50,000 the second year is from the snowmobile trails and en-

forcement account in the special revenue fund for the development of state snowmobile trails consistent with the purposes of the fund.

\$75,000 the first year and \$75,000 the second year is from the game and fish fund for the the purpose of public access and lake improvements.

No part of this appropriation may be expended for a project that is not consistent with the purposes of the fund from which the appropriation is made.

Trails and Waterways Management

\$3,574,000 \$3,629,300

\$2,160,300 the first year and \$2,190,100 the second year is from the snowmobile trails and enforcement account in the special revenue fund.

Of this amount \$300,000 the first year and \$300,000 the second year is available for acquisition and development of state snowmobile trails; up to \$45,000 the first year and up to \$45,000 the second year is available for professional services relating to acquisition and development of state snowmobile trails; and \$1,262,600 the first year and \$1,298,600 the second year is for snowmobile grants-in-aid.

\$651,000 the first year and \$674,000 the second year is from the game and fish fund for public access and lake improvements, but is available for expenditure only to the extent that unrefunded marine gasoline tax revenues pursuant to Minnesota Statutes, section 296.421, subdivision 4, are actually received by the game and fish fund.

Minnesota Environmental Education Board

\$ 226,700 \$ 226,000

The commissioner of natural resources with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 23. ZOOLOGICAL BOARD

General Operations and Management 5,545,300 5,502,700

Approved Complement - 155.3

General - 136.8

Special - 16.5

Gift - 2.0

The amounts that may be expended from this appropriation for each program are as follows:

Visitor Programs

\$ 928,400 \$ 930,800

Biological Programs

\$1,402,300 \$1,406,000

Business Management Services

\$ 644,500 \$ 646,400

Physical Facilities

\$2,570,100 \$2,519,500

The director of the Minnesota zoological garden with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs specified in this section, except that he shall make no transfer into the zoo ride program. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

During the biennium ending June 30, 1985, the fee structure for the Minnesota zoological garden shall be established by the zoological garden board.

Sec. 24. WATER RESOURCES BOARD . . . 109,500 113,300

Approved Complement - 3

Sec. 25. POLLUTION CONTROL AGENCY

General Operations and Management 6,298,700 6,476,100

1984 1985

Approved Complement - 350.0 359.0

General - 164.5 174.5

Federal - 185.5 184.5

The amounts that may be expended from this appropriation for each program are as follows:

Water Pollution Control

\$1,646,500 \$1,653,200

Balances remaining from appropriations made in Laws 1977, chapter 455, section 33, subdivision 8, paragraph (b), lake improvement grants-in-aid, may be utilized for lake im-

provement grant administration. One position is authorized for this purpose.

Air Pollution Control

\$ 874,200 \$ 818,200

\$304,100 the first year and \$247,800 the second year is for the acid rain program.

Solid Waste and Hazardous Waste Pollution Control

\$1,991,700 \$2,213,200

\$257,000 the first year and \$537,400 the second year is additional money for the hazardous waste regulatory program and shall be covered by hazardous waste generator and facility fees collected for the biennium ending June 30, 1985.

Regional Support

\$ 603,900 \$ 606,100

General Support

\$1,182,400 \$1,185,400

The director of the pollution control agency, with the approval of the commissioner of finance, may transfer unencumbered balances not specified for a particular purpose among the activities specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 26. ENVIRONMENTAL QUALITY

BOARD	1,275,500	1,304,100
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Approved Complement - 25

Classified and unclassified state employees involved in the implementation and administration of the duties of the water planning board and the southern Minnesota rivers basin board shall be transferred, except for the position of chairperson of the water planning board, to the environmental quality board in the classified service of the state without competitive examination and shall be placed in the proper classification by the commissioner of employee relations with compensation as provided for the classifications. Nothing in this paragraph shall be construed as abrogating or modifying any rights now enjoyed by affected employees under the commissioner's or managerial plans for unrepresented employees or

the terms of an agreement between the exclusive representatives of public employees and the state or one of its appointing authorities.

Sec. 27. WASTE MANAGEMENT BOARD	1,713,500	1,089,600
	1984	1985
Approved Complement -	25	20
General -	18	13
Bond Fund -	7	7

\$180,000 the first year and \$60,000 the second year is for grants to counties and local project review committees.

Any unencumbered balance remaining the first year shall not cancel but is available for the second year.

Sec. 28. ENERGY AND ECONOMIC DEVELOPMENT

General Operations and Management	24,769,100	18,672,800
Approved Complement - 141.5		
General - 116		
Federal - 25.5		

The amounts that may be expended from this appropriation for each program are as follows:

Energy
 \$3,215,200 \$2,610,900

\$31,600 the first year and \$68,400 the second year is to develop and market energy audits for multi-family and commercial buildings.

\$51,500 the first year and \$48,500 the second year is for energy audit interpretation.

\$300,000 the first year is for matching grants for planning the development of district heating systems.

\$40,000 the first year and \$40,000 the second year is for administration of the district heating planning grants.

\$68,000 the first year is for a steam trap survey.

\$60,000 the first year is for energy management training, including training of 800 building operators.

\$89,500 the first year and \$40,500 the second year is for the superinsulated home demonstration project.

\$46,500 the first year and \$36,000 the second year is for the building energy research center.

Economic Development

\$1,746,000 \$1,796,000

\$125,000 the first year and \$125,000 the second year is for a grant to the Duluth port authority.

\$180,000 the first year and \$180,000 the second year is for community development corporations.

Any unencumbered balance remaining in the domestic development activity does not cancel but is available for the second year.

\$60,000 the first year and \$60,000 the second year is for a grant to a nonprofit corporation for the purpose of developing the motion picture and television industries. The grant shall be made only after the commissioner has established criteria for grant proposals and has solicited proposals through an open application process by July 1, 1983. To provide appropriate review for the disbursement of the grant, the governor shall appoint five persons to a Minnesota motion picture and television advisory council. The governor shall designate one of the appointees as chairperson and liaison to the governor for all activities concerning the grant recipient. It is a condition of the grant that the grantee shall submit a work plan to the council in a form determined by the council. None of the money provided by the grant may be expended unless it is part of an approved work plan. The appropriation for the second year is available only if the grantee can demonstrate the ability to match the amount on the basis of \$1 of money from nonpublic sources for each \$1 of state money.

Financial Management

\$15,613,400 \$9,386,100

\$10,000,000 the first year and \$5,000,000 the second year is for transfer to the economic development fund, if created by other law enacted at the 1983 regular session.

\$3,500,000 the first year and \$4,000,000 the second year is for transfer to the energy loan insurance fund, if created by other law enacted at the 1983 regular session.

\$1,800,000 is for transfer to a reserve account

in the energy development fund, if created by other law enacted at the 1983 regular session. Any unencumbered balance remaining in the first year shall not cancel and is available for the second year.

\$313,400 the first year and \$386,100 the second year is for part of the staff of the energy and economic development authority, if created by other law enacted at the 1983 regular session. These amounts include \$18,000 the first year and \$22,000 the second year for expenses of an intervention office, and \$44,000 the first year and \$46,000 the second year for a business assistance program.

Science and Technology

\$ 242,600 \$ 254,800

This appropriation is for a science and technology function. The commissioner may hire a director and additional staff as he deems necessary to carry out this function within this appropriation.

The science and technology director shall give advice and recommendations to the governor regarding technically related subjects including new issue analysis, research and development goals and projects, education initiatives, technologically related economic development, environmental protection, intergovernmental technology sharing, and governmental use of technology including the use of advanced information and communication technologies.

In the development of recommendations, the science and technology director shall establish a procedure for the evaluation of research projects with potential to become the basis of technological industrial growth in Minnesota. As part of this procedure, in order to ensure standards of excellence and cost beneficial expenditure of Minnesota state funding sources for research, the science and technology director shall consider a system of peer review analogous to the national science foundation or national institutes of health, to evaluate and select proposals according to merit and scientific significance.

In addition, the science and technology director shall monitor and promote the opportuni-

ties for expanded federal expenditures in research and development in and for Minnesota, and act as a liaison and coordinator for activities of established scientific groups beneficial to the enhancement of science and technology. These groups include but are not limited to the Minnesota academy of sciences, the science museum, and various local, national, and regional professional and academic societies.

The science and technology director and supportive staff shall cumulatively reflect expertise or familiarity with a wide range of scientific areas including basic science (physics, chemistry, biology, and mathematics), information sciences, engineering, and medical, agricultural, and biotechnology.

Tourism

\$3,951,900 \$4,625,000

In order to develop maximum private sector involvement in tourism marketing activities, \$1,000,000 for the first year and \$1,000,000 for the second year will be placed in a separate account. Money will be made available from this account to the office of tourism after verification and documentation of private sector contributions to marketing tourism. For purposes of this appropriation, private sector in-kind services may provide one-half the match for this money in the first year.

“Private sector” means any private person, firm, corporation, or association, including but not limited to regional tourism organizations and chambers of commerce or convention bureaus.

The director shall submit a work program and semiannual progress reports, including the amount of private sector contributions received, to the chairman of the senate finance committee and the chairman of the house of representatives appropriations committee.

In order to provide equity and representation of all tourism accommodation businesses, the office of tourism will produce directories of all these businesses.

Money provided to each of the six Minnesota tourism regions shall be used for the purpose of purchasing media space and time and marketing specific geographic areas within each

region. None of this money shall be used for any type of administrative, salary, or overhead costs of the region. Ten percent of the total regional funding shall be withheld pending final audit each year to assure adherence to the goals of the program. No money will be provided until a detailed marketing plan is approved by the director of tourism. The three northern regions will coordinate their activities through the money provided by this section. In addition, the two southern regions will coordinate their programs.

The director shall review the quality of tourism marketing and promotion done at the regional level and report to the legislature by January 1, 1984 the findings and recommendations.

The commissioner of energy and economic development with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 29. INTERNATIONAL TRADE

General Operations and Management	3,270,000	1,130,000
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Approved Complement - 17

\$2,000,000 the first year is for transfer to the export finance authority working capital account, if created by other law enacted at the 1983 regular session.

\$320,000 the first year and \$280,000 the second year is for administration of the export finance authority and export information office, if created by other law enacted at the 1983 regular session.

\$900,000 the first year and \$850,000 the second year is for the trade and export activity.

\$50,000 the first year is for the world trade center commission, which is hereby created. The commission shall consist of nine members appointed by the governor. The appointees of the governor shall include persons knowledgeable in the areas of finance, export business, and education. The commission shall select a chairperson and other officers it be-

lieves necessary. The purpose of the commission is to study the feasibility, size, scope, site, development, bonding authority, costs, and the amount of private and public financial commitment required for a Minnesota world trade center. The commission may do all things necessary and reasonable to conduct the study including holding meetings and soliciting testimony and information. The commission shall report to the legislature and the governor by January 15, 1984, its conclusions and recommendations concerning the world trade center. The commission expires February 1, 1984.

The appropriations in this section are to the commissier of agriculture, except as otherwise provided in this section.

The commissioner of agriculture with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 30. STATE PLANNING AGENCY

General Operations and Management 4,138,600 3,918,900

Approved Complement - 99

General - 67

Special - 4

Revolving - 10

Federal - 18

\$40,000 the first year and \$40,000 the second year is for policy studies and research relating to general manufacturing, energy, and technology-related businesses jointly initiated and conducted by labor, business, education, and government.

\$10,000 in the first year is to study the feasibility of merging the departments of health and public welfare into a new department called the department of human services. The study shall examine the intergovernmental, social, administrative, and financial ramifications of the merger including: (1) services to be provided to the public; (2) administration of pro-

grams; (3) appropriate funding mechanisms; (4) appropriate inter-agency activity to effectuate the merger; and (5) reassignment of various areas of responsibility within the departments of health and public welfare to other state agencies as appropriate. The state planning director shall report to the legislature and to the governor by January 1, 1984.

\$110,000 the first year and \$110,000 the second year is for a grant to the environmental conservation library (ECOL).

\$418,400 the first year and \$418,400 the second year is for regional planning grants.

\$42,500 each year is for a grant to the government training service.

\$200,000 each year is for grants for youth intervention programs.

\$250,000 shall be transferred to the land management information center revolving account as working capital and shall be repaid to the general fund when service bureau fee receipts permit, but \$166,600 shall be repaid by June 30, 1985 and \$83,400 shall be repaid by June 30, 1986.

The balance of \$111,676 remaining in the appropriation made by Laws 1979, chapter 301, section 6, subdivision 2, is available the day following final enactment to be used by the commissioner to match money appropriated to the department of natural resources for the alteration of a portion of an old railroad bridge over the St. Louis river in the city of Duluth to make the bridge suitable for use as a public access fishing pier and observation site.

The state planning director with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 31. NATURAL RESOURCES ACCELERATION

Subdivision 1. General Operations and Management	10,212,000	10,235,500
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Approved Complement - 80

The amounts that may be expended from this

appropriation for each activity are more specifically described in the following subdivisions of this section.

For all appropriations in this section, if the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 2. Legislative Commission on Minnesota Resources	230,000	232,500
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For the biennium ending June 30, 1985, the commission shall review the work programs and progress reports required under this section, and report its findings and recommendations to the committee on finance of the senate, committee on appropriations of the house of representatives, and other appropriate committees. The commission shall establish oversight committees to continue review of a variety of natural resource subject areas as it believes necessary to carry out its legislative charge.

Subd. 3. Department of Natural Resources	5,164,600	5,111,600
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Approved Complement - 67

The amounts that may be expended from this appropriation for each activity are as follows:

(a) Department Information System
 \$ 300,000 \$ 300,000

Approved Complement - 5

For partial implementation of a department-wide plan for a computer and word processing system

(b) Volunteer Management Intensification
 \$ 97,000 \$ 98,000

Approved Complement - 2

To begin coordination of volunteers in all disciplines through staff assistance and time budgeting.

(c) Groundwater Management
 \$ 150,000 \$ 150,000

Approved Complement - 3

To apply innovative information collection techniques and develop general watershed management rather than the site and permit specific approach. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(d) Mineral Potential

\$ 85,000 \$ 85,000

Approved Complement - 2

Additional field work and research to understand mineral potential.

(e) Accelerated Phase II Forest Inventory

\$ 225,000 \$ 225,000

Approved Complement - 10

As one part of a three-part accelerated effort to complete the detailed inventory, including graphics machine and public land sampling. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(f) Forestry Information System

\$ 344,000 \$ 345,000

Approved Complement - 4

To finish development of an automated information system.

(g) Forest Recreation Development

\$ 400,000 \$ 400,000

Approved Complement - 3

To plan and implement rehabilitation of recreation development in state forests. All project costs are included in this appropriation.

(h) Wildfire Planning

\$ 97,000 \$ 98,000

Approved Complement - 3

To analyze, budget, and implement the most physically and economically effective fire protection on a pilot basis.

(i) Park Planning

\$ 110,000 \$ 110,000

Approved Complement - 6

To complete the remaining master plans required under Minnesota Statutes, chapter 86A, and recommend disposition of all other units.

(j) River Planning

\$ 100,000 \$ 100,000

Approved Complement - 4

To continue river planning analysis and tech-

nical assistance to local units for protection of river resources and to develop a proposal for possible inclusion in agency operations.

(k) Scientific and Natural Areas Planning
\$ 40,000 \$ 41,000

Approved Complement - 1

To continue management planning under Minnesota Statutes, section 84.033 and chapter 86A, for nine areas.

(l) Park Development
\$2,042,000 \$2,042,000

Approved Complement - 8

For major rehabilitation and new development in state parks and recreation areas. All project costs are included in this appropriation. \$726,000 the first year and \$749,000 the second year is from the state park development account in the special revenue fund. \$450,000 of this appropriation represents anticipated reimbursements to be received during the biennium from the land and water conservation fund to be earned by expenditures from this subdivision and is available for expenditure only as these reimbursements are deposited in the state treasury.

(m) Parks Information System
\$ 103,500 \$ 46,500

Approved Complement - 2

To develop a computerized information system to assist management activity in state parks.

(n) Water Access Acquisition and Development
\$ 740,000 \$ 740,000

Approved Complement - 5

To acquire access sites and improve or develop sites around the state. All project costs are included in this appropriation. The commissioner shall make every effort to maximize the use of local effort and finances in the program. \$150,000 of the appropriation represents anticipated reimbursements from the land and water conservation fund to be earned by expenditures from this subdivision and is available for expenditure only as these reimbursements are deposited in the state treasury.

In addition to this direct appropriation, and notwithstanding Minnesota Statutes, section 86.72, federal money for recreational boating facilities improvement programs under United States Code, title 46, sections 1474 to 1481 made available by section 421 of the Surface Transportation Assistance Act of 1982, 96 Statutes at Large, pages 2162 to 2163, earned by projects in this section is appropriated to the commissioner of natural resources for water access acquisition and development and is available until expended.

(o) Implement Resource and Management Plan on Department of Natural Resources Lands
\$ 200,000 \$ 200,000

Approved Complement - 5

To implement an allocation plan based on land suitability and capability and public advice, which includes sale or exchange, or both. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(p) Wild and Scenic Rivers
\$ 62,500 \$ 62,500

Approved Complement - 2

To continue the wild and scenic river management program previously funded by legislative commission on Minnesota resources.

(q) Statewide Data Water Network
\$ 68,600 \$ 68,600

Approved Complement - 2

To continue legislative commission on Minnesota resources support for the statewide water data network.

Subd. 4. Pollution Control		
Agency	230,000	231,000

Approved Complement - 3

The amounts that may be expended from this appropriation for each activity are as follows:

(a) Soil and Watershed Acidification
\$ 93,000 \$ 93,000

Approved Complement - 1

For the first biennium of a two-biennium effort

to assess the effects of atmospheric deposition on soils. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(b) Groundwater Analysis Near Dump Sites
\$ 72,000 \$ 73,000

Approved Complement - 1

To investigate the effects on groundwater of 15 unregulated solid waste open dumps and improve management processes. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(c) Survey Organics in Monitor Wells
\$ 50,000 \$ 50,000

Approved Complement - 1

For sampling up to 350 private wells in the monitoring network for analysis of organics. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(d) Garvin Brook Monitoring
\$ 15,000 \$ 15,000

To provide water quality monitoring on the joint, federal-state project needed to assess the impact of land treatment. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

Subd. 5. Energy, Planning
and Development 2,064,000 2,065,000

Approved Complement - 9

The amounts that may be expended from this appropriation for each activity are as follows:

(a) Resource Management Models
\$ 75,000 \$ 75,000

Approved Complement - 1

For accelerated development of applications models to predict and simulate the effects of alternative policies and practices. Data shall be collected in a format consistent and com-

patible with the Minnesota land management information system and provided to that system as appropriate.

(b) Recreation Grants
\$1,750,000 \$1,750,000

Approved Complement - 4

For recreation open space projects requested by local units of government. The cost of administration is included in this appropriation. This appropriation is for grants of up to 50 percent of the total cost, or 50 percent of the local share if federal money is used. Up to 25 percent is available for acquisition. The per project limit for state grants is \$200,000.

The first priority in allocation is for development projects and for projects that are eligible for federal funding. Notwithstanding any other law to the contrary, these grants are not contingent upon the matching of federal grants.

\$875,000 the first year and \$875,000 the second year is reserved for projects outside the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2.

This appropriation shall be expended with the approval of the governor after consultation with the legislative advisory commission. The legislative commission on Minnesota resources shall make recommendations to the legislative advisory commission regarding the expenditures.

(c) Bioenergy Research
\$ 150,000 \$ 150,000

Approved Complement - 1

To continue research into biomass production potential on peat and other lands.

(d) Assessment and Development of Alternative Energy Business
\$ 89,000 \$ 90,000

Approved Complement - 3

To assess the potential for business development of alternative energy resources.

Subd. 6. Department of Health 65,000 65,000

Approved Complement - 1

Survey Organics in Community Water Sup-

plies

To provide equipment and a one-time sampling and analysis of volatile organic compounds in selected community water supplies.

Subd. 7. University of Minnesota	1,835,000	1,826,000
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The amounts that may be expended from this appropriation for each activity are as follows:

(a) Strategic Minerals Research Capacity
\$ 265,000 \$ 265,000

For equipment and analysis to examine potential strategic minerals identification and recovery (cobalt, manganese, platinum, titanium).

(b) Taconite Reduction
\$ 49,000 \$ 49,000

For research to achieve increased metallic iron production from taconite.

(c) Aeromagnetic Survey
\$ 346,000 \$ 347,000

For the third biennium of a six-biennium effort to electronically acquire geologic data. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(d) Geology of Southeast Minnesota
\$ 30,000 \$ 30,000

To determine subsurface drainage and hydrology, and evaluate the impact of land practices. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(e) Computer Analysis of Contaminant Spreading
\$ 90,000 \$ 90,000

To develop interactive graphics models of contaminant spreading between selected Twin Cities aquifers. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(f) Accelerated Detailed Soil Survey
\$ 925,000 \$ 925,000

For the fourth biennium of a seven-biennium effort to provide the appropriate detailed survey, based upon the adopted cost-share formula between county, state, and federal ownership ratios. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(g) Research on River and Lake Management
\$ 70,000 \$ 70,000

To develop lake water quality simulations and predict river oxygen dynamics, and predict river scour and fill effects. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(h) Hydropower Research Facility Instrumentation
\$ 50,000 \$ 50,000

To provide instrumentation of donated equipment for advanced research capability.

(i) Underground Space Center
\$10,000

To provide for expenses involved in conducting an international conference in October 1983 on the benefits and uses of underground space.

Subd. 8. Minnesota Historical Society 75,000 75,000

The amounts that may be expended from this appropriation for each activity are as follows:

(a) Microfilm Public Land Records
\$ 25,000 \$ 25,000

For completion of the project to microfilm state land ownership records.

(b) Conservation of Historic Collections
\$ 50,000 \$ 50,000

To provide the match for grants from the national endowment for the humanities and private sector, all for the purpose of repair, restoration, and stabilization of the collections. The match money is appropriated.

Subd. 9. Science Museum of

Minnesota	22,000	23,000
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For a natural history survey of Minnesota's aquatic invertebrates. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

Subd. 10. Work Programs

It is a condition of acceptance of the appropriations made by this section that the agency or entity receiving the appropriation shall submit work programs and semiannual progress reports in the form determined by the legislative commission on Minnesota resources. None of the money provided in this section may be expended unless the commission has approved the pertinent work program. Upon request from the commission the agency head shall submit an evaluation by July 1, 1984, as to whether the program should be incorporated in the next agency budget.

Subd. 11. Complement Temporary

Persons employed by a state agency and paid by an appropriation in this section are in the unclassified civil service and their continued employment is contingent upon the availability of money from the appropriation. When the appropriation has been expended, their positions shall be canceled and the approved complement of the agency reduced accordingly. Part-time employment of persons is authorized.

Subd. 12. Federal Reimbursement

Account	526,400	606,400
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This appropriation is for the expenditure purposes in the natural resources federal reimbursement account in Minnesota Statutes, section 86.72.

Sec. 32. LABOR AND INDUSTRY

General Operations and Management	9,033,000	9,512,700
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Approved Complement - 225

General - 126.5

Federal - 39.5

Special - 59

The amounts that may be expended from this appropriation for each program are as follows:

Employment Standards

\$ 764,700 \$ 767,800

Workers' Compensation

\$4,991,800 \$5,417,100

Of this appropriation \$1,678,900 the first year and \$1,697,000 the second year is from the special compensation fund.

\$2,329,200 the first year and \$2,733,900 the second year is for reimbursement of the special compensation fund pursuant to Minnesota Statutes, section 176.183, subdivision 2.

\$300,000 the first year and \$300,000 the second year is for payment of peace officer survivor benefits pursuant to Minnesota Statutes, section 352E.04. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

During the biennium ending June 30, 1985, the commissioner of labor and industry shall impose fees under Minnesota Statutes, section 16A.128, sufficient to cover the cost of approving and monitoring qualified rehabilitation consultants, consultant firms, and vendors of rehabilitation services.

The commissioner shall study the need for establishing criteria which would determine whether a workers' compensation claim is handled by the division's attorneys, referred for private action, or referred for arbitration or mediation. The commissioner shall report to the legislature the conclusions of this study by February 15, 1984.

Code Enforcement

\$ 728,600 \$ 732,100

The commissioner is instructed to merge the inspection duties of the boiler inspectors and the steamfitting inspector.

OSHA

\$ 996,700 \$1,006,800

The salary and expenses associated with the passenger elevator inspector shall be paid from the building code surcharge revenues produced pursuant to Minnesota Statutes, section 16.866.

General Support

\$1,014,300 \$1,030,700

\$125,000 the first year and \$125,000 the second year is for a grant to the Minneapolis urban league labor education advancement program. \$125,000 the first year and \$125,000 the second year is for a grant to the St. Paul urban league labor education advancement program. Before payment of these grants, the commissioner shall secure an approved contract that specifies the detailed budget to be submitted for use of each grant, the frequency and format of periodic reports on actual use of the grants, and audit requirements. The legislative auditor may conduct post-award audits of these grants as requested by the commissioner and approved by the legislative audit commission. Twenty percent of each grant in each year, or \$25,000, shall be available for payment upon demonstration of a dollar for dollar match from nonstate contributions. If continuation of state funding is anticipated in the 1985-1987 fiscal biennium, the commissioner shall develop an application process by which organizations currently established or organizations seeking to become established as providers of labor education advancement programs may seek funding. The applications shall be reviewed and prioritized by the commissioner, and a recommended level of funding shall be transmitted by the commissioner to the 1985 legislature.

Information Management Services

\$ 536,900 \$ 558,200

The commissioner of labor and industry with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 33. WORKERS' COMPENSATION
 COURT OF APPEALS

382,200 382,800

Approved Complement - 9

The workers' compensation court of appeals shall report by February 15, 1984, to the chairmen of the senate finance committee and

the house appropriations committee on the standards governing payments under Minnesota Statutes, chapter 352E. The report must describe any ambiguity in the definition of peace officers, eligible beneficiaries, and eligibility to receive benefits.

Sec. 34. MEDIATION SERVICES 1,113,600 1,077,900

Approved Complement - 24

Sec. 35. PUBLIC EMPLOYMENT
RELATIONS BOARD 51,700 52,000

Approved Complement - 1

Sec. 36. MILITARY AFFAIRS

General Operations and Management 4,865,100 4,833,700

Approved Complement - 235

General - 130.8

Federal - 104.2

Plus additional personnel as may be financed entirely from federal money for the period federal money is available.

The amounts that may be expended from this appropriation for each program are as follows:

Maintenance of Military Training Facilities

\$3,735,000 \$3,760,700

\$4,100 each year is for an additional custodial position at Holman field. The adjutant general is directed to seek a federal share of \$12,300 each year.

The city of Moorhead having in error transferred \$23,600 to the state general fund for an armory improvement, \$23,600 is for repayment to the city of Moorhead, effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Moorhead.

The management analysis division of the department of administration shall review the feasibility of armory consolidation or closure. The study shall include in its considerations the needs of this department for defense and training related activities; the availability of other emergency facilities within the communities; and the age, physical maintenance needs, and personnel costs of the existing buildings.

The study shall also consider the cost effectiveness of reducing custodial hours, sharing custodial services among the armories, and increasing local financial support of armory maintenance expenses.

The recommendations resulting from this study shall be transmitted to the chairman of the finance committee in the senate and the appropriations committee in the house of representatives by March 15, 1984.

General Support
\$1,130,100 \$1,073,000

\$71,400 the first year and \$71,300 the second year is for expenses of military forces ordered to active duty pursuant to Minnesota Statutes, chapter 192. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

The adjutant general with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose between the programs specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 37. VETERANS AFFAIRS

General Operations and Management 10,449,800 10,540,300

Approved Complement - 314.5

The amounts that may be expended from this appropriation for each program are as follows:

Veterans Benefits and Services
\$2,277,200 \$2,256,400

\$1,938,100 each year is for emergency financial and medical needs of veterans. For the biennium ending June 30, 1985, the commissioner shall limit financial assistance to veterans and dependents to six months, unless recipients have been certified as ineligible for other benefit programs. Of this appropriation, \$50,000 each year shall be expended with the approval of the governor after consultation with the legislative advisory commission pursuant to Minnesota Statutes, section 3.30.

If the appropriation for either year is insufficient, the appropriation for the other year is

available for it.

Of this appropriation, \$37,800 the first year and \$38,500 the second year is for war veterans and war orphans education aid, to be expended pursuant to Minnesota Statutes, section 197.75.

Veterans Home - Minneapolis
\$6,116,200 \$6,217,200

Of the appropriation in fiscal year 1984, \$10,000 is for a grant to the Vietnam veterans awareness council for the purposes of obtaining liability insurance and repairs and betterments on building #2 which currently provides emergency shelter for veterans and their families.

By January 15, 1984, the commissioner shall report to the legislature on the cost effectiveness of seeking certification of the Minneapolis nursing care building for medical assistance reimbursement.

Veterans Home - Hastings
\$2,047,800 \$2,066,700

Big Island Veterans Camp
\$ 8,600

This appropriation is for contract expenses associated with operating the Big Island veterans camp; the contract shall be for up to two years in length and shall specify that the contractor will cooperate with the Hennepin county park reserve district.

Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

The commissioner of veterans affairs with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 38. INDIAN AFFAIRS
INTERTRIBAL BOARD 205,100 208,900

Approved Complement - 7

General - 6

Federal - 1

Ten percent of the funding in the second year, or \$20,900, shall be available for allotment upon demonstration of dollar for dollar match with nonstate contributions. Those dollars, up to the \$20,900, not receiving a match shall cancel to the general fund.

The agency shall report to the senate finance committee and house of representatives appropriations committee by March 1, 1984 its accomplishments for the first six months of the biennium and its work program, including its goals, objectives, timelines, and structure, for the remainder of the biennium. The appropriation for the second year is available for expenditure only with the approval of the governor after consultation with the legislative advisory commission, pursuant to Minnesota Statutes, section 3.30.

Sec. 39. COUNCIL ON AFFAIRS OF SPANISH-SPEAKING PEOPLE	104,600	105,500
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Approved Complement - 3

Ten percent of the funding in the second year, or \$10,600, shall be available for allotment upon demonstration of dollar for dollar match with nonstate contributions. Those dollars, up to the \$10,600, not receiving a nonstate match shall cancel to the general fund.

The agency shall report to the senate finance committee and house of representatives appropriations committee by March 1, 1984 its accomplishments for the first six months of the biennium and its work program, including its goals, objectives, timelines, and structure, for the remainder of the biennium. The appropriation for the second year is available for expenditure only with the approval of the governor after consultation with the legislative advisory commission, pursuant to Minnesota Statutes, section 3.30.

Sec. 40. COUNCIL ON BLACK MINNESOTANS	104,400	105,600
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Approved Complement - 3.5

Ten percent of the funding in the second year, or \$10,600, shall be available for allotment upon demonstration of dollar for dollar match with nonstate contributions. Those dollars, up to the \$10,600, not receiving a nonstate match shall cancel to the general fund.

The agency shall report to the senate finance committee and house of representatives appropriations committee by March 1, 1984 its accomplishments for the first six months of the biennium and its work program, including its goals, objectives, timelines, and structure, for the remainder of the biennium. The appropriation for the second year is available for expenditure only with the approval of the governor after consultation with the legislative advisory commission, pursuant to Minnesota Statutes, section 3.30.

Sec. 41. COUNCIL FOR THE HANDICAPPED	330,700	336,700
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Approved Complement - 10

Ten percent of the funding in the second year, or \$33,700, shall be available for allotment upon demonstration of dollar for dollar match with nonstate contributions. Those dollars, up to the \$33,700, not receiving a nonstate match shall cancel to the general fund.

The agency shall report to the senate finance committee and house of representatives appropriations committee by March 1, 1984 its accomplishments for the first six months of the biennium and its work program, including its goals, objectives, timelines, and structure, for the remainder of the biennium. The appropriation for the second year is available for expenditure only with the approval of the governor after consultation with the legislative advisory commission, pursuant to Minnesota Statutes, section 3.30.

Sec. 42. HUMAN RIGHTS

General Operations and Management	1,363,400	1,440,900
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Approved Complement - 59

General - 43

Federal - 16

The commissioner of administration shall assign a transition team to work with the commissioner of human rights in reviewing or developing charge intake and charge processing policies. Specific action plans shall be developed for the purpose of improving the administration and enforcement of the Human Rights Act. The commissioner of administration shall report to the legislature by February 1, 1984.

on the action plans developed and an analysis of the resources needed to accomplish the statutory responsibilities of the commissioner of human rights. The commissioner of administration shall consult with the attorney general to ensure that the new enforcement alternatives being implemented are consistent with the objectives and requirements of Minnesota Statutes, chapter 363.

The amounts that may be expended from this appropriation for each program are as follows:

Enforcement

\$ 900,400 \$ 979,300

The commissioner of human rights may assign priority to the investigation of charges based on likelihood of early settlement, potential for widespread impact on discriminatory behavior, or other criteria as established by the commissioner by rule adopted pursuant to Minnesota Statutes, chapter 14. By February 1, 1984, the commissioner shall report to the legislature on the charge-processing policies that have been adopted.

Planning, Public Information and Administrative Services

\$ 463,000 \$ 461,600

The commissioner of human rights with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

The agency shall report to the senate finance committee and house of representatives appropriations committee by March 1, 1984 its accomplishments for the first six months of the biennium and its work program, including its goals, objectives, timelines, and structure, for the remainder of the biennium. The appropriation for the second year is available for expenditure only with the approval of the governor after consultation with the legislative advisory commission, pursuant to Minnesota Statutes, section 3.30. If approval is obtained, the complement of the department of human rights is increased by six positions in fiscal year 1985.

Approved Complement - 124

Spending limit on cost of general administration of agency programs:

1984	1985
\$4,491,600	\$4,575,100

The appropriation is for transfer to the housing development fund.

\$3,000,000 is for tribal Indian housing programs.

\$6,000,000 is for home improvement loans.

\$6,000,000 is for rehabilitation loans.

\$200,000 is for innovative multifamily housing.

\$750,000 is for Vietnam veterans downpayment assistance.

\$5,000,000 is for energy conservation rehabilitation loans.

\$2,500,000 is for energy efficiency loans for rental housing.

The appropriation of \$200,000 from the general fund by Laws 1982, chapter 380, is cancelled and reappropriated to the housing development fund created in Minnesota Statutes, section 462A.20, for the purpose of financing multifamily developments, to be used either (a) to make loans, with or without interest, pursuant to Minnesota Statutes, section 462A.05, subdivisions 1 and 3; or (b) to be paid into accounts of the agency for the purpose of making payments required by a resolution for the issuance of its notes or bonds, as permitted by Minnesota Statutes, section 462A.10, subdivision 4. The agency shall establish an account in the fund to record the receipt and disbursement of the amounts appropriated and any other amounts transferred to this account pursuant to Minnesota Statutes, section 462A.20, subdivision 3.

Sec. 44. EXECUTIVE COUNCIL	150,000	150,000
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For expenses in emergencies pursuant to Minnesota Statutes, section 9.061.

Sec. 45. GENERAL CONTINGENT ACCOUNTS	7,175,000	7,175,000
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The appropriations in this section shall be ex-

pended with the approval of the governor after consultation with the legislative advisory commission pursuant to Minnesota Statutes, section 3.30.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

General Fund
\$7,000,000 \$7,000,000

Game and Fish Fund
\$ 175,000 \$ 175,000

Sec. 46. TORT CLAIMS 475,000 475,000

To be disbursed by the commissioner of finance.

Of this amount \$450,000 the first year and \$450,000 the second year is from the general fund, and \$25,000 the first year and \$25,000 the second year is from the game and fish fund.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 47. DEBT SERVICE 116,101,700 144,399,400

For transfer by the commissioner of finance to the state bond fund.

If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the deficiency and shall then transfer that amount pursuant to the statutory open appropriation.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 48. RETIREMENT 16,321,300 18,651,800

The amounts that may be expended for each purpose are more specifically described in sections 49 to 53.

Sec. 49. MINNESOTA STATE
RETIREMENT SYSTEM 3,756,300 4,493,800

The amounts estimated to be needed for each program are as follows:

Legislators

\$1,347,000 \$2,172,500

Pursuant to Minnesota Statutes, sections 3A.03, subdivision 2; 3A.04, subdivisions 3 and 4; and 3A.11.

Judges

\$2,265,300 \$2,174,500

Pursuant to Minnesota Statutes, sections 490.106; and 490.123, subdivision 1.

Constitutional Officers

\$ 98,000 \$ 105,800

Pursuant to Minnesota Statutes, sections 352C.031, subdivision 5; 352C.04, subdivision 3; and 352C.09, subdivision 2.

State Employee Supplemental Benefits

\$ 46,000 \$ 41,000

Pursuant to Minnesota Statutes, section 352.73.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 50. PUBLIC EMPLOYEES

RETIREMENT ASSOCIATION	28,000	21,000
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For supplement benefits pursuant to Minnesota Statutes, section 353.83.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 51. MINNEAPOLIS EMPLOYEES

RETIREMENT FUND	6,000,000	7,000,000
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To the commissioner of finance for payment to the Minneapolis employees retirement fund pursuant to Minnesota Statutes, section 422A.101, subdivision 3.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 52. POLICE AND FIRE

AMORTIZATION AID	6,537,000	6,537,000
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To the commissioner of finance for state aid to amortize the unfunded liability of local police and salaried firefighters' relief associations, pursuant to Minnesota Statutes, section 423A.02. If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 53. PENSION CONTRIBUTION

REIMBURSEMENT 600,000

To the commissioner of finance for reimbursement of excess public employee pension contributions as provided by this act.

Sec. 54. GAS TAX REIMBURSEMENT ... 1,057,700 1,072,600

This appropriation is from the highway user tax distribution fund.

The commissioner of finance shall transfer to the general fund on January 1 each year the amounts necessary to reimburse the general fund for the cost of collecting the tax on gasoline and gasoline substitutes and the cost of bond premiums during each fiscal year of the 1983-85 biennium.

Sec. 55. SALARY SUPPLEMENT 33,165,000 67,630,000

The amounts appropriated from each fund are as follows:

(a) General Fund

\$22,410,000 \$45,710,000

\$4,791,400 the first year and \$9,912,400 the second year is for comparability adjustments.

(b) State Airports Fund

\$ 70,000 \$ 140,000

\$14,200 the first year and \$29,300 the second year is for comparability adjustments.

(c) Game and Fish Fund

\$1,025,000 \$2,100,000

\$221,800 the first year and \$458,500 the second year is for comparability adjustments.

(c) Trunk Highway Fund

\$9,450,000 \$19,250,000

\$2,020,900 the first year and \$4,176,100 the second year is for comparability adjustments.

(d) Highway User Tax Distribution Fund

\$ 210,000 \$ 430,000

\$44,900 the first year and \$92,700 the second year is for comparability adjustments.

The compensation and economic benefit increases covered by this section are those paid to classified and unclassified employees in the executive, judicial, and legislative branches of state government, and to employees of the Minnesota historical society who are paid from

state appropriations, if the increases are required by existing law or authorized by law during the 1983 session of the legislature or by appropriate resolutions for employees of the legislature, or are given interim approval by the legislative commission on employee relations pursuant to Minnesota Statutes, sections 3.855 and 43A.18 or 179.74, subdivision 5. Except as limited by the direct appropriations made in this section, the amounts necessary to pay compensation and economic benefit increases covered by this section are appropriated from the various funds in the state treasury from which salaries are paid to the commissioner of finance for the fiscal years ending June 30, 1984, and June 30, 1985. In the case of salaries that are paid from one fund, but that fund is reimbursed by another fund, the amounts necessary to make these reimbursements are also appropriated.

The amounts appropriated for comparability adjustments shall be distributed pursuant to Minnesota Statutes, section 43A.05, according to the list of job classes approved by the legislative commission on employee relations on March 29, 1983.

The commissioner of finance shall transfer the necessary amounts to the proper accounts and shall promptly notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount transferred to each appropriation account.

Sec. 56. [RECREATIONAL MOTOR VEHICLE STUDY.]

By January 1, 1984, the commissioner of natural resources shall study the use and effects of recreational motor vehicles on the environment, including soils, vegetation, and wildlife; the demand now and future need for recreational motor vehicle recreational opportunities in the state; the appropriate legal and social implications of recreational motor vehicle use on public and private lands; the potential for recreational motor vehicle use on existing recreational trails; and the impact of increased recreational motor vehicle use on tourism opportunities statewide. For the purposes of this section, "recreational motor vehicle" has the same meaning as defined in Minnesota Statutes, section 84.90 except that snowmobiles are not included in the study. The commissioner shall work with, and solicit the comments and advice of, the departments of public safety, transportation, and any interested party or group in the study. The study shall be presented to the governor and the appropriate standing committees in the house of representatives and the senate.

Sec. 57. [3.3026] [INFORMATION SYSTEMS DIRECTORY.]

Subdivision 1. [POLICY.] The state must make maximum use of its information files and data processing systems. A statewide directory of information systems will direct users to existing information systems maintained by state agencies, minimize duplication of information systems already developed, and encourage the sharing of information systems within the state. A directory will assist users in contacting agencies about information files and about experience with hardware and software configurations. It will reduce overall costs, promote communication among agencies, and permit more efficient use of personnel resources for information systems development.

Subd. 2. [DEFINITIONS.] The terms used in this section have the meanings given them in this subdivision.

(a) "Directory" means an indexed listing of descriptive data about information systems. The descriptions will include agency name, information system name, contact person, software used, hardware used, and other information which in the discretion of the legislative reference library will assist users.

(b) "Information system" or "information systems" means an organized collection of data, either manually organized or automated, used by an agency in performing its duties or assisting in the making of administrative and budgetary decisions. An information system includes the data organized and any hardware or software used to process it.

Every state agency shall file a description of its existing information systems with the legislative reference library by January 31, 1984. These descriptions shall be in accordance with specifications and on forms provided by the library. Each agency shall file an updated description, noting additions, deletions, and changes by November 30 and by May 31 each year.

(c) "State agency" or "state agencies" means any office, department, agency, commission, council, bureau, research center, or society of state government, and other agencies supported by state funds.

Subd. 3. [LEGISLATIVE REFERENCE LIBRARY; DEVELOPMENT OF PLAN.] The legislative reference library shall prepare a plan for the directory by January 1, 1984. The plan shall include a definition of the types of systems that will be included in the directory, an enumeration of the types of information required for each system reported, and a description of the method selected for production and dissemination of the directory.

Subd. 4. [LEGISLATIVE REFERENCE LIBRARY DIRECTOR; DUTIES.] The legislative reference library director shall employ and fix the salary of the technical, clerical, and other assistants necessary to produce the directory. The director may enter into contracts for equipment and services necessary in the production and dissemination of the directory.

Subd. 5. [PUBLICATION.] The legislative reference library shall prepare a directory by January 1, 1985. The directory shall be prepared in a format which the legislative reference library, in its discretion, believes is most efficient and beneficial to the user.

Subd. 6. [UPDATING.] The legislative reference library shall continually update the directory and shall reissue it at intervals it finds, in its discretion, are reasonable and cost efficient.

Subd. 7. [AGENCY COOPERATION.] Every state agency shall appoint one person within the agency as a data processing liaison, responsible for working with the legislative reference library. The appointment shall be made and the name forwarded to the legislative reference library by July 1, 1983. The department of administration shall provide access to its library listing of systems and programs produced under section 16.90 and shall produce this information in hardcopy form or on magnetic tape media, as requested by the legislative reference library director.

Sec. 58. Minnesota Statutes 1982, section 3.732, is amended by adding a subdivision to read:

Subd. 6. The head of each department or agency, or his designee, acting on behalf of the state, may enter into structured settlements, through the negotiation, creation, and utilization of annuities or similar financial plans for claimants, to resolve claims arising from the alleged negligence of the state, its agencies, or employees. The requirements set forth in sections 16.07, 16.08, and 16.098 shall not apply to the state's selection of and contracts with structured settlement consultants or purveyors of structured settlement plans.

Sec. 59. Minnesota Statutes 1982, section 3.922, subdivision 5, is amended to read:

Subd. 5. [OFFICERS, PERSONNEL.] The board shall annually elect a chairman and such other officers as it may deem necessary. The chairman shall have the authority to appoint subcommittees necessary to fulfill the duties of the board. It shall also employ, and prescribe the duties of such clerks, employees, and agents as it deems necessary. All employees are in the unclassified service. The chairman shall be an ex-officio member of the state board of human rights. The appropriations and other funds of this board are subject to the provisions of chapter 16. The board shall maintain its primary office in Bemidji and shall also maintain personnel and office space in St. Paul.

Sec. 60. Minnesota Statutes 1982, section 3.9222, is amended to read:

3.9222 [ADVISORY COUNCIL LEGISLATIVE COMMISSION ON THE ECONOMIC STATUS OF WOMEN.]

Subdivision 1. ~~An advisory council~~ A legislative commission is hereby created to study and report on the economic status of women in Minnesota.

Subd. 2. The ~~council~~ commission shall consist of five members of the house of representatives appointed by the speaker, and five members of the senate appointed by the committee on committees, and ~~eight~~ citizens appointed by the governor. At least 50 percent of those appointed by the governor and by the speaker of the house shall be women. Members shall serve for two years or until the expiration of their legislative terms; ~~except, in order to establish staggered membership terms for the citizen members, the governor shall appoint four citizens for three-year terms and four citizens for two-year terms starting July 1, 1981.~~ The compensation of non-legislator members, their removal from office and the filling of vacancies shall be as provided in section 15.059. The persons appointed by the governor shall be representative of a range of economic interests and vocations and shall include persons who are not regularly employed on a full-time or part-time basis outside their

homes.

Subd. 3. The ~~council~~ *commission* shall study all matters relating to the economic status of women in Minnesota, including economic security of homemakers and women in the labor force, opportunities for education and vocational training, employment opportunities, the contributions of women to the economy, their access to benefits and services provided to citizens of this state, and laws and business practices constituting barriers to the full participation by women in the economy. In addition, the ~~council~~ *commission* shall study the adequacy of programs and services relating to families in Minnesota, including single-parent families and members beyond the nuclear or immediate family.

Subd. 4. The ~~council~~ *commission* shall report its findings and recommendations to the governor and the legislature not later than December 15 of each even-numbered year and shall supplement its findings and recommendations not later than December 15 of each odd-numbered year. The report shall recommend legislation and administrative action designed to enable women to achieve full participation in the economy. The report shall also recommend methods to encourage the development of coordinated, interdepartmental goals and objectives and the coordination of programs, services and facilities among all state departments and public and private providers of services related to children, youth and families.

Subd. 5. The ~~council~~ *commission* may hold meetings and hearings at the times and places it designates to accomplish the purposes set forth in this *act section*. It shall select a chairman and other officers from its membership as it deems necessary.

Subd. 6. The legislature coordinating commission shall supply the ~~council~~ *commission* with necessary staff, office space and administrative services.

Subd. 7. When any person, corporation, the United States government, or any other entity offers funds to the ~~council~~ *commission* by way of gift, grant or loan, for the purpose of assisting the ~~council~~ *commission* to carry out its powers and duties, the ~~council~~ *commission* may accept the offer by majority vote and upon acceptance the chairman shall receive the funds subject to the terms of the offer, but no money shall be accepted or received as a loan nor shall any indebtedness be incurred except in the manner and under the limitations otherwise provided by law.

Sec. 61. [4.09] [WASHINGTON OFFICE EXPENSES.]

In the operation of the Washington, D.C. office of the state of Minnesota, the governor may expend money appropriated by the legislature for promotional purposes in the same manner as private persons, firms, corporations, and associations expend money for promotional purposes. Promotional expenditures for food, lodging, or travel are not governed by the travel rules of the commissioner of employee relations.

Sec. 62. Minnesota Statutes 1982, section 6.65, is amended to read:

6.65 [MINIMUM PROCEDURES FOR AUDITORS, PRESCRIBED.]

The state auditor shall prescribe minimum procedures *and the audit scope* for auditing the books, records, accounts, and affairs of local governments in Minnesota. *The minimum scope for audits of all local governments shall*

include financial and legal compliance audits for fiscal years ending after January 15, 1984. The state auditor shall establish a task force to promulgate an audit guide for legal compliance audits. The task force shall include representatives of the state auditor, the attorney general, towns, cities, counties, school districts and private sector public accountants.

Sec. 63. Minnesota Statutes 1982, section 7.09, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURE.] The state treasurer is hereby authorized to receive and accept, on behalf of the state, any gift, bequest, devise, or endowment which may be made by any person, by will, deed, gift, or otherwise, to or for the benefit of the state, or any of its departments or agencies, or to or in aid, or for the benefit, support, or maintenance of any educational, charitable, or other institution maintained in whole or in part by the state, or for the benefit of students, employees, or inmates thereof, or for any proper state purpose or function, and the money, property, or funds constituting such gift, bequest, devise, or endowment. No such gift, bequest, devise, or endowment shall be so accepted unless ~~the governor,~~ the commissioner of finance, and the state treasurer shall determine that it is for the interest of the state to accept ~~the same~~ it, and shall approve of and direct ~~such~~ the acceptance. When, in order to effect the purpose for which any ~~such~~ gift, bequest, devise, or endowment has been accepted, it is necessary to sell ~~any~~ property so received, the state treasurer, upon request of the authority in charge of the agency, department, or institution concerned, may sell ~~the same~~ it at a price which shall be fixed by the state board of investment.

Sec. 64. Minnesota Statutes 1982, section 14.14, subdivision 1, is amended to read:

Subdivision 1. [REQUIRED HEARING.] No rule, ~~other than a rule setting a fee covered by section 16A.128 or 214.06,~~ shall may be adopted by any agency unless the agency first holds a public hearing affording all affected interests an opportunity to participate. ~~Fee adjustments authorized under section 16A.128 or 214.06 may be made by rule without a public hearing when the total fees received during the fiscal biennium will not exceed 10 percent of the sum of all direct appropriations, transfers in, and salary supplements for that purpose for the biennium.~~ Each agency shall maintain a list of all persons who have registered with the agency for the purpose of receiving notice of rule hearings. The agency may inquire as to whether those persons on the list wish to maintain their names thereon and may remove names for which there is a negative reply or no reply within 60 days. The agency shall, at least 30 days prior to the date set for the hearing, give notice of its intention to adopt rules by United States mail to all persons on its list, and by publication in the state register. Each agency may, at its own discretion, also contact persons not on its list and may give notice of its intention in newsletters, newspapers or other publications or through other means of communication. The notice in the state register ~~shall~~ must include the proposed rule or an amended rule in the form provided in section 14.07, subdivision 3, together with a statement of the place, date, and time of the public hearing and other information as required by law or rule. When an entire rule is proposed to be repealed, the agency need only publish that fact, giving the citation to the rule to be repealed in the notice.

Sec. 65. Minnesota Statutes 1982, section 15.16, subdivision 5, is amended to read:

Subd. 5. [OBTAINING RECOMMENDATION.] No control of state-owned lands shall be transferred between state departments without first consulting the ~~legislative building commission, or other appropriate legislative committee or committees~~ *chairmen of the senate finance committee and house of representatives appropriations committee* and obtaining a ~~recommendation thereon~~ *their recommendations*. The ~~recommendation~~ *recommendations* shall be advisory only. Failure to obtain a prompt recommendation shall be deemed a negative recommendation.

Sec. 66. Minnesota Statutes 1982, section 15A.083, subdivision 1, is amended to read:

Subdivision 1. [ELECTIVE JUDICIAL OFFICERS.] The following salaries shall be paid annually to the enumerated elective judicial officers of the state:

	Effective July 1, 1979	Effective July 1, 1980
(1) Chief justice of the supreme court	\$56,000	\$59,000
(2) Associate justice of the supreme court	52,500	56,000
(3) <i>Judge of the court of appeals</i>		52,000
(4) District judge, judge of county court (learned in the law), probate court, and county municipal court	45,000	48,000
(4) (5) Judge of a county court (not learned in the law)	29,500	31,500

Sec. 67. Minnesota Statutes 1982, section 16.02, subdivision 10a, is amended to read:

Subd. 10a. No state agency shall *initiate or renew a lease* ~~additional for space for its own use in any private building unless it has certified in writing to the commissioner of administration that it has thoroughly investigated the availability of presently vacant space in public buildings, such as closed school buildings, and found that none that is feasible and adequate for its needs available.~~

Sec. 68. Minnesota Statutes 1982, section 16.02, subdivision 14, is amended to read:

Subd. 14. To rent out, ~~with the approval of the governor, any~~ state property, real or personal, not needed for public use, the rental of which is not otherwise provided for or prohibited by law. This shall not apply to state trust fund lands, or other state lands under the jurisdiction of the department of natural resources, or to lands forfeited for delinquent taxes or to lands

acquired under section 298.22. No such property shall be rented out for a term exceeding two years at a time without the approval of the state executive council; and no such property shall ever be rented out for more than 25 years.

Sec. 69. Minnesota Statutes 1982, section 16.02, is amended by adding a subdivision to read:

Subd. 29. To contract to purchase by installment payments capital or other equipment or services intended to improve the energy efficiency of a state building or facility provided that:

(a) the term of the contract does not exceed ten years;

(b) the entire cost of the contract is a percentage of the resultant savings in energy costs;

(c) the contract for purchase is based on a competitive basis; and

(d) the state may unilaterally cancel the agreement if the legislature fails to appropriate funds to continue the contract.

The commissioner may spend money appropriated for energy costs in payment of a contract under this subdivision.

Sec. 70. Minnesota Statutes 1982, section 16.083, subdivision 1, is amended to read:

Subdivision 1. [SMALL BUSINESS AND MINNESOTA CORRECTIONAL INDUSTRIES SET-ASIDES.] The commissioner of administration shall for each fiscal year designate and set aside for awarding to small businesses and Minnesota correctional industries a total of approximately 20 to 25 percent of the value of anticipated total state procurement of goods and services including printing and construction. The commissioner shall divide the procurements so designated into contract award units of economically feasible production runs in order to facilitate offers or bids from small businesses and Minnesota correctional industries. In making his annual designation of set-aside procurements the commissioner shall attempt (1) to vary the included procurements so that a variety of goods and services produced by different small businesses shall be set aside each year, and (2) to designate set-aside procurements in a manner that will encourage proportional distribution of set-aside awards among the geographical regions of the state. To promote the geographical distribution of set-aside awards, the commissioner may designate a portion of the small business set-aside procurement for award to bidders from a specified congressional district or other geographical region specified by the commissioner. The failure of the commissioner to set aside particular procurements shall not be deemed to prohibit or discourage small businesses or Minnesota correctional industries from seeking the procurement award through the normal solicitation and bidding processes.

Sec. 71. Minnesota Statutes 1982, section 16.083, is amended by adding a subdivision to read:

Subd. 1a. [CONSULTANT, PROFESSIONAL AND TECHNICAL PROCUREMENTS.] Every state agency shall for each fiscal year designate and set aside for awarding to small businesses with their principal place of busi-

ness in Minnesota approximately 25 percent of the value of anticipated procurements of that agency for consultant services or professional and technical services. The set-aside under this subdivision is in addition to that provided by subdivision 1, but shall otherwise comply with section 16.098 and the set-aside for businesses owned and operated by socially or economically disadvantaged persons.

Sec. 72. Minnesota Statutes 1982, section 16.083, subdivision 3, is amended to read:

Subd. 3. [DETERMINATION OF ABILITY TO PERFORM.] Before announcing a set-aside award, the commissioner shall evaluate whether the small business or *Minnesota correctional industry* scheduled to receive the award is able to perform the set-aside contract. *This shall be done in consultation with an authorized agent of the Minnesota correctional industries program.* This determination shall include consideration of production and financial capacity and technical competence.

Sec. 73. Minnesota Statutes 1982, section 16.083, subdivision 4, is amended to read:

Subd. 4. [PREFERENCE TO SMALL BUSINESSES.] At least ~~45~~ 24 percent of the value of the procurements designated for set-aside awards shall be awarded, if possible, to businesses owned and operated by socially or economically disadvantaged persons. *The commissioner shall designate set-aside procurements in a manner that will encourage proportional distribution of set-aside awards among the geographical regions of the state. To promote the geographical distribution of set-aside awards, the commissioner may designate a portion of the set-aside for small businesses owned and operated by socially or economically disadvantaged persons for award to bidders from a specified congressional district or other geographical region specified by the commissioner.* In the event small businesses owned and operated by socially or economically disadvantaged persons are unable to perform at least ~~45~~ 24 percent of the set-aside awards, the commissioner shall award the balance of the set-aside contracts to other small businesses. *At least 50 percent of the value of the procurements awarded to businesses owned and operated by socially or economically disadvantaged persons shall actually be performed by the business to whom the award is made or another business owned and operated by a socially or economically disadvantaged person or persons. The commissioner shall not designate more than 20 percent of any commodity class for set-aside to businesses owned and operated by socially or economically disadvantaged persons. A business owned and operated by socially or economically disadvantaged persons that has been awarded more than five percent of the value of the total anticipated set-aside procurements for a fiscal year under this subdivision is disqualified from receiving further set-aside awards for that fiscal year.*

Sec. 74. Minnesota Statutes 1982, section 16.083, is amended by adding a subdivision to read:

Subd. 4a. [CONTRACTS IN EXCESS OF \$200,000; SET-ASIDE.] *The commissioner as a condition of awarding state procurements for construction contracts or approving contracts for consultant, professional, or technical services pursuant to section 16.098 in excess of \$200,000 shall require that at least ten percent of the contract award to a prime contractor be sub-*

contracted to a business owned and operated by a socially or economically disadvantaged person or persons. Any subcontracting pursuant to this subdivision shall not be included in determining the total amount of set-aside awards required by subdivisions 1, 1a, and 4, or any preference program authorized by the commissioner pursuant to section 16.085. In the event small businesses owned and operated by socially and economically disadvantaged persons are unable to perform ten percent of the prime contract award, the commissioner shall require that other small businesses perform at least ten percent of the prime contract award. The commissioner may determine that small businesses owned and operated by socially and economically disadvantaged persons are unable to perform at least ten percent of the prime contract award prior to the advertising for bids. Each construction contractor bidding on a project over \$200,000 shall submit with the bid a list of the businesses owned and operated by socially or economically disadvantaged persons that are proposed to be utilized on the project with a statement indicating the portion of the total bid to be performed by each business. The commissioner shall reject any bid to which this subdivision applies that does not contain this information. Prime contractors receiving construction contract awards in excess of \$200,000 shall furnish to the commissioner the name of each business owned and operated by a socially or economically disadvantaged person or persons or other small business that is performing work on the prime contract and the dollar amount of the work performed.

Sec. 75. Minnesota Statutes 1982, section 16.083, is amended by adding a subdivision to read:

Subd. 4b. [PREFERENCE TO MINNESOTA CORRECTIONAL INDUSTRIES.] At least 15 percent of the value of procurements designated for set-aside awards shall be awarded, if possible, to Minnesota correctional industries, established and under the control of the commissioner of corrections under section 241.27, for the variety of goods and services produced by the Minnesota correctional industries, unless the commissioner of corrections acting through an authorized agent certifies that Minnesota correctional industries cannot provide them. If the correctional industries are unable to perform at least 15 percent of the set-aside awards, the commissioner shall award the balance of the set-aside contracts to small businesses.

Sec. 76. Minnesota Statutes 1982, section 16.083, subdivision 5, is amended to read:

Subd. 5. [RECOURSE TO OTHER BUSINESSES.] In the event that subdivisions 1 to 4 4b do not operate to extend a contract award to a small business or the Minnesota correctional industries, the award shall be placed pursuant to the normal solicitation and award provisions set forth in this chapter. The commissioner shall thereupon designate and set aside for small businesses or the Minnesota correctional industries additional state procurements corresponding in approximate value to the contract unable to be awarded pursuant to subdivisions 1 to 4 4b.

Sec. 77. Minnesota Statutes 1982, section 16.083, subdivision 6, is amended to read:

Subd. 6. [PROCUREMENT PROCEDURES.] All laws and rules pertaining to solicitations, bid evaluations, contract awards and other procurement

matters shall apply as consistent to procurements set aside for small businesses or *Minnesota correctional industries*. In the event of conflict with other rules, the provisions of sections 16.081 to 16.086 and rules promulgated pursuant thereto shall govern.

Sec. 78. Minnesota Statutes 1982, section 16.084, is amended to read:

16.084 [ENCOURAGEMENT OF PARTICIPATION; ADVISORY COUNCIL.]

Subdivision 1. [COMMISSIONER OF ADMINISTRATION.] The commissioners of administration and energy, planning and development shall publicize the provisions of the set-aside program, attempt to locate small businesses able to perform set-aside procurement awards, and encourage participation. When the commissioner of administration determines that a small business is unable to perform under a set-aside contract, he shall ~~so~~ inform the commissioner of energy, planning and development who shall assist the small business in attempting to remedy the causes of the inability to perform a set-aside award. In assisting the small business, the commissioner of energy, planning and development in cooperation with the commissioner of administration shall use ~~any~~ management or financial assistance programs ~~as may be made~~ available by or through the department of energy, planning and development, other state or governmental agencies, or private sources.

Subd. 2. [ADVISORY COUNCIL.] A small business procurement advisory council is created. The council consists of 13 members appointed by the governor. A chairperson of the advisory council shall be elected from among the members. The appointments are subject to the appointments program provided by section 15.0597. The terms and removal of members are as provided in section 15.059, but members do not receive per diem or expenses.

Subd. 3. [DUTIES.] The small business procurement advisory council shall:

(a) advise the commissioner of administration on matters relating to the small business procurement program;

(b) review complaints or grievances from small business vendors or contractors who are doing or attempting to do business under the program; and

(c) review the quarterly reports of the commissioners of administration and energy, planning and development provided by section 16.086 to ensure compliance with the goals of the program.

Sec. 79. Minnesota Statutes 1982, section 16.085, is amended to read:

16.085 [RULES.]

The commissioner of administration shall promulgate by rule standards and procedures for certifying that small businesses and small businesses owned and operated by socially or economically disadvantaged persons are eligible to participate under the requirements of sections 16.081 to 16.086. ~~The procedure for determination of eligibility may include self-certification by a business, provided that the commissioner retains the ability to verify a self-certification.~~ The rules shall provide that certification as a small business

owned and operated by socially or economically disadvantaged persons will be for a maximum of five years from the date of receipt of the first set-aside award, and that after the expiration of the certification period the business may not again be certified for a five-year period. The commissioner shall promulgate by rule standards and procedures for hearing appeals and grievances and other rules as may be necessary to carry out the duties set forth in sections 16.081 to 16.086. The commissioner may make rules which exclude or limit the participation of nonmanufacturing business, including third-party lessors, jobbers, manufacturers' representatives, and others from eligibility under Laws 1980, Chapter 361. The commissioner may adopt rules to establish a preference program whereby businesses owned and operated by socially and economically disadvantaged persons would be allowed a five percent preference in the bid amount on selected state procurements or a preference program whereby businesses owned and operated by socially and economically disadvantaged persons would be awarded any state procurement if the business could meet the low bid amount for that procurement. Each of the preference programs is applicable to no more than 1.5 percent of the value of anticipated total state procurements of goods and services, including construction. Each preference program established by the commissioner expires on June 30, 1986, and the commissioner shall report to the legislature on the progress of the program by January 1, 1986.

Sec. 80. Minnesota Statutes 1982, section 16.086, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER OF ADMINISTRATION.] The commissioner of administration shall submit an annual report pursuant to section 3.195 to the governor and the legislature with a copy to the commissioner of energy, planning and development indicating the progress being made toward the objectives and goals of sections 16.081 to 16.086 during the preceding fiscal year. ~~This report~~ *The commissioner shall also submit a quarterly report to the small business procurement advisory council. These reports shall include the following information:*

(a) the total dollar value and number of potential set-aside awards identified during this period and the percentage of total state procurement this figure reflects;

(b) the number of small businesses identified by and responding to the set-aside program, the total dollar value and number of set-aside contracts actually awarded to small businesses with appropriate designation as to the total number and value of set-aside contracts awarded to each small business, and the total number of small businesses that were awarded set-aside contracts; *the information required by this clause shall be presented on a state-wide basis, and shall also be broken down by geographic regions within the state;*

(c) the total dollar value and number of set-aside contracts awarded to small businesses owned and operated by economically or socially disadvantaged persons with appropriate designation as to the total number and value of set-aside contracts awarded to each small business *and to each category of economically or socially disadvantaged persons as defined by section 645.445 and agency rules, and the percentages of the total state*

procurements the figures of total dollar value and the number of set-asides reflect; *the information required by this clause shall be presented on a state-wide basis, and shall also be broken down by geographic regions within the state;*

(d) the number of contracts which were designated and set-aside pursuant to section 16.083 but which were not awarded to a small business, the estimated total dollar value of these awards, the lowest offer or bid on each of these awards made by the small business and the price at which these contracts were awarded pursuant to the normal procurement procedures.

Sec. 81. Minnesota Statutes 1982, section 16.098, subdivision 4, is amended to read:

Subd. 4. [PROCEDURE FOR CONSULTANT AND PROFESSIONAL AND TECHNICAL SERVICES CONTRACTS.] Before approving a proposed state contract for consultant services or professional and technical services the commissioner shall have at least determined that:

(1) all provisions of *section 16.083, subdivisions 1a and 4a, and subdivisions 2 and 3 of this section* have been verified or complied with;

(2) the work to be performed under the contract is necessary to the agency's achievement of its statutory responsibilities, and that there is statutory authority to enter into the contract;

(3) the contract will not establish an employer/employee relationship between the state or the agency and any persons performing under the contract;

(4) no current state employees will engage in the performance of the contract;

(5) no state agency has previously performed or contracted for the performance of tasks which would be substantially duplicated under the proposed contract;

(6) the contracting agency has specified a satisfactory method of evaluating and utilizing the results of the work to be performed.

Sec. 82. Minnesota Statutes 1982, section 16.28, is amended to read:

16.28 [PURCHASES.]

Subdivision 1. [GENERAL.] The commissioner of administration, subject to the approval of the governor, may make rules, ~~regulations,~~ and orders regulating and governing the manner and method of purchasing, delivering, and handling of, and the contracting for supplies, equipment, and other property for the various officials, departments, and agencies of the state government and institutions under their control. ~~Such~~ *These* rules, ~~regulations,~~ and orders shall be uniform, so far as practicable, shall be of general or limited application, and shall include provisions for the following:

(1) the advertisement for and the receipt of bids for supplies and other property and the stimulation of competition with regard thereto;

(2) the purchase of supplies and other property without advertisement or the receipt of bids, where the amount involved will not exceed \$500, when in the judgment of the commissioner it is expedient;

(3) the purchase of supplies and other property without competition in cases of emergency requiring immediate action;

(4) the purchase of certain supplies, equipment, and other property by long or short term contracts, or by purchases of contracts made at certain seasons of the year, or by blanket contracts or orders covering the requirements of one or more departments, offices, and commissions;

(5) the time for submitting estimates for various supplies, equipment, and other property;

(6) regulation to secure the prompt delivery of commissary or other necessary supplies;

(7) standardization of forms for estimates, orders, and contracts;

(8) standardization of specifications for purchasing supplies, equipment, and other property;

(9) standardization of quality, grades, and brands to eliminate unnecessary number of commodities or of grades or brands of the same commodity;

(10) the purchase of supplies and other property locally upon permission, specific or otherwise, of the commissioner;

(11) the use and disposal of the products of state institutions;

(12) the disposal of obsolete, excess, and unsuitable supplies, salvage, waste materials, and other property, and ~~the their transfer of same~~ to other departments, offices, and commissions;

(13) the storage of surplus supplies, equipment, and other property not needed for immediate use;

(14) the testing of commodities or supplies or samples thereof;

(15) hearings on complaints in respect to the quality, grade, or brand of commodities or supplies;

(16) the waiver of rules in special cases; *and*

(17) the purchase of supplies, equipment, and other property by state agency heads and institutions under their control without prior approval of the commissioner of administration when the amount involved does not exceed \$100.

The commissioner shall have immediate supervision of all purchases and contracts made, and shall carry out and enforce such rules, ~~regulations~~, and orders relative thereto as he may adopt.

Subd. 2. [PURCHASES OVER \$100.] Purchases may also be made under subdivision 1, clause (17) when the amount involved exceeds \$100 if:

(1) the purchases are made in accordance with rules adopted pursuant to section 16.085;

(2) the agency making the purchases has adopted a plan to make ten percent of the purchases on an annual basis from businesses owned and operated by socially and economically disadvantaged persons and to make purchases from vendors throughout the state for any agency that has offices located statewide, and to make purchases from local vendors by agency of-

files;

(3) the amount involved does not exceed \$1,000 from July 1, 1983 to June 30, 1984, and \$1,500 on and after July 1, 1984; and

(4) the purchases are made after solicitation of at least three price quotations, whenever possible, which may be oral quotations, but of which the agency must keep a written record.

Sec. 83. Minnesota Statutes 1982, section 16.32, subdivision 2, is amended to read:

Subd. 2. Notwithstanding any provision in this section to the contrary, the commissioner may after consultation with the ~~legislative building commission~~ ~~chairmen of the senate finance committee and house of representatives appropriations committee~~, adopt a plan, provide for an improvement, or construct a building that contemplates expenditure for its completion of more money than the appropriation therefor, if the excess money is provided by the United States government and granted to the state of Minnesota under federal law or any rule or regulation promulgated thereunder. Such federal money, for the purpose of this section, shall be deemed a part of the appropriation for the project.

Sec. 84. Minnesota Statutes 1982, section 16.75, is amended by adding a subdivision to read:

Subd. 9. [TRANSFER SERVICES.] *The central motor pool revolving account may be used to provide material transfer services to departments and agencies of state government.*

Sec. 85. Minnesota Statutes 1982, section 16.82, subdivision 1, is amended to read:

Subdivision 1. The commissioner of administration, upon request of the head of a state agency or department having control of a state owned building which is no longer used and which is a fire or safety hazard, shall, after obtaining approval of the ~~legislative building commission~~ ~~chairmen of the senate finance committee and house of representatives appropriations committee~~, sell, wreck, or otherwise dispose of such building.

Sec. 86. Minnesota Statutes 1982, section 16.866, subdivision 1, is amended to read:

Subdivision 1. [COMPUTATION.] For the purpose of defraying the costs of administering the provisions of sections 16.83 to 16.867, there is ~~hereby~~ imposed a surcharge on all permits issued by municipalities in connection with the construction of or addition or alteration to, buildings and equipment or appurtenances, on and after July 1, 1971, as follows:

Where the fee for the permit issued is fixed in amount the surcharge ~~shall be~~ ~~is~~ equivalent to 1/2 mill (.0005) of ~~such the~~ fee or 50 cents, whichever amount is greater. For all other permits, the surcharge ~~shall be~~ ~~is~~ as follows: (a) where the valuation of the structure, addition, or alteration is \$1,000,000 or less, the surcharge is equivalent to 1/2 mill (.0005) of the valuation of the structure, addition or alteration; ~~Provided however, that;~~ (b) where the valuation of the structure, addition, or alteration is equal to or greater than \$1,000,000 but less than \$10,000,000, the surcharge ~~shall be~~ ~~is~~ \$1,000; ~~is~~ \$500

plus two-fifths mill (.0004) of the value between \$1,000,000 and \$2,000,000; (c) where ~~said~~ the valuation is equal to or greater than \$10,000,000 but less than \$20,000,000 \$2,000,000 the surcharge shall be \$1,500 and is \$900 plus three-tenths mill (.0003) of the value between \$2,000,000 and \$3,000,000; (d) where ~~said~~ the valuation is equal to or greater than \$20,000,000 \$3,000,000 the surcharge shall be \$2,000 is \$1,200 plus one-fifth mill (.0002) of the value between \$3,000,000 and \$4,000,000; (e) where the valuation is greater than \$4,000,000 the surcharge is \$1,400 plus one-tenth mill (.0001) of the value between \$4,000,000 and \$5,000,000; and (f) where the valuation exceeds \$5,000,000 the surcharge is \$1,500 plus one-twentieth mill (.00005) of the value which exceeds \$5,000,000.

By September 1 of each odd numbered year beginning in 1979, the commissioner shall rebate to municipalities any money received pursuant to this section and section 16.851 in the previous biennium in excess of the cost to the building code division in that biennium of carrying out their duties under sections 16.83 to 16.867. The rebate to each municipality shall be in proportion to the amount of the surcharges collected by that municipality and remitted to the state. The amount necessary to meet the commissioner's rebate obligations under this subdivision is appropriated to the commissioner from the general fund.

Sec. 87. Minnesota Statutes 1982, section 16.872, subdivision 4, be amended to read:

Subd. 4. The powers and duties of the council are:

(1) To develop an overall restoration plan for the state ceremonial building and surrounding grounds;

(2) To approve alterations in the existing structure as the council deems appropriate; ~~and~~

(3) Notwithstanding the gift acceptance procedures of sections 7.09 to 7.12, to solicit contributions for and maintain and improve the quality of furnishings for the public areas of the building by accepting gifts of, or acquiring with donated money, furnishings, objects of art, and other items that the council determines may have historical value in keeping with the period and purpose of the building; *and*

(4) *Notwithstanding sections 7.09 to 7.12, to solicit contributions for the renovation of and making capital improvements to the state ceremonial building.*

Gifts for the benefit of the state ceremonial building and surrounding grounds are not accepted by the state unless accepted by the council. The council shall maintain a complete inventory of all gifts and articles received.

Sec. 88. Minnesota Statutes 1982, section 16A.125, subdivision 5, is amended to read:

Subd. 5. The term "state forest trust fund lands" as used in this subdivision, means any state school lands or other public lands subject to trust provisions under the state constitution and heretofore or hereafter set apart as state forest lands as ~~provided by law under the authority of the commissioner as defined by section 89.001, subdivision 13.~~

The commissioner of finance and the state treasurer shall keep a separate

account of all receipts from the sale of timber or other revenue from such state forest trust fund lands, to be known as the state forest suspense account, specifying the trust funds interested in such lands and the receipts therefrom, respectively.

As soon as practicable after the close of each fiscal quarter, upon information which shall be supplied by the commissioner of natural resources, the commissioner of finance shall determine and certify the total costs incurred by the state during that quarter under appropriations made for the protection, improvement, administration, and management of state forest trust fund lands for forestry purposes as authorized by law, specifying the trust funds interested in such lands.

As soon as practicable after the end of each fiscal year, the commissioner of finance and the state treasurer shall distribute the receipts credited to the state forest suspense account during that fiscal year as follows:

(1) The total costs incurred by the state for forest management purposes during the fiscal year as certified in this subdivision shall be transferred to the state forest development account, except that if the total costs exceed \$500,000, the costs in excess of \$500,000 shall be transferred to the forest management fund established under section 89.04.

(2) The balance of said receipts shall be transferred to the state trust funds concerned in accordance with their respective interests in the lands from which the receipts were derived.

All moneys accruing and credited to the state forest development account are appropriated to the division of forestry in the department of natural resources, subject to the supervision and control of the commissioner of natural resources, for the purpose of implementing the state forest resource management policy and plan on state forest trust fund lands, to remain available until expended.

All appropriations under this subdivision shall be expended subject to the provisions of law. No appropriation shall become available for expenditure until any estimates required by law are approved by the commissioner of finance. No obligation involving expenditure of money shall be entered into unless there is a balance in the appropriation available not otherwise encumbered to pay obligations previously incurred.

Sec. 89. Minnesota Statutes 1982, section 16A.127, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section the following terms shall have the meanings given them:

(a) "State agency" means a state department, board, council, committee, authority, commission or other entity in the executive branch of state government;

(b) "Nongeneral fund moneys" means any moneys any state agency is authorized to receive and expend from a source other than the general fund;

(c) "Statewide indirect costs" means all operating costs incurred by the state treasurer and ~~the all departments of administration, finance and personnel and agencies~~ which are attributable to the provision of services to any

other state agency; except as prohibited by federal law, "statewide indirect costs" include all operating costs incurred by the legislative and judicial branches of state government;

(d) "Commissioner" means the commissioner of finance.

Sec. 90. Minnesota Statutes 1982, section 16A.127, subdivision 7, is amended to read:

Subd. 7. [LEGISLATIVE AUDITOR.] Unless otherwise specified by law, a state agency whose financial affairs are audited by the legislative auditor, *and whose funds are not administered by the state treasurer*, shall transfer to the general fund that portion of the cost of the audit applicable to the moneys received by the agency from sources other than the general fund. The collection by the legislative auditor of the cost of an audit may be waived in whole or in part by the legislative audit commission upon recommendation by the legislative auditor.

Sec. 91. Minnesota Statutes 1982, section 16A.128, is amended to read:

16A.128 [FEE ADJUSTMENTS.]

Subdivision 1. [APPROVAL REQUIRED; AMOUNTS.] The fees fixed for the various accounts for which appropriations are made by law, shall be neither may not be increased nor or decreased except with the approval of the commissioner of finance. If the fee or fee adjustment is required by law to be fixed by rule, the approval by the commissioner must be included in the statement of need and reasonableness. All these fees shall must be reviewed at least once each six months, and, except in special fee situations as determined by the commissioner, adjustments shall must be made to the end that the total fees received shall must approximate the amount appropriated for the several accounts, plus the portion of the general support costs and statewide indirect costs of the agency that is attributable to the function for which the fee is charged.

Subd. 2. [PROCEDURE.] Fees that are based on actual direct costs of a service, are one-time in nature, are not significant in terms of revenue as in the case of minor copying fees, are only billed within or between state agencies, or are specifically exempted by law from approval by the commissioner of finance, need not be set by rule unless specifically required by law. All other fees not set by law must be set by rule. Fee adjustments authorized under this section may be made pursuant to the procedure for noncontroversial rules in sections 14.21 to 14.28, but without a public hearing, which the notice of intention to adopt the rules must state, when the total fees estimated to be received during the fiscal biennium will not exceed the sum of all direct appropriations, indirect costs, transfers in, and salary supplements for that purpose for the biennium. This exemption from the public hearing requirements of the Administrative Procedure Act does not apply to adjustments of fees expended pursuant to open appropriations of dedicated receipts.

Sec. 92. Minnesota Statutes 1982, section 16A.36, is amended to read:

16A.36 [GRANTS FROM UNITED STATES, USE.]

All funds received by the state from the government of the United States as grants in aid for the financing of aid to dependent children, or for maternal

and child health services, or for the care of crippled children, or for the care of neglected children and child welfare generally, or for vocational rehabilitation, or for the extension of public health services, or for any other public assistance or public welfare purpose shall be used solely for the purpose for which the grant was made. Any interest or income arising from the funds so granted shall be ~~accredited~~ *credited* by the state treasurer to the particular account for which the grant was made and used solely for the purpose of that grant, or repaid to the United States Treasury ~~as if the proper authorities or the government of the United States may so require, or otherwise shall be credited to the general fund.~~

Sec. 93. Minnesota Statutes 1982, section 16A.50, is amended to read:

16A.50 [REPORT TO LEGISLATURE.]

On or before ~~November 15~~ *December 31* of each year the commissioner of finance shall prepare and submit to the legislature and make available to the public a financial report covering the operations of all state funds during the preceding fiscal year. The report shall contain financial statements and disclosures which present the state's financial position and the fiscal results of state operations. This report shall be in conformity with generally accepted accounting principles.

Sec. 94. Minnesota Statutes 1982, section 16A.64, subdivision 2, is amended to read:

Subd. 2. The bonds shall be issued and sold upon sealed bids upon such notice, at such times, in such form and denominations, bearing interest at such rate or rates, maturing on such dates, either without option of prior payment or subject to prepayment upon such notice and at such times and prices, payable at such bank or banks, within or without the state, with such provisions for registration, conversion, and exchange and for the issuance of notes in anticipation of the sale and delivery of definitive bonds, and in accordance with such further ~~regulations~~ *provisions*, as the commissioner of finance shall determine, subject to the approval of the attorney general (but not subject to the provisions of sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62). Each bond shall mature within 20 years from its date of issue, ~~shall be sold at not less than par plus accrued interest,~~ and shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The ~~signature of one~~ *signatures* of these officers on the face of any bond ~~and on the interest coupons appurtenant to it, and their seals, and the signature of both officers on the interest coupons appurtenant to any bond,~~ may be printed, lithographed, stamped, ~~or engraved, or otherwise reproduced thereon. Each bond shall be authenticated by the manual signature on its face of one of the officers or a person authorized to sign on behalf of a bank or trust company designated by the commissioner to act as registrar or other authenticating agent.~~

Sec. 95. Minnesota Statutes 1982, section 16A.64, subdivision 4, is amended to read:

Subd. 4. All expenses incidental to the sale, printing, execution, and delivery of bonds pursuant to this section, including, but not limited to, actual and necessary travel and subsistence expenses of state officers and employees for such purposes, shall be paid from the Minnesota state building

fund, and the amounts necessary therefor are appropriated from said fund; ~~provided that if any amount is specifically appropriated for this purpose in an act authorizing the issuance of bonds pursuant to this section, such expenses shall be first paid to the extent possible from the amount so appropriated.~~

Sec. 96. Minnesota Statutes 1982, section 16A.66, subdivision 1, is amended to read:

Subdivision 1. For the purpose of refunding state bonds of any series heretofore or hereafter authorized, *including interest on them*, the commissioner of finance may with approval by resolution of the executive council issue bonds of the state of Minnesota ~~in a maximum amount equal to the outstanding principal amount of the bonds to be refunded,~~ in the manner and upon the terms and conditions prescribed in this section and in the Constitution, Article XI, Section 7. For the prompt and full payment of all such refunding bonds and the interest thereon the full faith and credit and taxing powers of the state are irrevocably pledged. The proceeds of such bonds shall be credited to the state bond fund created by the Constitution, and within that fund to such separate bookkeeping account as shall have been created for the payment of the bonds to be refunded and the interest thereon, *and shall be credited only against the tax otherwise required by the Constitution to be levied with respect to the refunded bonds.*

Sec. 97. Minnesota Statutes 1982, section 16A.66, subdivision 2, is amended to read:

Subd. 2. Unless otherwise expressly provided in the law authorizing the issuance of any series of bonds, such authorization shall include authorization to the commissioner to issue refunding bonds ~~in a maximum principal amount equal to the principal amount thereof outstanding at any time,~~ for the purpose of refunding the same in the manner and upon the terms and conditions prescribed in this section. Any act directing the issuance of bonds for any purpose shall, together with this section, constitute complete authority for the issuance of bonds to refund the same, and such refunding bonds shall not be subject to the restrictions or limitations contained in any other law.

Sec. 98. Minnesota Statutes 1982, section 16A.66, subdivision 3, is amended to read:

Subd. 3. Such refunding bonds shall be issued and sold upon sealed bids, or may be sold directly to the state board of investment without bids, or may be exchanged for bonds refunded by agreement with the holders thereof, and shall be prepared, executed, and delivered, and when issued shall be secured, in the same manner in all respects as provided by law and the Constitution for the bonds refunded thereby. The proceeds of the bonds may be deposited, invested, and applied to accomplish the refunding in the manner and upon the conditions provided in section 475.67, subdivisions 5 to ~~10~~ 10. The interest rate on refunding bonds may exceed that on the bonds refunded when in the judgment of the commissioner and council refunding is nevertheless necessary or desirable for the purpose of extending the maturities and reducing the annual *amount of the* property tax or other funds needed to pay and secure the bonds and interest, ~~in lieu of the revenues primarily appropriated for their payment.~~

Sec. 99. [16A.672] [BONDS AND CERTIFICATES OF INDEBTED-

NESS.]

Subdivision 1. [GENERAL.] Notwithstanding any contrary provision of other law, the commissioner of finance and the state treasurer shall have the powers specified in this section with respect to the issuance, form, execution, delivery, registration of transfer and exchange, and payment of bonds and certificates of indebtedness heretofore or hereafter authorized to be issued or issued by the state.

Subd. 2. [FORM OF OBLIGATIONS.] The bonds or certificates of indebtedness may be issued in bearer form with interest coupons attached, with or without provision for registration as to principal only, or in fully registered form, in one or more denominations, and with provisions for conversion of form, exchange of denominations, and transfer of ownership as prescribed by the commissioner of finance. All bonds and certificates of indebtedness, when issued according to orders of the commissioner of finance, shall be securities within the meaning of sections 336.8-101 to 336.8-408, and the commissioner of finance and the state treasurer may do on behalf of the state all acts and things which are permitted or required of issuers of securities under sections 336.8-101 to 336.8-408 and are consistent with the orders. The bonds or certificates of indebtedness may be printed, lithographed, or otherwise reproduced in the style and form the commissioner prescribes, but the form shall state in a general way the purpose for which they are issued and the security provided for their payment.

Subd. 3. [EXECUTION OF OBLIGATIONS.] The bonds and certificates of indebtedness shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. Facsimile signatures and seals of either or both of these officers may, as the commissioner of finance deems appropriate, be printed, lithographed, stamped, engraved, or otherwise reproduced. Every bond and certificate issued, whether initially or upon transfer, exchange, or replacement, shall be manually signed on its face by one of these officers, or by a duly authorized representative of a bank or trust company designated by order of the commissioner of finance, whether at or after the time of initial issue, as registrar or otherwise as agent of the state to authenticate it.

Subd. 4. [DELIVERY OF OBLIGATIONS.] The commissioner of finance may appoint a bank or trust company within or outside the state to act as delivery agent on behalf of the state, and to deliver the bonds or certificates of indebtedness to the initial purchaser upon payment therefor.

Subd. 5. [REGISTRAR.] The commissioner of finance, in the order for the issuance of any bonds or certificates of indebtedness, may designate a corporate registrar to perform on behalf of the state the duties of a registrar as set forth in sections 336.8-101 to 336.8-408, including but not limited to authentication and delivery upon initial issuance and upon registration of transfer, exchange, or conversion into another form. Any registrar shall be an incorporated bank or trust company, within or outside the state, authorized by the laws of the United States or of the state in which it is located to perform these duties.

Subd. 6. [PAYMENT OF OBLIGATIONS.] The order authorizing the issuance of any bonds or certificates of indebtedness may provide for the payment of principal and interest in the manner and by the means the commis-

sioner deems necessary to ensure full and prompt payment when due, and may provide for the payment at the office of a bank or trust company within or outside the state. In the case of fully registered bonds or certificates of indebtedness, the order may provide that the interest coming due on any interest payment date shall be payable to the person or entity who is the registered owner on the bond or certificate register on a specified date preceding the interest payment date, by check, draft, or other transfer to the order of the registered owner.

Subd. 7. [AGREEMENTS.] The commissioner of finance may enter into agreements containing terms which are necessary or desirable to carry out the authority given him in this section, pursuant to applicable orders of the commissioner. The agreements may provide for the payment of compensation for services to be performed and expenses to be incurred on behalf of the state, and may provide for their payment from the proceeds of the bonds or certificates of indebtedness, or from other money appropriated to the commissioner of finance, or from charges to be imposed on the holders of bonds or certificates of indebtedness, or from a combination of these sources. As much of the proceeds of the bonds or certificates as necessary is appropriated for this purpose.

Subd. 8. [APPROPRIATION.] There is appropriated annually to the commissioner of finance from the general fund in the state treasury an amount of money sufficient to pay when due all compensation and expenses due to registrars, delivery agents, and paying agents for state bonds and certificates of indebtedness under the terms of agreements entered into according to subdivision 7.

Subd. 9. [APPROVAL BY ATTORNEY GENERAL.] No agreement described in subdivision 7 shall become effective until it has been approved as to form and execution by the state attorney general or his designee.

Subd. 10. [REGISTRATION DATA PRIVATE.] All information contained in any register maintained by the state treasurer or a corporate registrar with respect to the ownership of state bonds or certificates of indebtedness constitutes nonpublic data as defined in section 13.02, subdivision 9, or private data on individuals as defined in section 13.02, subdivision 12. The information is not public and is accessible only to the individual, corporation, or other entity which is the subject of it, except as disclosure (a) is necessary for the performance of the duties of the registrar, the state commissioner of finance, the state treasurer, or the state legislative auditor, or (b) is requested by an authorized representative of the state commissioner of revenue or attorney general or of the commissioner of internal revenue of the United States for the purpose of ascertaining the application of any estate, inheritance, or other tax, or (c) is required under section 13.03, subdivision 4.

Sec. 100. Minnesota Statutes 1982, section 43A.05, subdivision 5, is amended to read:

Subd. 5. [COMPARABILITY ADJUSTMENTS.] The commissioner shall compile, subject to availability of funds and personnel, and submit to the legislative commission on employee relations by January 1 of each odd-numbered year a list showing, by bargaining unit, and by plan for executive branch employees covered by a plan established pursuant to section

43A.18, those female-dominated classes and those male-dominated classes in state civil service for which a compensation inequity exists based on comparability of the value of the work. The commissioner shall also submit to the legislative commission on employee relations, along with the list, an estimate of the appropriation necessary for providing comparability adjustments for classes on the list. The commission shall review and approve, disapprove, or modify, the list and proposed appropriation. The commissioner's action shall be submitted to the full legislature in the same manner as provided in section 3.855 and section 43A.18 or section 179.74, subdivision 5, provided that the full legislature may approve, reject, or modify the commission's action. The commission shall show the distribution of the proposed appropriation among the bargaining units and among the plans established under 43A.18. Each bargaining unit and each plan shall be allocated that proportion of the total proposed appropriation which equals the ~~number~~ *cost of providing adjustments for the positions in the unit or plan approved by the commission for comparability adjustments divided by the total ~~number~~ cost of providing adjustments for all positions on the list approved by the commission for comparability adjustments.* Distribution of any appropriated funds within each bargaining unit or plan shall be determined by collective bargaining agreements or by plans.

Sec. 101. Minnesota Statutes 1982, section 43A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The commissioner is authorized to request bids from carriers or to negotiate with carriers and to enter into contracts with carriers which in the judgment of the commissioner are best qualified to underwrite and service the benefit plans. *Contracts to underwrite the benefit plans shall be bid or negotiated separately from contracts to service the benefit plans, which shall be awarded only on the basis of competitive bids.* The commissioner shall consider the cost of the plans, conversion options relating to the contracts, service capabilities, character, financial position, and reputation of the carriers and any other factors which the commissioner deems appropriate. Each benefit contract shall be for a uniform term of at least one year, but may be made automatically renewable from term to term in the absence of notice of termination by either party. The commissioner shall, to the extent feasible, make hospital and medical benefits available from at least one carrier licensed to do business pursuant to each of chapters 62A, 62C and 62D. The commissioner need not provide health maintenance organization services to an employee who resides in an area which is not served by a licensed health maintenance organization. The commissioner may refuse to allow a health maintenance organization to continue as a carrier if it was selected by less than 200 employees in the preceding benefit year. The commissioner may elect not to offer all three types of carriers if there are no bids or no acceptable bids by that type of carrier or if the offering of additional carriers would result in substantial additional administrative costs. Any carrier licensed pursuant to chapter 62A shall be exempt from the tax imposed by section 60A.15 on premiums paid to it by the state.

Sec. 102. Minnesota Statutes 1982, section 85A.01, subdivision 2, is amended to read:

Subd. 2. The board shall annually elect a chairman from among its members and such other officers as it may deem necessary for the performance of

its duties. It shall appoint a director to serve at its pleasure who is in the unclassified service of the state and who shall be chosen solely on the basis of his training, experience and other qualifications ~~in~~ *appropriate* to the field of zoo management. The director shall act as executive secretary and appoint administrative officers and employees of the board with the approval of the board. With the approval of the board, he shall exercise the powers and duties set forth in section 85A.03.

Sec. 103. Minnesota Statutes 1982, section 85A.04, subdivision 3, is amended to read:

Subd. 3. [ZOO GIFT STORE ACCOUNT.] A working capital account is established for the gift store of the Minnesota zoological garden. All receipts from the gift store operation shall be deposited in the state treasury and credited to the account and are appropriated for the purposes of the gift store. Gift store expenses, including inventory, personnel costs, space rental, and overhead, shall be paid from the account. The unencumbered balance in the account on June 30 of each year in excess of the value of the inventory of the gift store on June 30, 1981 shall be ~~transferred to the general fund calculated and disbursed as follows: for the periods ending June 30, 1982, and June 30, 1983, the entire amount shall be transferred to the general fund; for the year ending June 30, 1984, and each year thereafter, the amount attributable to the period July 1, 1982, to June 30, 1983, shall be transferred to the general fund and the remainder shall be retained by the zoological garden. Any amount so retained shall be dedicated to capital improvements at the zoological garden and are appropriated for that purpose. If improvements or expansions are planned for the gift store operation to be paid with gift store receipts, the plan must be first approved by the governor after receiving the recommendation of the legislative advisory commission.~~

Sec. 104. Minnesota Statutes 1982, section 85A.04, is amended by adding a subdivision to read:

Subd. 4. [ZOO RIDE ACCOUNT.] *All receipts from the operation of the zoo ride shall be deposited in a special account in the state treasury. All receipts from the zoo ride are appropriated to the board for the purposes of the zoo ride. These receipts are the only money appropriated for zoo ride operating expenses or debt service.*

Sec. 105. Minnesota Statutes 1982, section 98.47, is amended by adding a subdivision to read:

Subd. 18. *A license to take deer shall be issued without charge to any resident of Minnesota who is a veteran as defined in section 197.447, with a 100 percent service connected disability as defined by the United States veterans administration, and who furnishes satisfactory evidence of his disability to the county auditor or a subagent of the county auditor, acting under the provisions of section 98.50. This license must be issued in accordance with any rules the commissioner may prescribe.*

Sec. 106. Minnesota Statutes 1982, section 98.48, subdivision 9, is amended to read:

Subd. 9. (a) The commissioner may issue special permits, with fee, to gather or harvest any aquatic plants, or plant parts, other than wild rice from public waters of the state, to transplant any aquatic plants into other public

waters, or to destroy any harmful or undesirable aquatic vegetation or organisms in public waters by such means and under such conditions as he may prescribe for protection of such waters and desirable species of fish, vegetation, and other forms of aquatic life therein and for the protection of the public.

(b) Each application for a permit shall be accompanied by a permit fee when required by a fee schedule established by the commissioner pursuant to rules and regulations adopted after public hearing and published in the manner provided by section 97.53. The schedule may provide exemptions from fees, maximum fees not to exceed ~~\$50~~ \$100 per permit based upon the cost of receiving, processing, analyzing and issuing the permit and additional costs which may be imposed subsequent to the application for inspecting and monitoring the activities authorized by the permit. No fee may be imposed on any state or federal governmental agency applying for a permit. All money received pursuant to this subdivision shall be deposited in the game and fish fund.

(c) The commissioner shall promulgate, by January 1, 1975, after public hearing and shall publish in the manner provided by section 97.53, rules and regulations containing standards and criteria governing the issuance and denial of permits for activities affecting aquatic plants including, but not limited to, provisions to insure that aquatic plant control is consistent with shoreland conservation ordinances, lake management plans and programs, wild and scenic river plans, penalties for failure to comply with permit regulations and enforcement procedures.

Sec. 107. Minnesota Statutes 1982, section 105.405, subdivision 2, is amended to read:

Subd. 2. No permit authorized by sections 105.37 to 105.55 nor any plan for which the commissioner's approval is required or permitted, involving a diversion of any waters of the state, surface or underground, to a place outside of this state shall be granted or approved until after a determination by the commissioner that the water remaining in this state will be adequate to meet the state's water resources needs during the specified life of the diversion project *and after approval by the legislature.*

Sec. 108. Minnesota Statutes 1982, section 105.41, subdivision 5, is amended to read:

Subd. 5. Records of the amount of water appropriated or used shall be recorded for each such installation and such readings and the total amount of water appropriated shall be reported annually to the commissioner of natural resources on or before February 15 of the following year upon forms to be supplied by the commissioner.

~~For the purpose of improving the state's water use data collection and dissemination system, there is established~~ *The records shall be submitted with an annual water appropriation processing fee of \$5 in the amount established in accordance with the following schedule of fees for each water appropriation permit in force at any time during the year: (a) irrigation permits, \$10 for each permitted 40 acres or portion thereof; (b) for nonirrigation permits, \$5 for each ten million gallons or portion thereof permitted each year, but not to exceed a total fee of \$250 per permit.* The fee is payable regardless of the

amount of water appropriated during the year. ~~The fee shall be paid at the time of making the annual report required by this section.~~ Failure to pay the fee is sufficient cause for revoking a permit. No fee may be imposed on any state agency, as defined in section 16.011, or federal governmental agency holding a water appropriation permit.

Sec. 109. Minnesota Statutes 1982, section 105.44, subdivision 10, is amended to read:

Subd. 10. [PERMIT FEES.] Each application for a permit authorized by sections 105.37 to 105.64, shall be accompanied by a permit application fee in the amount of ~~\$15~~ \$30 to defray the costs of receiving, recording, and processing the application. The commissioner may charge an additional permit application fee in excess of the fee specified above, in accordance with a schedule of fees adopted by rules promulgated in the manner provided by ~~chapter 14 section 16A.128~~, which fee schedule shall be based upon the project's costs and the complexity of the permit applied for.

For projects requiring a mandatory environmental assessment pursuant to chapter 116D the commissioner may charge an additional field inspection fee of not less than \$25 for each permit applied for under sections 105.37 to 105.64. The commissioner shall establish pursuant to rules adopted in the manner provided by ~~chapter 14 section 16A.128~~, a schedule for field inspection fees which shall include actual costs related to field inspection such as investigations of the area affected by the proposed activity, analysis of the proposed activity, consultant services, and subsequent monitoring, if any, of the activity authorized by the permit.

Except as provided below, the commissioner may not issue a permit until all fees required by this section relating to the issuance of a permit have been paid. The time limits prescribed by subdivision 4, do not apply to an application for which the appropriate fee has not been paid. Field inspection fees relating to monitoring of an activity authorized by a permit may be charged and collected as necessary at any time after the issuance of the permit. No permit application or field inspection fee may be refunded for any reason, even if the application is denied or withdrawn. No permit application or field inspection fee may be imposed on any state agency, as defined in section 16.011, or federal governmental agency applying for a permit.

Sec. 110. Minnesota Statutes 1982, section 115A.58, subdivision 2, is amended to read:

Subd. 2. [ISSUANCE OF BONDS.] Upon request by the board and upon authorization as provided in subdivision 1, the commissioner of finance shall sell Minnesota state waste management bonds. The bonds shall be in the aggregate amount requested, and sold upon sealed bids upon the notice, at the price in the form and denominations, bearing interest at the rate or rates, maturing in the amounts and on the dates (*with or without option of prepayment or subject to prepayment* upon the notice and at the *specified* times and prices), payable at ~~the~~ a bank or banks within or outside the state (*with provisions, if any, for registration, conversion, and exchange and for the issuance of temporary bonds or notes in anticipation of the sale or delivery of definitive bonds*), and in accordance with ~~any~~ further provisions as the commissioner of finance shall determine. ~~The sale is,~~ subject to the approval of the attorney general, but not subject to the provisions of sections

14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62. The bonds shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The signatures of the officers on the bonds and any interest coupons and their seals may be printed, lithographed, engraved, ~~or~~ stamped, *or otherwise reproduced* thereon, except that each bond shall be authenticated by the manual signature on its face of one of the officers or of an ~~officer~~ *authorized representative* of a bank designated by ~~them~~ *the commissioner of finance as registrar or other authenticating agent*. The commissioner of finance shall ascertain and certify to the purchasers of the bonds the performance and existence of all acts, conditions, and things necessary to make them valid and binding general obligations of the state of Minnesota, subject to the approval of the attorney general.

Sec. 111. Minnesota Statutes 1982, section 116.03, subdivision 3, is amended to read:

Subd. 3. The director of the pollution control agency is the state agent to apply for, receive, and disburse federal funds made available to the state by federal law or rules and regulations promulgated thereunder for any purpose related to the powers and duties of the pollution control agency or the director. He shall comply with any and all requirements of such federal law or such rules and regulations promulgated thereunder to enable him to apply for, receive, and disburse such funds. All such moneys received by the director shall be deposited in the state treasury and are hereby annually appropriated to him for the purposes for which they are received. None of such moneys in the state treasury shall cancel and they shall be available for expenditure in accordance with the requirements of federal law.

The provisions of section 3.3005 shall not apply to ~~emergency response~~ moneys available ~~without requirement of a state match~~ under the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. Sections 9601 to 9657, *for which a state match is not required or for which a state match is available under the Environmental Response and Liability Act or from a political subdivision*. The receipt of the moneys shall be reported to the legislative advisory commission.

Sec. 112. Minnesota Statutes 1982, section 116.07, subdivision 2a, is amended to read:

Subd. 2a. [EXEMPTIONS FROM STANDARDS.] No standards adopted by any state agency for limiting levels of noise in terms of sound pressure which may occur in the outdoor atmosphere shall apply to *(1) segments of trunk highways constructed with federal interstate substitution money, provided that all reasonably available noise mitigation measures are employed to abate noise, (2) skeet, trap or shooting sports clubs, or (3) the holding of motor vehicle race events conducted at a facility specifically designed for that purpose that was in operation on or before July 1, 1983*. Nothing herein shall prohibit a local unit of government or a public corporation with the power to make rules for the government of its real property from regulating the location and operation of skeet, trap or shooting sports clubs, *or the holding of motor vehicle race events conducted at a facility specifically designed for that purpose that was in operation on or before July 1, 1983*.

Sec. 113. Minnesota Statutes 1982, section 116.07, is amended by adding

a subdivision to read:

Subd. 4d. [PERMIT FEES.] The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of reviewing and acting upon applications for agency permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees shall not include the costs of litigation. The agency shall adopt rules establishing the amounts and methods of collection of any permit fees collected under this subdivision. Any money collected under this subdivision shall be deposited in the general fund.

Sec. 114. Minnesota Statutes 1982, section 116.07, subdivision 9, is amended to read:

Subd. 9. [ORDERS; INVESTIGATIONS.] The agency shall have the following powers and duties for the enforcement of any provision of this chapter, relating to air contamination or waste:

(a) to adopt, issue, reissue, modify, deny, revoke, enter into or enforce reasonable orders, schedules of compliance and stipulation agreements;

(b) to require the owner or operator of any *emission facility, air contaminant treatment facility, potential air contaminant storage facility, or any system or facility related to the storage, collection, transportation, processing, or disposal of waste to establish and maintain records; to make reports; to install, use, and maintain monitoring equipment or methods; and to make tests, including testing for odor where a nuisance may exist, in accordance with methods, at locations, at intervals, and in a manner as the agency shall prescribe; and to provide other information as the agency may reasonably require;*

(c) to conduct investigations, issue notices, public and otherwise, and order hearings as it may deem necessary or advisable for the discharge of its duties under this chapter, including but not limited to the issuance of permits; and to authorize any member, employee, or agent appointed by it to conduct the investigations and issue the notices.

Sec. 115. Minnesota Statutes 1982, section 116.16, subdivision 10, is amended to read:

Subd. 10. [COSTS.] To the extent the agency administers or engages in activities necessary for administering any aspects of the federal water pollution control act as amended, 33 U.S.C. 1251 et seq., the agency may assess the costs of such administrative activities, in an amount not to exceed ~~two percent of the federal grant~~ that allowed by federal law, against the federal construction grant funds allotted to the state.

Sec. 116. Minnesota Statutes 1982, section 116.17, subdivision 2, is amended to read:

Subd. 2. [ISSUANCE OF BONDS.] Upon request by resolution of the agency and upon authorization as provided in subdivision 1 the commissioner of finance shall sell and issue Minnesota state water pollution control bonds in the aggregate amount requested, upon sealed bids and upon such notice, at such price, in such form and denominations, bearing interest at ~~such a rate or rates, maturing in such amounts and on such dates, with or without option of prepayment or subject to prepayment upon such notice and~~

at ~~such~~ *specified* times and prices, payable at ~~such~~ a bank or banks within or outside the state, with ~~such~~ provisions, *if any*, for registration, conversion, and exchange and for the issuance of *temporary bonds or notes* in anticipation of the sale or delivery of definitive bonds, and in accordance with ~~such~~ further ~~regulations~~ *provisions*, as the commissioner of finance shall determine, subject to the approval of the attorney general, but not subject to the provisions of sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62. The bonds shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The signatures of the officers on the bonds and any appurtenant interest coupons and their seals may be printed, lithographed, engraved, ~~or~~ stamped, *or otherwise reproduced* thereon, except that each bond shall be authenticated by the manual signature on its face of one of the officers or of an ~~officer~~ *authorized representative* of a bank designated by ~~them~~ *the commissioner* as registrar or *other* authenticating agent. The commissioner of finance shall ascertain and certify to the purchasers of the bonds the performance and existence of all acts, conditions, and things necessary to make them valid and binding general obligations of the state of Minnesota, subject to the approval of the attorney general.

Sec. 117. Minnesota Statutes 1982, section 116.18, subdivision 1, is amended to read:

Subdivision 1. [APPROPRIATION FROM THE FUND.] The sum of \$155,000,000, or so much thereof as may be necessary, is appropriated from the Minnesota state water pollution control fund in the state treasury to the pollution control agency, for the period commencing on July 23, 1971 and ending June 30, ~~1983~~ 1985, to be granted and disbursed to municipalities and agencies of the state in aid of the construction of projects conforming to section 116.16, in accordance with the rules, priorities, and criteria therein described. Except as otherwise provided in this subdivision and in subdivision 2, these state funds shall be expended at 15 per centum of the eligible cost of construction and shall be expended only for projects tendered a grant of federal funds under section 201(g), section 202, section 203 or section 206(f) of the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1314 et seq., at 75 per centum of the eligible cost for construction of the treatment works; provided, that not less than ten percent of the cost shall be paid by the municipality or agency constructing the project. In the event that a municipality is tendered federal and state grants in a percentage cumulatively exceeding 90 per centum of the eligible cost of construction, the state pollution control agency shall reduce the grant to the municipality under this chapter to the extent necessary to assure that not less than ten percent of the cost shall be paid by the municipality. It is the purpose of this appropriation that a grant of state funds for each project approved in each of the fiscal years ending June 30, 1971 through ~~1983~~ 1985, shall be made in an amount not less than that required in federal law and regulations as a condition for the grant of federal funds for the project and for all other water pollution control projects for which federal grants are allocated in the same year, in the maximum amount permissible under law and regulations.

Notwithstanding any other provision, the agency may, in its discretion, and after consideration of the amount of state funds required to match federal funds, make a grant of state funds not exceeding 15 per centum to a

municipality that would qualify for a grant of federal funds but desires to initiate construction of a project without a federal grant. The agency may limit the scope and eligible cost of the project.

If a municipality is tendered a grant of federal funds under section 201, paragraph (g), section 202, section 203 or section 206, paragraph (f) of the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1314 et seq., at 85 percent of the eligible cost for construction of treatment works utilizing innovative or alternative wastewater treatment processes and techniques, state funds shall be expended at nine percent of the eligible cost of construction; provided, that not less than six percent of the eligible cost of construction shall be paid by the municipality or agency constructing the project. In the event that a municipality is tendered federal and state grants in a percentage cumulatively exceeding 94 percent of the eligible cost of construction, the state pollution control agency shall reduce the grant to the municipality under this chapter to the extent necessary to assure that the municipality receives no more than 94 percent of the eligible cost of construction.

Sec. 118. Minnesota Statutes 1982, section 116.41, subdivision 2, is amended to read:

Subd. 2. [TRAINING AND CERTIFICATION PROGRAMS.] The agency shall develop standards of competence for persons operating and inspecting various classes of disposal facilities. The agency shall conduct training programs for persons operating facilities for the disposal of waste and for inspectors of such facilities, and may charge such fees as are necessary to cover the actual costs of the training programs. *All fees received shall be paid into the state treasury and credited to the account created in section 115.03, subdivision 1, clause (j), for training water pollution control personnel, and are appropriated to the agency to pay expenses relating to the training of disposal facility personnel.*

The agency shall require operators and inspectors of such facilities to obtain from the agency a certificate of competence. The agency shall conduct examinations to test the competence of applicants for certification, and shall require that certificates be renewed at reasonable intervals. The agency may charge such fees as are necessary to cover the actual costs of receiving and processing applications, conducting examinations, and issuing and renewing certificates. Certificates shall not be required for a private individual for landspreading and associated interim and temporary storage of sewage sludge on property owned or farmed by that individual.

Sec. 119. Minnesota Statutes 1982, section 116C.03, subdivision 2, is amended to read:

Subd. 2. The board shall include as permanent members the commissioner of the department of energy, planning and development, the director of the pollution control agency, the commissioner of natural resources, the commissioner of agriculture, the commissioner of health, the commissioner of transportation, and a representative of the governor's office designated by the governor. The governor shall appoint five members from the general public to the board, subject to the advice and consent of the senate. *At least two of the five public members shall have knowledge of and be conversant in water management issues in the state.*

Sec. 120. [116C.81] [COORDINATION OF WATER RESOURCE MANAGEMENT AND PLANNING; DEFINITIONS.]

Subdivision 1. [APPLICATION.] For the purposes of sections 120 and 121 the terms defined in this section have the meanings given them.

Subd. 2. [BOARD.] "Board" means the environmental quality board.

Subd. 3. [SOUTHERN MINNESOTA RIVERS BASIN.] "Southern Minnesota rivers basin" means the area within the watersheds of rivers and streams tributary to the Minnesota river, and the areas within the watersheds of rivers tributary to the Mississippi river on the westerly side of the Mississippi south of its confluence with the Minnesota river.

Sec. 121. [116C.82] [DUTIES OF BOARD.]

Subdivision 1. [WATER PLANNING.] The board shall:

(1) coordinate public water resource management and regulation activities among the state agencies having jurisdiction in the area;

(2) initiate, coordinate, and continue to develop comprehensive long-range water resources planning in furtherance of the plan adopted by the water planning board entitled "A Framework for a Water and Related Land Resources Strategy for Minnesota, 1979";

(3) coordinate water planning activities of local, regional, and federal bodies with state water planning and integrate these plans with state strategies; and

(4) administer federal water resources planning with multi-agency interests.

Subd. 2. [SOUTHERN MINNESOTA RIVERS BASIN.] The board shall guide the creation and implementation of a comprehensive environmental conservation and development plan for the southern Minnesota rivers basin. The board shall coordinate state and local interests with respect to the study in southwestern Minnesota under Public Law Number 87-639. The board shall appoint an advisory council to advise the board concerning its responsibilities under this subdivision. The council shall consist of 11 members who are residents of the basin and appointed by the governor. The council is subject to the provisions of section 15.059, except that the council shall expire June 30, 1987. The council shall make recommendations to the board by June 30, 1985, concerning the establishment of a statewide advisory council to advise the board on water resources planning, regulation, and management.

Subd. 3. [GOVERNOR'S REPRESENTATIVE.] The board chairperson shall represent the governor on interstate water resources organizations.

Sec. 122. [TRANSITIONAL PROVISION.]

The members of the southern Minnesota rivers basin board as constituted before enactment of this act shall be the first members of the southern Minnesota rivers basin advisory council. The environmental quality board shall adjust the terms of the first members of the advisory council to conform to the requirements of Minnesota Statutes, section 15.059.

Sec. 123. [METROPOLITAN WATERSHED MANAGEMENT.]

Notwithstanding any contrary provisions of Minnesota Statutes 1982, section 473.878, subdivision 2, until July 1, 1984, no county shall petition for establishment of a watershed district or assume any authority under section 473.878, subdivision 2 for a minor watershed unit if the metropolitan council finds by December 31, 1983, that reasonable progress is being made to negotiate a joint powers agreement in order to form a watershed management organization for that watershed unit.

Sec. 124. Minnesota Statutes 1982, section 116J.24, is amended by adding a subdivision to read:

Subd. 6. [OUTREACH FOR ENERGY AUDIT INTERPRETATION.] The commissioner shall establish a program to assist school officials in the understanding of energy audits performed on their schools. The program will also provide suggestions and assistance in the application for any state or federal grants or loans relating to energy conservation for which the school may be eligible.

Sec. 125. Minnesota Statutes 1982, section 116J.27, subdivision 2, is amended to read:

Subd. 2. For the purposes of subdivisions 3 to 7, the following terms shall have the meanings given them.

(a) "Residence" means any dwelling for habitation either seasonally, meaning all or a portion of the months of ~~December~~ *November* through ~~March~~ *April*, or permanently by one or more persons. A residence ~~may be owned or rented and~~ may be part of a multi-dwelling or multi-purpose building, but shall not include buildings such as hotels, hospitals, motels, dormitories, sanitariums, nursing homes, schools and other buildings used for educational purposes, or correctional institutions. A manufactured home as defined in section 168.011, subdivision 8, shall be a residence for purposes of this section.

(b) "Time of sale" means the time when a written purchase agreement is executed by the buyer, or, in the absence of a purchase agreement, at the time of the execution of any document providing for the conveyance of a residence.

(c) "Energy disclosure report" means the written and signed evaluation by a person certified pursuant to subdivision 6 made on an approved form, representing to the actual buyer of the residence evaluated that the evaluator has used reasonable care and diligence. For purposes of subdivisions 5 and 7, a residential energy audit meeting the audit standards of 42 U.S.C. 8211 et seq. may be substituted for an energy disclosure report.

(d) "Applicable energy efficiency standards" means those standards established under subdivision 1 which are not shown to be economically infeasible for the building in question.

Sec. 126. Minnesota Statutes 1982, section 116J.27, subdivision 6, is amended to read:

Subd. 6. [BUILDING EVALUATORS.] The commissioner shall certify evaluators in each county of the state who are qualified to determine the compliance of a residence with applicable energy ~~disclosure requirements~~ *efficiency standards*. The commissioner shall, by rule pursuant to chapter 14, adopt standards for the certification and performance of evaluators and

set a fee for the certification of evaluators which is sufficient to cover the ongoing costs of the program once it is established. The commissioner shall encourage the certification of existing groups of trained municipal personnel and qualified individuals from community-based organizations and public service organizations. Each certified evaluator shall, on request of the owner, inspect any residence and report the degree to which it complies with applicable energy ~~disclosure requirements~~ *efficiency standards established pursuant to subdivision 1.* The inspections shall be made within 30 days of the request. ~~After July 1, 1981, Evaluators for the home energy disclosure program shall be certified only if they also meet all requirements for conducting residential energy audits pursuant to 42 U.S.C. 8211 et seq. Any person certified as a building evaluator prior to July 1, 1981, shall, by January 1, 1982, meet the upgraded certification standards in effect after July 1, 1981.~~ The commissioner shall enter into an agreement with the department of education for the provision of evaluator training through the area vocational technical institutes. The commissioner may contract with the area vocational technical institutes to reduce the training costs to the students. The commissioner may eliminate the examination fee for persons seeking upgraded certificates. The commissioner may also establish requirements for continuing education, periodic recertification, and revocation of certification for evaluators.

Sec. 127. Minnesota Statutes 1982, section 116J.31, is amended to read:

116J.31 [ENERGY AUDITS.]

The commissioner, in cooperation with the director of consumer services, shall develop ~~the and administer state plan for the program~~ *programs of energy audits of residential and commercial buildings including those required by 42 United States Code, section 8211 et seq. and section 8281.* The consumer services division and the attorney general are authorized to release information on consumer complaints about the operation of the program to the commissioner.

Sec. 128. [116J.315] [ALTERNATIVE ENERGY ECONOMIC ANALYSIS.]

The commissioner shall carry out the following energy economic analysis duties:

(a) provide continued analysis of alternative energy issues for the biennial report, certificates of need, and legislative requests;

(b) provide alternative energy information to consumers and business;

(c) assist in the maintenance and improvement of alternative energy input-output multipliers and market penetration models;

(d) provide analysis of alternative energy data.

Sec. 129. Minnesota Statutes 1982, section 116J.36, is amended by adding a subdivision to read:

Subd. 3a. [GRANT ELIGIBILITY.] The commissioner of energy, planning and development may provide planning grants to municipalities for planning related to the development of district heating systems. The municipality must demonstrate that a community heatload survey and map have been success-

fully completed, that potential district heating load is sufficiently large to justify further consideration, and that sufficient resources are available for the municipality to meet its financial requirements. Eligible planning grant costs include project definition, development of preliminary financing and distribution system plans, and obtaining commitment for detailed planning or design and preparation of a final report. The amount of the grant to a municipality is limited to 90 percent of eligible planning costs and shall not exceed \$70,000 as established by rule or temporary rule.

Sec. 130. [SURVEY OF STEAM TRAPS.]

The commissioner shall survey the steam traps in 100 state-owned buildings, to be selected by the commissioner of administration or a designee. The purpose of the survey is to assess the energy efficiency of current steam traps and to recommend repair or replacement of faulty steam traps.

Sec. 131. [ENERGY MANAGEMENT TRAINING.]

The commissioner shall train state building operators in efficient energy management of state buildings, including the periodic review and maintenance of steam traps as a high priority. The commissioner shall document the energy savings from this training and make it available for use in other program areas, such as in local government buildings.

Sec. 132. [116J.373] [SUPERINSULATED HOME DEMONSTRATION PROJECT.]

The superinsulated home demonstration project funded under Laws 1981, chapter 356, section 30, shall be continued under the direction of the commissioner and the center to monitor and document new projects and projects in progress. The project shall:

(a) work with the financial community to bring energy cost and savings into mortgage underwriting standards;

(b) develop a definition of superinsulation for use by financial institutions.

Sec. 133. [116J.38] [BUILDING ENERGY RESEARCH CENTER.]

Subdivision 1. [ENERGY PARTNERSHIP.] To improve the energy efficiency of buildings, the commissioner shall administer a building energy research center that shall be a cooperative effort among the commissioner, the University of Minnesota, area vocational-technical institutes, and certain associations and businesses from the private sector. The center's goal is to become a nationally recognized center for building research.

Subd. 2. [PURPOSE.] The purpose of the building energy research center is to:

(a) conduct studies of Minnesota building experience;

(b) disseminate information acquired relating to building energy efficiency;

(c) conduct continuing education courses;

(d) provide limited energy and design consultation services for innovative projects;

(e) coordinate and stimulate research efforts; and

(f) seek private sector pledges to match appropriations for this program.

Sec. 134. Minnesota Statutes 1982, section 116J.42, subdivision 8, is amended to read:

Subd. 8. The commissioner ~~may~~ shall charge a fee to each user of the Minnesota land management information system. *Fees shall be deposited in the state treasury and credited to the land management information center revolving account. Money in the account is appropriated to the commissioner of energy, planning and development for operation of the land management information system, including the cost of all services, supplies, materials, labor, and equipment, as well as the portion of the general support costs and statewide indirect costs of the department that is attributable to the land management information system. The commissioner may require a state agency to make advance payments to the revolving account sufficient to cover the agency's estimated obligation for a period of 60 days or more. If the revolving account is abolished or liquidated, the total net profit from operations shall be distributed to the various funds from which purchases were made. The amount to be distributed to each fund shall bear to the net profit the same ratio as the total purchases from each fund bears to the total purchases from all the funds during a period of time that fairly reflects the amount of net profit each fund is entitled to receive under this distribution. Employees paid from this account are in the unclassified service.*

Sec. 135. Minnesota Statutes 1982, section 124.46, subdivision 2, is amended to read:

Subd. 2. Upon receipt of each such certification, subject to authorization as provided in subdivision 4, the commissioner of finance shall from time to time as needed issue and sell state of Minnesota school loan bonds in the aggregate principal amount stated in the commissioner's certificate, for the prompt and full payment of which, with the interest thereon, the full faith, credit, and taxing powers of the state are hereby irrevocably pledged, and shall credit the net proceeds of their sale to the purposes for which they are appropriated by section 124.40, subdivision 1. Such bonds shall be issued and sold at ~~not less than their par value~~ *such price*, in such manner, in such number of series, at such times, and in such form and denominations, shall bear such dates of issue and of maturity, either without option of prior redemption or subject to prepayment upon such notice and at such times and prices, shall bear interest at such rate or rates and payable at such intervals, shall be payable at such bank or banks within or without the state, with such provisions for registration, conversion, and exchange, and for the issuance of notes in anticipation of the sale and delivery of definitive bonds, and in accordance with such further ~~regulations~~ *provisions* as the commissioner of finance shall determine subject to the limitations stated in this subdivision (but not subject to the provisions of sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62). The maturity date shall in no case be ~~less than ten or~~ more than 20 years after the date of issue of any bond and the principal amounts and due dates shall conform as near as may be with the commissioner's estimates of dates and amounts of payments to be received on debt service and capital loans. The bonds ~~and any interest coupons appurtenant to them~~ shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The ~~signature~~ *signatures* of ~~one of these officers on the face of any bond,~~ and their seals, and the

signatures of both officers on the interest coupons appurtenant to any bond, may be printed, lithographed, stamped, or engraved, or otherwise reproduced thereon. Each bond shall be authenticated by the manual signature on its face of one of the officers or a person authorized to sign on behalf of a bank or trust company designated by the commissioner to act as registrar or other authenticating agent. The commissioner of finance is authorized and directed to ascertain and certify to purchasers of the bonds the performance and existence of all acts, conditions, and things necessary to make them valid and binding general obligations of the state of Minnesota in accordance with their terms.

Sec. 136. Minnesota Statutes 1982, section 136.40, subdivision 8, is amended to read:

Subd. 8. [BOND AUTHORIZATION AND APPROPRIATION.] For the purpose of providing money to be loaned to the Minnesota State University Board for the acquisition and betterment of public land, buildings, and improvements of a capital nature, the state auditor is directed to sell and issue Minnesota state university bonds in the maximum amount of \$4,500,000 to be expended for dormitory, residence hall, and food service facilities at the state universities, in accordance with the recommendations of the legislative buildings commission to the 1969 session of the legislature, and in the maximum amount of \$7,500,000 to be expended for student union facilities at said universities, in the manner and upon the conditions provided in subdivisions 1 to 7, which total amounts are authorized to be expended for these purposes. No expenditures for the authorized purposes shall be made until the board has consulted the legislative buildings commission and the commission has made its recommendation ~~chairmen of the senate finance committee and house of representatives appropriations committee and received their recommendations~~ thereon. Such recommendation shall be advisory only. Failure or refusal of the commission to make a recommendation promptly shall be deemed a negative recommendation. The bonds shall be sold, issued, and secured as provided in subdivisions 1 to 7 and in Article XI, Section 7, of the Constitution. In order to reduce the amount of taxes otherwise required by the Constitution to be levied for the payment of interest and principal thereon, there is appropriated annually to the Minnesota state university bond account in the state bond fund from the general fund in the state treasury a sum of money sufficient in amount, when added to the balance on hand on November 1 in each year in said Minnesota state university bond account, to pay all principal and interest due and to become due on said bonds to and including July 1 in the second ensuing year. The moneys received and on hand pursuant to this annual appropriation are available in the state bond fund prior to the levy of the tax in any year required by the Constitution and by subdivision 7 and shall be used to reduce the amount of the tax otherwise required to be levied.

Sec. 137. Minnesota Statutes 1982, section 139.18, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall distribute the money provided by sections 139.16 to 139.18. Twice annually the commissioner shall make block grants which shall be distributed in equal amounts to public stations for operational costs. The commissioner shall allocate money appropriated for the purposes of sections 139.16 to 139.18 in such a manner that each

eligible public station receives a block grant. In addition, the commissioner shall make matching grants to public stations. Matching grants shall be used for operational costs and shall be allocated using the procedure developed for distribution of state money under this section for grants made in fiscal year 1979. No station's matching grant in any fiscal year shall exceed the amount of Minnesota based contributions received by that station in the previous fiscal year. *Grants made pursuant to this subdivision may only be given to those federally licensed stations that are certified as eligible for community service grants through the corporation for public broadcasting.*

Sec. 138. Minnesota Statutes 1982, section 156A.02, subdivision 6, is amended to read:

Subd. 6. For the purposes of sections 156A.02 to 156A.10 "groundwater thermal exchange device" means any space heating or cooling device, the operation of which is dependent upon extraction and reinjection of groundwaters from an independent aquifer. Thermal exchange devices licensed under this chapter shall be sealed against the introduction of any foreign substance into the system, but shall be so constructed as to permit periodic inspection of water quality and temperature.

Sec. 139. Minnesota Statutes 1982, section 156A.10, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any department or agency rule to the contrary, the department of health shall issue, upon request and submission of a \$50 fee, permits for the reinjection of water by a properly constructed well into the same aquifer from which the water was drawn ~~exclusively~~ for the operation of a groundwater thermal exchange device. Withdrawal and reinjection shall be accomplished by means of a closed system in which the waters drawn for thermal exchange shall have no contact or commingling with water from other sources or with any polluting material or substances and so constructed as to allow opening for inspection by the department. *Wells that are part of a groundwater thermal exchange system shall serve no other function, except that water may be supplied to the domestic water system if the supply is taken off the thermal exchange system ahead of the heat exchange unit, and if the water discharges to a break tank through an air gap that is at least twice the effective diameter of the water outlet from the tank. A groundwater thermal exchange system may be used for domestic water heating only if the water heating device is an integral part of the heat exchange unit that is used for space heating and cooling.* As a condition of the permit, an applicant shall agree to allow inspection by the department during regular working hours for department inspectors. A maximum of 200 permits shall be issued for small systems having maximum capacities of 20 gallons per minute or less, which shall be subject to inspection twice annually. A maximum of ten permits shall be issued for larger systems having maximum capacities from 20 to 50 gallons per minute, which shall be subject to inspection four times per year. The department may by rule provide for administration of this section.

Sec. 140. Minnesota Statutes 1982, section 161.465, is amended to read:

161.465 [REIMBURSEMENT FOR FIRE SERVICES.]

Ordinary expenses incurred by a municipal or volunteer fire department in

extinguishing a grass fire within the right-of-way of a trunk highway must be reimbursed upon certification to the commissioner of public safety from the trunk highway fund. In addition, ordinary expenses incurred by a municipal or volunteer fire department in extinguishing a fire outside the right-of-way of any trunk highway if the fire originated within the right-of-way, upon approval of a police officer or an officer or employee of the department of public safety shall must, upon certification to the commissioner of public safety by the proper official of the municipality or fire department within 60 days after the completion of the service, be reimbursed to the municipality or fire department from funds in the trunk highway fund. The commissioner of public safety shall take whatever action practicable to secure reimbursement to the trunk highway fund of moneys money expended pursuant to under this section from the person, firm, or corporation responsible for the fire or danger thereof of fire.

The provisions of this section shall not be construed to admit any state liability for damage or destruction to private property or for injury to persons resulting from a fire that originates originating within a trunk highway right-of-way.

Sec. 141. Minnesota Statutes 1982, section 167.50, subdivision 2, as amended by Laws 1983, chapter 17, section 4, is amended to read:

Subd. 2. The bonds shall be issued and sold upon sealed bids after ~~two weeks'~~ published notice. They shall mature serially over a term not exceeding 20 years from their respective dates of issue and shall not be sold for less than par and accrued interest. Subject to the foregoing limitations, and subject to any other limitations stated in the acts authorizing the bonds and appropriating the proceeds thereof, but not subject to the provisions of sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62. The bonds shall be issued and sold in the number of series, at the times and prices (not less than par and accrued interest), in the form and denominations, bearing interest at the rate or rates, maturing on dates, either with or without option of prior redemption or subject to prepayment upon notice and at the specified times and prices, payable at the a bank or banks, within or without the state, with provisions for registration, conversion, and exchange and for the issuance of temporary bonds or notes in anticipation of the sale and delivery of definitive bonds, and in accordance with such further regulations provisions, as the commissioner of finance may determine. The bonds, subject to the approval of the attorney general (but not subject to the provisions of sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62). Each bond shall mature within 20 years from its date of issue and shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The signature of one signatures of these officers on the face of and any interest coupons appurtenant to any bond, and their seals, and the signatures of both officers on the interest coupons appurtenant to any bond, may be printed, lithographed, stamped, or engraved, or otherwise reproduced thereon, provided that the signature of one of the officers, or of an authorized representative of a corporate registrar or other agent designated by the commissioner of finance to authenticate the bonds, shall be manually subscribed on the face of each bond.

Sec. 142. Minnesota Statutes 1982, section 169.123, subdivision 6, is amended to read:

Subd. 6. [HEARING.] A hearing under this section shall be before a municipal or county judge, in any county in the judicial district where the al-

leged offense occurred. The hearing shall be to the court and may be conducted at the same time and in the same manner as hearings upon pre-trial motions in the criminal prosecution under section 169.121, if any. The hearing shall be recorded. The commissioner of public safety ~~may shall~~ appear ~~through his own attorney or, by agreement with the jurisdiction involved, and be represented by the attorney general or through the prosecuting authority for that the jurisdiction involved.~~

The hearing shall be held at the earliest practicable date, and in any event no later than 60 days following the filing of the petition for review. The judicial district administrator shall establish procedures to ensure efficient compliance with the provisions of this subdivision. To accomplish this, the administrator may, whenever possible, consolidate and transfer review hearings among the county courts within the judicial district.

The scope of the hearing shall be limited to the issues of:

(1) whether the peace officer had reasonable and probable grounds to believe the person was driving, operating, or in physical control of a motor vehicle while under the influence of alcohol or a controlled substance, and whether the person was lawfully placed under arrest for violation of section 169.121, or the person was involved in a motor vehicle accident or collision resulting in property damage, personal injury or death, or the person refused to take a screening test provided for by section 169.121, subdivision 6, or the screening test was administered and recorded an alcohol concentration of 0.10 or more; and

(2) whether at the time of the request for the test the peace officer informed the person of his rights and the consequences of taking or refusing the test as required by subdivision 2; and

(3) either (a) whether the person refused to permit the test, or (b) whether a test was taken and the test results indicated an alcohol concentration of 0.10 or more at the time of testing, and whether the testing method used was valid and reliable, and whether the test results were accurately evaluated.

It shall be an affirmative defense for the petitioner to prove that, at the time of the refusal, his refusal to permit the test was based upon reasonable grounds.

Certified or otherwise authenticated copies of laboratory or medical personnel reports, records, documents, licenses and certificates shall be admissible as substantive evidence.

The court shall order either that the revocation be rescinded or sustained and forward the order to the commissioner of public safety. The court shall file its order within 14 days following the hearing. If the revocation is sustained, the court shall also forward the person's driver's license or permit to the commissioner of public safety for his further action if the license or permit is not already in the commissioner's possession.

Sec. 143. Minnesota Statutes 1982, section 174.51, subdivision 2, is amended to read:

Subd. 2. The bonds shall be sold upon sealed bids and upon notice, at a price, in form and denominations, bearing interest at a rate or rates, maturing in amounts and on dates, *without option of prior redemption or subject to*

prepayment upon notice and at times and prices, payable at a bank or banks within or outside the state, with or without provisions for registration, conversion, exchange, and issuance of *temporary bonds or notes* in anticipation of the sale or delivery of definitive bonds, and in accordance with further ~~regulations~~ *provisions*, as the commissioner of finance shall determine subject to the approval of the attorney general, but not subject to the provisions of sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62. ~~The bonds~~ *Each bond shall mature within 20 years from its date of issue and shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The signatures on the bonds and on any interest coupons and the seals may be printed or otherwise reproduced, except that each bond shall be authenticated by the manual signature on its face of one of the officers or of a person authorized to sign on behalf of a bank designated by them the commissioner of finance as registrar or other authenticating agent. The commissioner of finance shall ascertain and certify to the purchasers of the bonds the performance and existence of all acts, conditions, and things necessary to make them valid and binding general obligations of the state of Minnesota, subject to the approval of the attorney general.*

Sec. 144. Minnesota Statutes 1982, section 174.51, subdivision 3, is amended to read:

Subd. 3. All expenses incidental to the sale, printing, execution, and delivery of bonds pursuant to this section, including but not limited to actual and necessary travel and subsistence expenses of state officers and employees for such purposes, shall be paid from the Minnesota state transportation fund and the amounts necessary therefor are appropriated from that fund; ~~provided that if any amount is specifically appropriated for this purpose in an act authorizing the issuance of bonds pursuant to this section; such expenses shall be limited to appropriated.~~

Sec. 145. Minnesota Statutes 1982, section 175A.05, is amended to read:

175A.05 [QUORUM.]

A majority of the judges of the workers' compensation court of appeals shall constitute a quorum for the exercise of the powers conferred and the duties imposed on the workers' compensation court of appeals ~~and except that all appeals shall be heard by at least no more than three of the five judges unless the appeal is determined to be of exceptional importance by a four-fifths vote of the judges.~~ A vacancy shall not impair the ability of the remaining judges of the workers' compensation court of appeals to exercise all the powers and perform all of the duties of the workers' compensation court of appeals.

Sec. 146. Minnesota Statutes 1982, section 148.56, is amended to read:

148.56 [OPTOMETRISTS.]

Subdivision 1. [OPTOMETRY DEFINED.] Any person shall be deemed to be practicing optometry within the meaning of sections 148.52 to 148.62 who shall display a sign, such as an eye, a pair of eyes, a pair of glasses or spectacles, or who shall in any way advertise himself as an optometrist, or who shall employ any means for the measurement of the powers of vision or the adaptation of lenses or prisms for the aid thereof, or have in his posses-

sion testing appliances for the purpose of the measurement of the powers of vision, or diagnose any optical deficiency or deformity, visual or muscular anomaly of the human eye, or prescribe lenses, prisms, or ocular exercises for the correction or the relief of same, or who holds himself out as being able to do so.

Subd. 2. [UNLAWFUL PRACTICES.] It shall be unlawful for any person who is not licensed as an optometrist in this state to fit, sell, or dispose of, or to take, receive, or solicit any order for the fitting, sale, or disposition of, any spectacles, eye glasses, or lenses for the correction of vision in any place within the state other than an established place of business wherein such spectacles, eye glasses, or lenses are commonly sold and dealt in; and it shall be unlawful for any person, not licensed as an optometrist thereunder, to sell or dispose of, at retail, any spectacles, eye glasses, or lenses for the correction of vision in any established place of business or elsewhere in this state except under the supervision, direction, and authority of a duly licensed optometrist holding a certificate under sections 148.52 to 148.62, who shall be in charge of and in personal attendance at the booth, counter, or place where such articles are sold or disposed of.

Subd. 3. [UNREGULATED SALES.] Nothing in sections 148.52 to 148.62 shall be construed to apply to the sale of toy glasses, goggles consisting of plano-white or plano-colored lenses or ordinary colored glasses or to the replacement of duplications of broken lenses, nor to sales upon prescription from persons legally authorized by the laws of this state to examine eyes and prescribe glasses therefor, nor shall it apply to regularly licensed physicians and surgeons. *Sections 148.52 to 148.62 also do not apply to the sale of spectacles, used for reading or fishing, and containing only simple lenses having a plus power of up to and including 3.25, at an established place of business that sells prescription eyewear, without advertising other than price marking on the spectacles, if no attempt is made to test the eyes. The term "simple lenses" does not include bifocals.*

Subd. 4. [LICENSE REQUIRED.] It shall be unlawful for any person to engage in the practice of optometry without first procuring and filing for record a certificate of registration as a licensed optometrist pursuant to this section.

Sec. 147. Minnesota Statutes 1982, section 176.183, subdivision 2, is amended to read:

Subd. 2. The commissioner of labor and industry, in accordance with the terms of the order awarding compensation, shall pay compensation to the employee or his dependent from the special compensation fund. The commissioner of labor and industry shall certify to the commissioner of finance and to the legislature annually the total amount of compensation paid from the special compensation fund under subdivisions 1 and 1a. The commissioner of finance shall upon proper certification reimburse the special compensation fund from the general fund ~~the total amount certified as paid under this section~~ appropriation provided for this purpose. The amount reimbursed shall be limited to the certified amount paid under this section or the appropriation made for this purpose, whichever is the lesser amount. Compensation paid under this section which is not reimbursed by the general fund shall remain a liability of the special compensation fund and shall be financed by

the percentage assessed under section 176.131, subdivision 10.

Sec. 148. Minnesota Statutes 1982, section 176.421, subdivision 1, is amended to read:

Subdivision 1. [TIME FOR TAKING; GROUNDS.] When a petition has been heard before a compensation judge, within 30 days after a party in interest has been served with notice of an award or disallowance of compensation, or other order affecting the merits of the case, he may appeal to the workers' compensation court of appeals on any of the following grounds:

- (1) The order does not conform with this chapter; or
- (2) The compensation judge committed an error of law; or

(3) The findings of fact and order were ~~unwarranted by the evidence unsupported by substantial evidence in view of the entire record as submitted;~~ or

(4) The findings of fact and order were procured by fraud, or coercion, or other improper conduct of a party in interest.

Sec. 149. Minnesota Statutes 1982, section 176.421, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF APPEAL.] The appellant or his attorney shall prepare and sign a written notice of appeal specifying:

(1) the order appealed from;

(2) that appellant appeals from the order to the workers' compensation court of appeals;

(3) the particular finding of fact or conclusion of law which he claims was ~~unwarranted by the evidence unsupported by substantial evidence in view of the entire record as submitted~~ or procured by fraud, coercion, or other improper conduct;

(4) the testimony or other part of the record of the hearing necessary to be transcribed in order for the court of appeals to consider the appeal; and,

(5) any other ground upon which the appeal is taken.

Sec. 150. Minnesota Statutes 1982, section 176.421, subdivision 6, is amended to read:

Subd. 6. [POWERS OF WORKERS' COMPENSATION COURT OF APPEALS ON APPEAL.] On an appeal taken under this section, the workers' compensation court of appeals may:

~~(1) disregard the findings of fact which the compensation judge has made;~~

~~(2) (1) examine the record;~~

~~(3) (2) substitute for the findings of fact made by the compensation judge such findings as the total evidence requires; and,~~

~~(4) (3) make an award or disallowance of compensation or other order as the facts and findings require.~~

Sec. 151. Minnesota Statutes 1982, section 176.441, subdivision 1, is

amended to read:

Subdivision 1. [DISPOSITION BY WORKERS' COMPENSATION COURT OF APPEALS.] Where an appeal has been taken to the workers' compensation court of appeals under this chapter, on either the ground that the findings or order or both were ~~unwarranted by the evidence unsupported by substantial evidence in view of the entire record as submitted~~, or were procured by fraud, coercion, or other improper conduct of a party, the workers' compensation court of appeals may:

- (1) grant a hearing based on the record before the compensation judge; or,
- (2) remand the petition for a de novo hearing or a rehearing and notify the chief hearing examiner, who shall assign the de novo hearing or the rehearing before a compensation judge; or,
- (3) sustain, reverse, or modify the order appealed from.

Sec. 152. Minnesota Statutes 1982, section 176.471, subdivision 1, is amended to read:

Subdivision 1. [TIME FOR SEEKING REVIEW; GROUNDS.] Where the workers' compensation court of appeals has made an award or disallowance of compensation or other order, if a party in interest acts within 30 days from the date he was served with notice of the order, he may have the order reviewed by the supreme court on certiorari upon one of the following grounds:

- (1) The order does not conform with this chapter; or,
- (2) The workers' compensation court of appeals committed any other error of law; or,
- (3) The findings of fact and order were ~~unwarranted by the evidence unsupported by substantial evidence in view of the entire record as submitted~~.

Sec. 153. Minnesota Statutes 1982, section 179.7411, is amended to read:

179.7411 [LIMITATION ON THE CONTRACTING-OUT OF SERVICES PROVIDED BY MEMBERS OF A STATE OF MINNESOTA OR UNIVERSITY OF MINNESOTA BARGAINING UNIT.]

Any contract entered into after March 23, 1982 by the state of Minnesota or the University of Minnesota involving services, any part of which, in the absence of the contract, would be performed by members of a unit provided in section 179.741, subdivision 1 or 3, shall be subject to section 16.07 and shall provide for the preferential employment by such a party of members of that unit whose employment with the state of Minnesota or the University of Minnesota is terminated as a result of that contract.

Contracts entered into by the state of Minnesota for the purpose of providing court reporter services or transcription of the record of a hearing which was recorded by means of an audio magnetic recording device shall be subject to section 16.098 and the preferential employment provisions enumerated in this section. Any court reporter seeking a contract pursuant to the preferential employment provisions of this section shall be given preference when the services are needed only if that court reporter's charges for the

services requested are no greater than the average of the charges made for the identical services by other court reporters in the same locality who are also under contract with the state for those services.

Sec. 154. Minnesota Statutes 1982, section 181A.12, subdivision 1, is amended to read:

Subdivision 1. [FINES; PENALTY.] Any employer who hinders or delays the department or its authorized representative in the performance of its duties under sections 181A.01 to 181A.12 or refuses to admit the commissioner or his authorized representative to any place of employment or refuses to make certificates or lists available as required by sections 181A.01 to 181A.12, or otherwise violates any provisions of sections 181A.01 to 181A.12 or any ~~regulations~~ *rules* issued pursuant thereto shall, ~~upon conviction therefor, be guilty of a gross misdemeanor~~ *be assessed a fine to be paid to the commissioner for deposit in the general fund. The fine may be recovered in a civil action in the name of the department brought in the district court of the county where the violation is alleged to have occurred or the district court where the commissioner has an office. Fines are in the amounts as follows:*

(a) employment of minors under the age of 14	\$ 50
(b) employment of minors under the age of 16 during school hours while school is in session	50
(c) employment of minors under the age of 16 before 7:00 a.m.	50
(d) employment of minors under the age of 16 after 9:30 p.m.	50
(e) employment of minors under the age of 16 over eight hours a day	50
(f) employment of minors under the age of 16 over 40 hours a week	50
(g) employment of minors under the age of 18 in hazardous occupations	100
(h) employment of minors under the age of 16 in hazardous occupations	100
(i) minors under the age of 18 injured in hazardous employment	500
(j) minors employed without proof of age (each employee)	5

An employer who engages in a consistent and repeated pattern of violations of sections 181A.01 to 181A.12 is guilty of a gross misdemeanor.

Sec. 155. Minnesota Statutes 1982, section 183.375, subdivision 5, is amended to read:

Subd. 5. [FEES.] All fees collected by the division of boiler inspection shall be paid into the state treasury in the manner provided by law for fees received by other state departments and credited to the general fund. *When*

fees are to be set by the commissioner, they shall be set pursuant to section 16A.128.

Sec. 156. Minnesota Statutes 1982, section 183.411, subdivision 3, is amended to read:

Subd. 3. [LICENSES.] A license to operate steam farm traction engines, portable and stationary show engines and portable and stationary show boilers shall be issued to an applicant who:

(a) is 18 years of age or older;

(b) has two licensed second class, grade A engineers or steam traction engineers, or any combination thereof, cosign his application; attesting to his competence in operating said devices;

(c) passes a written test for competence in operating said devices; and

(d) pays the required fee.

A license shall be valid for the lifetime of the licensee. A one time fee of ~~\$20 set by the commissioner pursuant to section 16A.128,~~ shall be charged for the license.

Sec. 157. Minnesota Statutes 1982, section 183.545, is amended to read:

183.545 [FEES FOR INSPECTION.]

Subdivision 1. [FEE AMOUNT; VESSELS.] The fees for the inspection of the hull, boiler, machinery, and equipments of vessels are *to be set by the commissioner pursuant to section 16A.128, for* vessels of 50 tons burden or over; ~~\$30; and~~ vessels of less than 50 tons burden; ~~\$15.~~

Subd. 2. [FEE AMOUNTS; MASTERS AND PILOTS.] The *commissioner shall, pursuant to section 16A.128, set the fee* for an examination of an applicant for a master's or pilot's license ~~is \$10. The fee,~~ for an annual renewal of a master's or a pilot's license ~~is \$6 or \$8, and for an annual renewal~~ if paid later than ~~10~~ ten days after expiration.

Subd. 3. [INSPECTION FEES.] The fees for the annual inspection of boilers and biennial inspection of pressure vessels are *to be set by the commissioner pursuant to section 16A.128, for:*

(a) boiler inaccessible for internal inspection; ~~\$15;~~

(b) boiler accessible for internal inspection; ~~\$20;~~

(c) boiler internal inspection over 2,000 square feet heating surface; ~~\$30;~~

(d) boiler internal inspection over 4,000 square feet heating surface; ~~\$40;~~

(e) boiler internal inspection over 10,000 square feet heating surface; ~~\$60;~~

(f) boiler accessible for internal inspection requiring one-half day or more of inspection time shall be billed at the established shop inspection fee rate;:

(g) pressure vessel for internal inspection via manhole; ~~\$15; and~~

(h) pressure vessel inaccessible for internal inspection; ~~\$10.~~

An additional fee based on the scale of fees applicable to an inspection shall be charged when it is necessary to make a special trip for a hydrostatic

test of a boiler or pressure vessel.

The commissioner shall, pursuant to section 16A.128, set shop inspection fees shall be charged as follows for full day \$190 plus \$35 per hour over eight hours, one-half day \$100, two hours or less \$50, plus mileage and reasonable expenses. Inspection time includes all time related to the shop inspection.

Subd. 4. [APPLICANTS FEES.] *The commissioner shall, pursuant to section 16A.128, set the fee for an examination of an applicant for an engineer's license is the following licenses:*

- (a) chief engineer's license, \$20;
- (b) first class engineer's license, \$15;
- (c) second class engineer's license, \$13; and
- (d) special engineer's license, \$ 8.

If an applicant, after an examination, is entitled to receive a license, it shall be issued without the payment of any additional charge. Any license so issued expires one year after the date of its issuance. An engineer's license may be renewed upon application therefor and the payment of an annual renewal fee as follows: *set by the commissioner pursuant to section 16A.128.*

- Chief engineer's license renewal \$10
- First class engineer's license renewal \$10
- Second class engineer's license renewal \$ 8
- Special engineer's license renewal \$ 6

The fee is payable at the time of application, which shall be made not later than ten days after the date of expiration of such license. If application is made more than ten days after the date of expiration of such license, an expired fee shall be paid instead of the renewal fee ~~prescribed above~~; the expired fees ~~are~~: *shall be set by the commissioner pursuant to section 16A.128.*

- Chief engineer \$15
- First class engineer \$12
- Second class engineer \$10
- Special engineer \$ 8

Subd. 5. [FEE FORFEITURE.] Where an applicant for an engineer's license has paid the fees provided by subdivision 4, and thereafter fails to take an examination or furnish a proper affidavit, within a period of one year, said application fee shall be forfeited to the state of Minnesota.

Subd. 6. [NATIONAL BOARD INSPECTORS.] The fee for an examination of an applicant for a national board of boiler and pressure vessels inspectors commission ~~is \$25~~ *shall be set by the commissioner pursuant to section 16A.128.*

Subd. 7. [NUCLEAR ENDORSEMENT.] The fee for each examination of an applicant for a national board of boiler and pressure vessels commissioned inspectors nuclear endorsement ~~is \$10~~ *shall be set by the commis-*

sioner pursuant to section 16A.128.

Subd. 8. [CERTIFICATE OF COMPETENCY.] The fee for issuance of the original state of Minnesota certificate of competency for inspectors is ~~\$10~~ shall be set by the commissioner pursuant to section 16A.128. This fee is waived for inspectors who paid the examination fee of \$25. The fee for an annual renewal of the state of Minnesota certificate of competency is ~~\$5~~ shall be set by the commissioner pursuant to section 16A.128, and is due January 1 of each year.

Sec. 158. Minnesota Statutes 1982, section 183.57, subdivision 2, is amended to read:

Subd. 2. Every boiler or pressure vessel as to which any insurance company authorized to do business in this state has issued a policy of insurance, after the inspection thereof, is exempt from inspection made under sections 183.375 to 183.62, while the same continues to be insured and the person, firm, or corporation owning or operating the same has an unexpired certificate of exemption from inspection, issued by the chief boiler inspector. The fee of ~~\$10~~ set by the commissioner pursuant to section 16A.128, on the first object inspected and \$5 on each object thereafter shall apply to each exempt object. A certificate of exemption expires one year from date of issue. The certificate of exemption shall be posted in a conspicuous place near the boiler or pressure vessel or in the plant office or boiler room described therein and to which it relates. Every insurance company shall give written notice to the chief boiler inspector of the cancellation or expiration of every policy of insurance issued by it with reference to policies in this state, and the cause or reason for the cancellation or expiration. These notices of cancellation or expiration shall show the date of the policy and the date when the cancellation has or will become effective.

Sec. 159. Minnesota Statutes 1982, section 190.05, subdivision 5, as amended by 1983 H.F. No. 859, section 3, is amended to read:

Subd. 5. [ACTIVE SERVICE.] "Active service" means either state active service, *federally funded state active service*, or federal active service.

Sec. 160. Minnesota Statutes 1982, section 190.05, subdivision 5a, as amended by 1983 H.F. No. 859, section 4, is amended to read:

Subd. 5a. [STATE ACTIVE SERVICE.] "State active service" excludes federal active service *and federally funded state active service* and includes service or duty:

(1) on behalf of the state in case of actual or threatened public disaster, war, riot, tumult, breach of the peace, resistance of process, or whenever called upon in aid of state civil authority;

(2) at encampments ordered by state authority;

(3) otherwise ordered or requested by state authority and requiring the time of the organization or person; or

(4) travel to or from service or duty under clause (1), (2), or (3).

Sec. 161. Minnesota Statutes 1982, section 190.05, subdivision 5b, as amended by 1983 H.F. No. 859, section 5, is amended to read:

Subd. 5b. [FEDERALLY FUNDED STATE ACTIVE SERVICE.] "*Fed-*

erally funded state active service" means service or duty under United States Code, title 32, as amended through December 31, 1983, and travel to or from that service or duty.

Subd. 5c. [FEDERAL ACTIVE SERVICE.] "Federal active service" excludes federally funded state active service and means service or duty under United States Code, title 10 or 32, as amended through December 31, 1983, other service or duty as may be required by the law, regulation, or order of the United States government, and travel to or from that service or duty.

Sec. 162. Minnesota Statutes 1982, section 204B.32, is amended to read:

204B.32 [ELECTION EXPENSES; PAYMENT.]

The secretary of state shall pay the compensation for presidential electors, the cost of printing ~~the white ballots, special federal white ballots, and the pink paper~~ ballots, and all necessary expenses incurred by the secretary of state in connection with elections. The counties shall pay the compensation prescribed in section 204B.31, clauses (b) and (c), the cost of printing the canary ballots, *the white ballots, the pink ballots when machines are used*, the state partisan primary ballots, and the state and county nonpartisan primary ballots, all necessary expenses incurred by county auditors in connection with elections, and the expenses of special county elections. The municipalities shall pay the compensation prescribed for election judges and sergeants at arms, the cost of printing the municipal ballots, providing ballot boxes, providing and equipping polling places and all necessary expenses of the municipal clerks in connection with elections, except special county elections. All disbursements under this section shall be presented, audited, and paid as in the case of other public expenses.

Sec. 163. Minnesota Statutes 1982, section 204D.11, subdivision 1, is amended to read:

Subdivision 1. [WHITE BALLOT; RULES; REIMBURSEMENT.] The names of the candidates for all partisan offices voted on at the state general election ~~and candidates for the office of justice and chief justice of the supreme court~~ shall be placed on a single ballot printed on white paper which shall be known as the "white ballot". This ballot shall be prepared by the county auditor subject to the rules of the secretary of state. ~~The state shall reimburse the counties for~~ *contribute to* the cost of preparing the white ballot and the envelopes required for the returns of that ballot. The secretary of state shall adopt rules for preparation and time of delivery of the white ballot and for ~~reimbursement of the counties' costs~~ *establishing a basis for distributing to the counties the money appropriated by the state for white ballot costs.*

Sec. 164. Minnesota Statutes 1982, section 206.09, is amended to read:

206.09 [BALLOT LABELS; DIAGRAMS FOR VOTING MACHINES.]

The same authorities as are charged with providing paper ballots when such are used shall be required to provide all ballots, ballot labels and ballot cards, diagrams, sample ballots, return sheets and all other necessary supplies needed for the voting machines or electronic voting systems.

In state and county general elections the county auditor of each county in which voting machines or electronic voting systems are used shall provide all ballots, ballot labels, ballot cards, and other necessary printed forms and

supplies needed for the voting machines, including all such forms needed for placing on such voting machines, all officers, candidates and constitutional amendments and other questions and propositions; ~~the ballots for which are required by the election laws to be provided by the state when paper ballots are used placed on the white, pink, and canary ballots. The total cost of printing and providing all such forms shall be prorated by each county auditor so that the state and county will pay each its proportionate share based on the total number of candidates and questions under the jurisdiction of each. The state shall pay to the county its proportionate share of such cost as herein provided, all provisions of the statutes of this state notwithstanding.~~

Except as herein provided all ballots (or ballot labels) shall be printed in black ink on clear white material of such size as will fit the ballot frame of the voting machine or as will conform to the requirements of electronic voting systems where used, and in as plain clear type as the space will reasonably permit. In primaries where electronic voting systems are used, the ballot pages for the partisan primary ballots may be different colors or may be otherwise distinctively differentiated as between parties and all pages of the partisan primary ballot of a single party shall be consecutive without the intervention of any pages of any other party. In a prominent place on such ballots there shall be conspicuously printed a notice stating in substance the effect of attempting to vote in more than one partisan primary. Preparation of separate ballots for use on separate marking devices, each ballot containing the partisan primary ballot of only one party, shall also be permitted. Candidates' names may be set in as large type as the length of the majority of such names of all candidates on the ballot permits and the remaining candidates' names may be set in such smaller sizes or styles of type as the length of each such name requires based upon the available space in the frame of the voting machine or upon the space available on any card, paper, booklet, or pages. Ballots (or ballot labels) for constitutional amendments or that portion of the ballot containing constitutional amendments shall be printed on material tinted pink. In a prominent place on such ballots, there shall be conspicuously printed a notice stating in substance that if a voter fails to vote on a constitutional amendment he votes, in effect, in the negative. Ballots (or ballot labels) for other questions shall be printed on material so tinted as to conform with the laws relating to paper ballots.

The authorities charged with the duty of providing ballots for any polling place where voting machines are used shall provide therefor at least two sample ballots which shall be arranged in the form of a diagram showing such part of the face of the voting machine as shall be in use at that election for voting for all candidates whose names are entitled to be placed on the ballot at such election and shall also show such part of the face of the voting machine as shall be in use for voting for all referendum questions, constitutional amendments, or other propositions; the proper authorities shall provide at least two sample ballots, ballot cards, or ballot labels which shall be arranged in the form of a diagram showing the ballot label containing the names of all candidates and propositions to be voted upon at that election in each polling place. Candidates' names shall not be rotated on such sample ballots but shall be arranged in alphabetical order for all offices where rotation of names on the official ballots on the voting machines is required by law. Such sample ballots shall be either in full or reduced size and shall contain suitable illustrated directions for voting on the voting machine, or for operating a marking device, or such illustrated instructions shall be provided on a separate poster, to be posted adjacent to each sample ballot. Not less than two such sample ballots shall be posted in a prominent place in the

polling place and shall remain open to inspection by the voters throughout the election day.

The county auditor may use a one inch or more space between partisan and nonpartisan ballots, but in all cases a canary yellow color shall be used as background color on the nonpartisan ballots.

Sec. 165. Minnesota Statutes 1982, section 214.06, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any law to the contrary, the commissioner of health as authorized by section 214.13, all health related licensing boards and all non-health related licensing boards shall by rule, with the approval of the commissioner of finance, adjust any fee which the board is empowered to assess a sufficient amount so that the total fees collected by each board will as closely as possible equal anticipated expenditures during the fiscal biennium, ~~including the portion of the general support costs and state-wide indirect costs of the department providing administrative support services to the board that is attributable to the board. Examination fees, if any, shall be set by rule so that the total amount of annual examination fee income approximately meets the anticipated cost of administering the examinations during the fiscal biennium. Fee adjustments authorized under this subdivision may be made without a public hearing when the total fees estimated to be received during the biennium will not exceed 110 percent of the sum of all direct appropriations, transfers in, and salary supplements to the board for the biennium as provided in section 16A.128.~~ All fees received shall be deposited with the state treasurer and credited to the general fund.

Sec. 166. Minnesota Statutes 1982, section 216B.164, subdivision 2, is amended to read:

Subd. 2. [APPLICABILITY.] This section as well as any rules promulgated by the commission ~~pursuant to implement this section or the public utility regulatory policies act of 1978, Pub.L. 95-617, 92 Stat. 3117, and the federal energy regulatory commission regulations thereunder, 18 C.F.R. Code of Federal Regulations, title 18, part 292,~~ shall apply to all Minnesota electric utilities, including cooperative electric associations and municipal electric utilities, ~~that become interconnected with any qualifying facility as defined in 18 C.F.R. Section 292.101(b)(1).~~

Sec. 167. Minnesota Statutes 1982, section 216B.164, subdivision 3, is amended to read:

Subd. 3. [PURCHASES; SMALL FACILITIES.] (a) For a qualifying ~~facilities~~ facility having less than 40 kilowatt capacity, the customer shall be billed for the net energy supplied by the utility according to the applicable rate schedule for sales to that class of customer. In the case of net input into the utility system by ~~the~~ a qualifying facility having less than 40 kilowatt capacity, compensation to the customer shall be at a per kilowatt hour rate ~~set by the commission determined under paragraph (b) or (c) of this subdivision.~~

(b) In setting ~~these~~ rates, the commission shall consider the fixed distribution costs to the utility not otherwise accounted for in the basic monthly charge and shall ensure that the costs charged to the qualifying facility are not discriminatory in relation to the costs charged to other customers of the

utility. ~~Notwithstanding any other language to the contrary in this section,~~ The commission shall set the rates for net input into the utility system based on avoided costs as defined in ~~48 C.F.R.~~ the Code of Federal Regulations, title 18, section 292.101(b)(6), the factors listed in ~~48 C.F.R.~~ Code of Federal Regulations, title 18, section 292.304, and all other relevant factors.

(c) *Notwithstanding any provision in this chapter to the contrary, a qualifying facility having less than 40 kilowatt capacity may elect that the compensation for net input by the qualifying facility into the utility system shall be at the average retail utility energy rate. "Average retail utility energy rate" is defined as the average of the retail energy rates, exclusive of special rates based on income, age, or energy conservation, according to the applicable rate schedule of the utility for sales to that class of customer.*

(d) If the qualifying facility is interconnected with a non-generating utility which has a sole source contract with a municipal power agency or a generation and transmission utility, the non-generating utility may elect to treat its purchase of any net input under this subdivision as being made on behalf of its supplier and shall be reimbursed by its supplier for any additional costs incurred in making the purchase. Qualifying facilities having less than 40 kilowatt capacity may, at the customer's option, elect to be governed by the provisions of subdivision 4.

Sec. 168. Minnesota Statutes 1982, section 216B.164, subdivision 5, is amended to read:

Subd. 5. [DISPUTES.] In the event of disputes between an electric utility and a qualifying facility, either party may request a determination of the issue by the commission. In any such determination, the burden of proof shall be on the utility. *The commission in its order resolving each such dispute shall require payments to the prevailing party of the prevailing party's costs, disbursements, and reasonable attorneys' fees, except that the qualifying facility will be required to pay the costs, disbursements, and attorneys' fees of the utility only if the commission finds that the claims of the qualifying facility in the dispute have been made in bad faith, or are a sham, or frivolous.*

Sec. 169. Minnesota Statutes 1982, section 216B.164, subdivision 6, is amended to read:

Subd. 6. [RULES AND UNIFORM CONTRACT.] (a) The commission shall promulgate rules to implement the provisions of this section. *The commission shall also establish a uniform statewide form of contract for use between utilities and a qualifying facility having less than 40 kilowatt capacity.*

(b) *The commission shall require the qualifying facility to provide the utility with reasonable access to the premises and equipment of the qualifying facility if the particular configuration of the qualifying facility precludes disconnection or testing of the qualifying facility from the utility side of the interconnection with the utility remaining responsible for its personnel.*

(c) *The uniform statewide form of contract shall be applied to all new and existing interconnections established between a utility and a qualifying facility having less than 40 kilowatt capacity, except that existing contracts may remain in force until written notice of election that the uniform statewide*

contract form applies is given by either party to the other, with the notice being of the shortest time period permitted under the existing contract for termination of the existing contract by either party, but not less than ten nor longer than 30 days.

(d) The commission may promulgate temporary rules for the purpose of implementing this section. The temporary rules are subject to sections 14.29 to 14.36.

Sec. 170. Minnesota Statutes 1982, section 216B.164, subdivision 8, is amended to read:

Subd. 8. [CUSTOMER, INTERCONNECTION AND WHEELING CHARGES.] *(a) Utilities shall be required to interconnect with a qualifying facility that offers to provide available energy or capacity and that satisfies the requirements of this section.*

(b) Nothing contained in this section shall be construed to excuse the qualifying facility from any obligation for costs of interconnection and wheeling in excess of those normally incurred by the utility for customers with similar load characteristics who are not cogenerators or small power producers, or from any fixed charges normally assessed such nongenerating customers.

Sec. 171. Minnesota Statutes 1982, section 216B.164, is amended by adding a subdivision to read:

Subd. 9. [MUNICIPAL ELECTRIC UTILITIES.] *For purposes of this section only, except subdivisions 5 and 7, and with respect to municipal electric utilities only, the term "commission" means the governing body of each municipal electric utility that adopts and has in effect rules implementing this section which are consistent with the rules adopted by the Minnesota public utilities commission under subdivision 6. As used in this subdivision, the governing body of a municipal electric utility means the city council of that municipality; except that, if another board, commission, or body is empowered by law or resolution of the city council or by its charter to establish and regulate rates and days for the distribution of electric energy within the service area of the city, that board, commission, or body shall be considered the governing body of the municipal electric utility.*

Sec. 172. [216B.242] [INVERTED RATES.]

The commission may initiate a program designed to demonstrate the effect of inverted rates on promoting conservation by the residential customers of natural gas utilities. Any inverted rates ordered by the commission shall present customers with a tailblock price that, to the maximum extent practicable, reflects the replacement cost of gas. Total revenues collected from customers involved in this pilot program may not exceed those that would be collected under a flat rate. The commission may order one public gas utility to implement a pilot program of inverted rates for residential customers and to monitor the effects of these rates on gas consumption, and on costs to residential customers. The program shall include a sufficient number of residential customers to provide statistically significant conclusions regarding the effects and costs of inverted rates. The inverted rate schedules and monitoring plans shall be prepared in consultation with the commissioner of energy, planning and development.

Sec. 173. Minnesota Statutes 1982, section 216B.44, is amended to read:

216B.44 [MUNICIPAL SERVICE TERRITORY EXTENSIONS IN ANNEXED AREAS; MUNICIPAL PURCHASE.]

Notwithstanding the provisions of sections 216B.38 to 216B.42, whenever a municipality which owns and operates an electric utility (a) extends its corporate boundaries through annexation or consolidation, or (b) determines to extend its service territory within its existing corporate boundaries, the municipality shall thereafter furnish electric service to the annexed area these areas unless the area is already receiving electric service from an electric utility, in which event, the annexing municipality may purchase the facilities of the electric utility serving the annexed area. The municipality acquiring the facilities shall pay to the electric utility formerly serving the annexed area the appropriate value of its properties within the area which payment may be by exchange of other electric utility property outside the municipality on an appropriate basis giving due consideration to revenue from and value of the respective properties. In the event the municipality and the electric utility involved are unable to agree as to the terms of the payment or exchange, the municipality or the electric utility may file an application with the commission requesting that the commission determine the appropriate terms for the exchange or sale. After notice and hearing, the commission shall determine appropriate terms for an exchange, or in the event no appropriate properties can be exchanged, the commission shall fix and determine the appropriate value of the property within the annexed area, and the transfer shall be made as directed by the commission. In making that determination the commission shall consider the original cost of the property, less depreciation, loss of revenue to the utility formerly serving the area, expenses resulting from integration of facilities, and other appropriate factors. Until the determination by the commission, the facilities shall remain in place and service to the public shall be maintained by the owner. However, the electric utility being displaced, serving the annexed area, shall not extend service to any additional points of delivery within the annexed area if the commission, after notice and hearing, with due consideration of any unnecessary duplication of facilities, shall determine that the extension is not in the public interest.

When property of a public electric utility located within an area annexed to a municipality which owns and operates a public electric utility is proposed to be acquired by the municipality, ratification by the electors is not required.

When property of an electric utility located within the existing corporate boundaries of a municipality that currently operates a municipal electric utility is proposed to be included within the service territory of the municipal electric utility, ratification by the electors is not required.

Sec. 174. [216B.465] [VOTER RATIFICATION OF MUNICIPAL PURCHASE, LIMITED APPLICATION.]

The provisions of sections 216B.45 and 216B.46 apply only to the purchase of public utility property by a municipality that, prior to the time of the purchase, did not operate a municipal utility providing the type of utility service delivered by the utility property being purchased.

In cases where the municipality operates, prior to the purchase of public

utility property, a municipal utility providing the type of utility service delivered by the utility property being purchased, the provisions of section 216B.44 apply and voter ratification is not required.

Sec. 175. Minnesota Statutes 1982, section 239.10, is amended to read:

239.10 [ANNUAL INSPECTION.]

The department shall charge a fee to the owner for the costs of the regular inspection of scales, weights, measures, and weighing or measuring devices. The cost of any other inspection shall be paid by the owner if the inspection is performed at his request or if the inspection is made at the request of some other person and the scale, weight, measure, or weighing or measuring device is found to be incorrect. The department may fix the fees and expenses for all regular inspections and special services by rule pursuant to section 16A.128. All moneys collected by the department for its regular inspections, special services, fees, and penalties shall be paid into the state treasury and credited to the state general fund.

Sec. 176. [270.067] [TAX EXPENDITURE BUDGET.]

Subdivision 1. [STATEMENT OF PURPOSE.] State governmental policy objectives are sought to be achieved both by direct expenditure of governmental funds and by the granting of special and selective tax relief or tax expenditures. Both direct expenditures of governmental funds and tax expenditures have an effect on the ability of the state and local governments to lower tax rates or to increase expenditures. As a result, tax expenditures should receive a regular and comprehensive review by the legislature as to (a) their total cost, (b) their effectiveness in achieving their objectives, (c) their effect on the fairness and equity of the distribution of the tax burden, and (d) the public and private cost of administering tax expenditure financed programs. This section is intended to facilitate a regular review of the state and local tax expenditure budget by the legislature by providing for the preparation of a regular biennial tax expenditure budget.

Subd. 2. [PREPARATION; SUBMISSION.] The commissioner of revenue shall prepare a tax expenditure budget for the state. The tax expenditure budget report shall be submitted to the legislature as a supplement to the governor's budget and at the same time as provided for submission of the budget pursuant to section 16A.11, subdivision 1.

Subd. 3. [PERIOD COVERED.] The report shall include estimates of annual tax expenditures for, at a minimum, a three-year period including the two-year period covered in the governor's budget submitted in the preceding January pursuant to section 16A.11.

Subd. 4. [CONTENTS.] The report shall detail for each tax expenditure item the amount of tax revenue foregone, a citation of the statutory or other legal authority for the expenditure, and the year in which it was enacted or the tax year in which it became effective. The report may contain additional information which the commissioner considers relevant to the legislature's consideration and review of individual tax expenditure items. This may include, but is not limited to, statements of the intended purpose of the tax expenditure, analysis of whether the expenditure is achieving that objective, and the effect of the expenditure device on the distribution of the tax burden and administration of the tax system.

Subd. 5. [REVENUE ESTIMATES; LEGISLATIVE BILLS.] Upon reasonable notice from the chairman of the house or senate tax committee that a bill is scheduled for hearing, the commissioner of revenue shall prepare an estimate of the effect on the state's tax revenues which would result from the passage of a legislative bill establishing, extending, or restricting a tax expenditure. These revenue estimates shall contain the same information as provided in subdivision 4 for expenditure items contained in the tax expenditure budget, as appropriate.

Subd. 6. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given:

(1) "Tax expenditure" means a tax provision which provides a gross income definition, deduction, exemption, credit, or rate for certain persons, types of income, transactions, or property that results in reduced tax revenue.

(2) "Tax" means any tax of statewide application or any tax authorized by state law to be levied by local governments generally. It does not include a special local tax levied pursuant to special law or to a special local tax levied pursuant to general authority that is no longer applicable to local governments generally.

Sec. 177. [273.118] [TAX PAID IN RECOGNITION OF CONGRESSIONAL MEDAL OF HONOR.]

An owner of property classified under section 273.13, subdivision 6, 6a, 7, 7d, or 14a, who submits to the commissioner of revenue his property tax statement and reasonable proof that the owner of the property:

(a) is a veteran as defined in section 197.447;

(b) was a resident of this state for at least six months before entering military service, or has been a resident of this state for five consecutive years before submitting the statement and proof; and

(c) has been awarded the congressional medal of honor;

shall be paid by the commissioner of revenue within 30 days after the commissioner receives the statement and proof the amount of the owner's property tax liability as shown on the statement, up to \$2,000. The surviving spouse of a property owner who has received a payment under this section may receive payment of property taxes under this section as long as the spouse continues to own and occupy the property for which the taxes were paid under this section and the property continues to have an eligible classification. Property taxes paid under this section reduce property taxes payable for purposes of chapter 290A, the Property Tax Refund Act.

Sec. 178. Minnesota Statutes 1982, section 290.06, subdivision 13, is amended to read:

Subd. 13. [GASOLINE AND SPECIAL FUEL TAX REFUND.] Subject to the provisions of section 296.18, a credit equal to the amount paid by the taxpayer during the taxable year as excise tax on gasoline bought and used for any purpose other than use in motor vehicles or, snowmobiles, or motorboats, and on special fuel bought and used for any purpose other than use in licensed motor vehicles may be deducted from any tax due under this

chapter. Any amount by which the credit exceeds the tax due shall be refunded.

Sec. 179. Minnesota Statutes 1982, section 290.37, subdivision 1, is amended to read:

Subdivision 1. [PERSONS MAKING RETURNS.] (a) The commissioner of revenue shall annually determine the gross income levels at which individuals and estates shall be required to file a return for each taxable year.

~~In the case of a decedent who has gross income in excess of the minimum amount at which an individual is required to file a return,~~ The decedent's final income tax return, ~~and all other income tax returns for prior years where the decedent had gross income in excess of the minimum amount at which an individual is required to file and did not file,~~ shall be filed by his or her personal representative, if any. If there is no personal representative, the return ~~or returns~~ shall be filed by the ~~successors~~ ~~+~~ ~~transferees~~ as defined in section ~~524.1-201~~ 290.29, subdivision 3, who receive any property of the decedent.

The trustee or other fiduciary of property held in trust shall file a return with respect to the taxable net income of such trust if that exceeds an amount on which a tax at the rates herein provided would exceed the specific credits allowed, or if the gross income of such trust exceeds \$750, if in either case such trust belongs to the class of taxable persons.

Every corporation shall file a return. The return in this case shall be signed by an officer of the corporation.

The receivers, trustees in bankruptcy, or assignees operating the business or property of a taxpayer shall file a return with respect to the taxable net income of such taxpayer if that exceeds an amount on which a tax at the rates herein provided would exceed the specific credits allowed.

(b) Such return shall (1) be verified or contain a written declaration that it is made under the penalties of criminal liability for wilfully making a false return, and (2) shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.

(c) For purposes of this subdivision the term "gross income" shall mean gross income as defined in section 61 of the Internal Revenue Code of 1954, as amended through December 31, 1981, modified and adjusted in accordance with the provisions of sections 290.01, subdivision 20b, clauses (1), (6) and (11), 290.08, and 290.17.

Sec. 180. Minnesota Statutes 1982, section 290.44, is amended to read:

290.44 [PAYMENT OF TAX, WHO MUST PAY.]

The taxes imposed by this chapter, and interest and penalties imposed with respect thereto, shall be paid by the taxpayer upon whom imposed, except in the following cases:

(1) The tax due from a decedent for that part of the taxable year in which he died during which he was alive ~~and the taxes, interest, and penalty due for any and all prior years~~ shall be paid by his personal representative, if any. If there is no personal representative, the ~~tax~~ ~~taxes, interest, and penalty~~ shall be paid by the ~~successors~~ ~~+~~ ~~transferees~~, as defined in section ~~524.1-201~~

290.29, subdivision 3, to the extent they receive property from the decedent.

(2) The tax due from an infant or other incompetent person shall be paid by his guardian or other person authorized or permitted by law to act for him;

(3) The tax due from the estate of a decedent shall be paid by the personal representative thereof;

(4) The tax due from a trust, including those within the definition of corporation, shall be paid by the trustee or trustees;

(5) The tax due from a taxpayer whose business or property is in charge of a receiver, trustee in bankruptcy, assignee, or other conservator, shall be paid by the person in charge of such business or property so far as the tax is due to the income from such business or property.

Sec. 181. Minnesota Statutes 1982, section 296.18, subdivision 1, is amended to read:

Subdivision 1. [GASOLINE OR SPECIAL FUEL USED IN OTHER THAN MOTOR VEHICLES.] Any person who shall buy and use gasoline for any purpose other than use in motor vehicles or, snowmobiles, or motor-boats, or special fuel for any purpose other than use in licensed motor vehicles, and who shall have paid the excise tax directly or indirectly through the amount of the tax being included in the price of the gasoline or special fuel, or otherwise, shall be eligible to receive the credit provided in section 290.06, subdivision 13, in the amount of the tax paid by him. The taxpayer claiming this credit shall include with his income tax return information including the total amount of the gasoline so purchased and used by him other than in motor vehicles, or special fuel so purchased and used by him other than in licensed motor vehicles, and shall state when and for what purpose it was used. The words "gasoline" or "special fuel" as used in this subdivision do not include aviation gasoline or special fuel for aircraft.

Sec. 182. Minnesota Statutes 1982, section 296.421, subdivision 5, is amended to read:

Subd. 5. [COMPUTATION OF UNREFUNDED TAX.] The amount of unrefunded tax shall be a sum equal to three-fourths of one percent of all revenues derived from the excise taxes on gasoline, except on gasoline used for aviation purposes, together with interest thereon and penalties for delinquency in payment, paid or collected pursuant to the provisions of sections 296.02 to 296.17; ~~from which shall be subtracted the total amount of money refunded for motor boat use pursuant to section 296.18.~~ The amount of such tax shall be computed for each six-month period commencing January 1, 1961, and shall be paid into the state treasury on November 1 and June 1 following each six-month period.

Sec. 183. Minnesota Statutes 1982, section 298.22, subdivision 1, is amended to read:

Subdivision 1. (1) The office of commissioner of iron range resources and rehabilitation is created. The commissioner shall be appointed by the governor under the provisions of section 15.06.

(2) The commissioner may hold such other positions or appointments as

are not incompatible with his duties as commissioner of iron range resources and rehabilitation. The commissioner may appoint a deputy commissioner. All expenses of the commissioner, including the payment of such assistance as may be necessary, shall be paid out of the amounts appropriated by section 298.28, subdivision 1. *The compensation of the commissioner shall be set by the governor.*

(3) When the commissioner shall determine that distress and unemployment exists or may exist in the future in any county by reason of the removal of natural resources or a possibly limited use thereof in the future and the decrease in employment resulting therefrom, now or hereafter, he may use such amounts of the appropriation made to him in section 298.28, subdivision 1 as he may determine to be necessary and proper in the development of the remaining resources of said county and in the vocational training and rehabilitation of its residents. For the purposes of this section, "development of remaining resources" includes, but is not limited to, the promotion of tourism.

Sec. 184. Minnesota Statutes 1982, section 309.53, subdivision 2, is amended to read:

Subd. 2. Such annual report shall include a financial statement covering the immediately preceding 12 months period of operation, and shall be executed by any two duly constituted officers of the charitable organization, who shall acknowledge that it was executed pursuant to resolution of the board of directors or trustees, or if there be no such board, then by its managing group which has approved the content of the annual report. *This annual report shall also include a copy of any tax return, including amendments, submitted by the charitable organization to the Internal Revenue Service for the period covered by the annual report.*

A charitable organization which files the annual report required under this subdivision with the securities and real estate division is not required to file the tax return with the commissioner of revenue. An organization which fails to file the tax return required under this section is subject to the penalties imposed by the commissioner of revenue as set forth in section 290.05, subdivisions 4 and 5.

Sec. 185. Minnesota Statutes 1982, section 309.53, is amended by adding a subdivision to read:

Subd. 3a. The federal tax return may be filed in lieu of other financial statements if it is prepared in accordance with generally accepted accounting principles and meets the requirements for financial statements set forth in subdivisions 2, 3, and 4.

Sec. 186. Minnesota Statutes 1982, section 317.67, is amended by adding a subdivision to read:

Subd. 3. [FILING FEE.] The secretary of state shall collect a fee of \$25 from each new nonprofit corporation at the time of incorporation.

Sec. 187. Minnesota Statutes 1982, section 322A.16, is amended to read:

322A.16 [FILING IN OFFICE OF SECRETARY OF STATE.]

(a) A signed copy of the certificate of limited partnership, of any certifi-

cates of amendment or cancellation or of any judicial decree of amendment or cancellation shall be delivered to the secretary of state. A person who executes a certificate as an agent or fiduciary need not exhibit evidence of his authority as a prerequisite to filing. Unless the secretary of state finds that any certificate does not conform to law, upon receipt of a \$10 filing fee ~~he~~ and, in the case of a certificate of limited partnership, a \$50 initial fee, the secretary shall:

(1) endorse on the original the word "Filed" and the day, month and year of the filing; and

(2) return the original to the person who filed it or his representative.

(b) Upon the filing of a certificate of amendment or judicial decree of amendment in the office of the secretary of state, the certificate of limited partnership shall be amended as set forth in the amendment, and upon the effective date of a certificate of cancellation or a judicial decree of it, the certificate of limited partnership is cancelled.

Sec. 188. Minnesota Statutes 1982, section 322A.71, is amended to read:

322A.71 [ISSUANCE OF REGISTRATION.]

(a) If the secretary of state finds that an application for registration conforms to law and a \$10 filing fee and a \$50 initial registration fee has been paid, ~~he~~ the secretary shall:

(1) endorse on the application the word "Filed", and the month, day and year of the filing thereof;

(2) file in his office a duplicate original of the application; and

(3) issue a certificate of registration to transact business in this state.

(b) The certificate of registration, together with a duplicate original of the application, shall be returned to the person who filed the application or his representative.

Sec. 189. Minnesota Statutes 1982, section 331.02, is amended by adding a subdivision to read:

Subd. 1a. [FEE.] Every newspaper submitting the statement required by subdivision 1, clause (8) shall remit a \$25 filing fee to the secretary of state at the time of that submission.

Sec. 190. Minnesota Statutes 1982, section 333.055, subdivision 3, is amended to read:

Subd. 3. The secretary of state shall charge and collect:

(a) For the filing of each certificate or amended certificate of an assumed name - ~~\$12~~ \$15

(b) Certificate renewal fee - \$6

Sec. 191. Minnesota Statutes 1982, section 333.20, subdivision 4, is amended to read:

Subd. 4. The application for registration shall be accompanied by a filing fee of ~~\$18~~ \$25, payable to the secretary of state; provided, however, that a single credit of \$10 shall be given each applicant applying for re-registration

of a mark hereunder for each \$10 filing fee paid by applicant for registration of the same trademark prior to the effective date of sections 333.18 to 333.31.

Sec. 192. Minnesota Statutes 1982, section 345.31, is amended by adding a subdivision to read:

Subd. 3a. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.

Sec. 193. Minnesota Statutes 1982, section 345.41, is amended to read:

345.41 [REPORT OF ABANDONED PROPERTY.]

(a) Every person holding funds or other property, tangible or intangible, presumed abandoned under sections 345.31 to 345.60 shall report annually to the ~~state treasurer~~ *commissioner* with respect to the property as hereinafter provided.

(b) The report shall be verified and shall include:

(1) except with respect to traveler's checks and money orders, the name, if known, and last known address, if any, of each person appearing from the records of the holder to be the owner of any property of the value of \$10 or more presumed abandoned under sections 345.31 to 345.60;

(2) in case of unclaimed funds of life insurance corporations, the full name of the policyholder, insured or annuitant and his last known address according to the life insurance corporation's records;

(3) the nature and identifying number, if any, or description of the property and the amount appearing from the records to be due, except that items of value under \$10 each may be reported in aggregate;

(4) the date when the property became payable, demandable or returnable, and the date of the last transaction with the owner with respect to the property; and

(5) other information which the ~~state treasurer~~ *commissioner* prescribes by rule as necessary for the administration of sections 345.31 to 345.60.

(c) If the person holding property presumed abandoned is a successor to other persons who previously held the property for the owner, or if the holder has changed his name while holding the property, he shall file with his report all prior known names and addresses of each holder of the property.

(d) The report shall be filed before November 1 of each year as of June 30 next preceding, but the report of life insurance corporations shall be filed before May 1 of each year as of December 31 next preceding. The ~~state treasurer~~ *commissioner* may postpone the reporting date upon written request by any person required to file a report.

(e) If the holder of property presumed abandoned under sections 345.31 to 345.60 knows the whereabouts of the owner and if the owner's claim has not been barred by the statute of limitations, the holder shall, before filing the annual report, inform the owner of the steps necessary to prevent abandonment from being presumed.

(f) Verification, if made by a partnership, shall be executed by a partner; if

made by an unincorporated association or private corporation, by an officer, and if made by a public corporation, by its chief fiscal officer.

(g) Holders of property described in section 345.32 shall not impose any charges against property which is described in section 345.32, clauses (a), (b) or (c).

(h) Any person who has possession of property which he has reason to believe will be reportable in the future as unclaimed property may, with the permission of the ~~state treasurer~~ *commissioner*, report and deliver such property prior to the date required for reporting in accordance with this section.

Sec. 194. Minnesota Statutes 1982, section 357.08, is amended to read:

357.08 [PAID BY APPELLANT IN APPEAL TO SUPREME COURT.]

~~In lieu of all charges now provided by law as fees of the clerk of the supreme court,~~ There shall be paid by the appellant, or moving party or person requiring the service, in all cases of appeal, certiorari, habeas corpus, mandamus, injunction, prohibition, or other original proceeding, *when initially filed with the clerk of the appellate courts, the sum of \$20 \$50 to the clerk of the appellate courts. In addition, there shall be paid by the appellant or moving party or person the sum of \$10 to the court or agency whose decision is sought to be reviewed. No additional filing fee shall be required for a petition for accelerated review by the supreme court. A filing fee of \$50 shall be paid to the clerk of the appellate courts upon the filing of a petition for review from a decision of the court of appeals.*

The clerk shall not file any paper, issue any writ or certificate, or perform any service enumerated herein, until the payment therefor shall have been made, and when made he shall pay such sum into the state treasury as provided for by section 15A.01.

The charges provided for herein shall not apply to disbarment proceedings, nor to an action or proceeding by the state taken solely in the public interest, where the state is the appellant or moving party, nor to copies of the opinions of the court furnished by the clerk to the parties before judgment, or so furnished to the district judge whose decision is under review, or to such law library associations in counties having a population exceeding 50,000, as the court may direct.

Sec. 195. Minnesota Statutes 1982, section 360.302, subdivision 1, is amended to read:

Subdivision 1. To provide moneys appropriated from time to time by the legislature for aeronautics purposes in accordance with the Constitution, Article 10, Sections 4 and 5, and Article XI, Section 5, Clause (g), upon request of the commissioner of transportation, the ~~state auditor~~ *commissioner of finance* is directed to issue and sell bonds of the state of Minnesota, not exceeding the amount required from time to time to meet the appropriations so made, for the prompt and full payment of which, with the interest thereon, the full faith, credit, and taxing powers of the state are hereby irrevocably pledged. Such bonds shall be known as "Minnesota aeronautics bonds." The principal amount thereof shall be credited to the state airports fund created by sections 360.017 and 270.077, together with any interest

received by the state upon investment of such bond proceeds, but the accrued interest and any premium received upon sale of the bonds shall be credited to the state bond fund ~~and~~ except that the principal amount of any bonds authorized to refund existing obligations shall be credited to the fund or funds from which those obligations are payable.

Sec. 196. Minnesota Statutes 1982, section 360.302, subdivision 2, is amended to read:

Subd. 2. Such bonds shall be issued and sold at ~~not less than par~~ upon sealed bids after ~~two weeks~~ published notice, unless sold to the state board of investment. They shall be issued and sold in ~~such number of series the manner, at such times, in such form and denominations, bearing interest at such a rate or rates, maturing on such dates and in amounts, either with or without option of prior redemption or subject to prepayment upon such notice and at such specified times and prices, payable at such a bank or banks, within or without the state, with such provisions, if any, for registration, conversion, and exchange and for the issuance of temporary bonds or notes in anticipation of the sale and delivery of definitive bonds, and in accordance with such further regulations as the state auditor commissioner of finance may determine, subject to any limitations stated in the acts authorizing such bonds and appropriating the proceeds thereof (but not subject to the provisions of sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62).~~ The bonds shall be executed by the ~~state auditor commissioner of finance~~ and attested by the state treasurer under their official seals. The ~~signature of one signatures of these officers on the face of and the interest coupons appertaining to any bond, and their seals, and the signatures of both officers on the interest coupons appurtenant to any bond,~~ may be printed, lithographed, stamped, ~~or engraved, or otherwise reproduced thereon, provided that the signature of one of the officers, or of an authorized representative of a corporate registrar or other agent designated by the commissioner of finance to authenticate the bonds, shall be manually subscribed on the face of each bond.~~

Sec. 197. Minnesota Statutes 1982, section 360.302, subdivision 3, is amended to read:

Subd. 3. The ~~auditor commissioner of finance~~ is authorized and directed to ascertain and certify to purchasers of the bonds the performance and existence of all acts, conditions, and things necessary to make them valid and binding general obligations of the state of Minnesota in accordance with their terms. Any act authorizing the issuance of bonds pursuant to this section shall, together with this section, constitute complete authority for such issue, and such bonds shall not be subject to the restrictions or limitations contained in any other law.

Sec. 198. Minnesota Statutes 1982, section 363.02, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYMENT.] The provisions of section 363.03, subdivision 1, shall not apply to:

- (1) The employment of any individual
 - (a) by his parent, grandparent, spouse, child, or grandchild, or
 - (b) in the domestic service of any person;

(2) A religious or fraternal corporation, association, or society, with respect to qualifications based on religion, when religion shall be a bona fide occupational qualification for employment;

(3) The employment of one person in place of another, standing by itself, shall not be evidence of an unfair discriminatory practice;

(4) An age restriction applied uniformly and without exception to all individuals established by a bona fide apprenticeship program established pursuant to chapter 178, which limits participation to persons who enter the program prior to some specified age and the trade involved in the program predominantly involves heavy physical labor or work on high structures. *After January 1, 1984, these age restrictions are exempt from the provisions of section 363.03, subdivision 1 only to the extent that they are declared exempt in rules adopted by the commissioner according to chapter 14. The commissioner must adopt rules governing this subject before January 1, 1984, and is authorized to adopt temporary, as well as permanent rules for this purpose.* Neither shall the operation of a bona fide seniority system which mandates differences in such things as wages, hiring priorities, lay-off priorities, vacation credit, and job assignments based on seniority, be a violation of the age discrimination provisions of section 363.03, subdivision 1, so long as the operation of such system is not a subterfuge to evade the provisions of chapter 363;

(5) With respect to age discrimination, a practice whereby a labor organization or employer offers or supplies varying insurance benefits or other fringe benefits to members or employees of differing ages, so long as the cost to the labor organization or employer for such benefits is reasonably equivalent for all members or employees;

(6) A restriction imposed by state statute, home rule charter, ordinance, or civil service rule, and applied uniformly and without exception to all individuals, which establishes a maximum age for entry into employment as a peace officer or firefighter.

(7) Nothing in this chapter concerning age discrimination shall be construed to validate or permit age requirements which have a disproportionate impact on persons of any class otherwise protected by section 363.03, subdivision 1 or 5.

It is not an unfair employment practice for an employer, employment agency or labor organization:

(i) to require a person to undergo physical examination for purpose of determining the person's capability to perform available employment; or

(ii) to conduct an investigation as to the person's medical history for the purpose of determining the person's capability to perform available employment; or

(iii) to limit receipt of benefits payable under a fringe benefit plan for disabilities to that period of time which a licensed physician reasonably determines a person is unable to work; or

(iv) to provide special safety considerations for pregnant women involved in tasks which are potentially hazardous to the health of the unborn child, as determined by medical criteria.

Sec. 199. Minnesota Statutes 1982, section 363.06, subdivision 4, is amended to read:

Subd. 4. [INQUIRY INTO CHARGE.] (1) Consistent with clause (7), ~~when a charge has been filed,~~ the commissioner shall promptly inquire into the truth of the allegations of the charge. The commissioner shall make an immediate inquiry when necessary to prevent a charging party from suffering irreparable loss in the absence of immediate action. The commissioner shall also make an immediate inquiry when it appears that a charge is frivolous or without merit and shall dismiss those charges. On ~~all~~ other charges the commissioner shall make a determination *within 12 months after the charge was filed* as to whether or not there is probable cause to credit the allegation of unfair discriminatory practices, and

(2) If the commissioner determines after investigation that no probable cause exists to credit the allegations of the unfair discriminatory practice, the commissioner shall, within ten days of the determination, serve upon the charging party and respondent written notice of the determination. Within ten days after receipt of notice, the charging party may request in writing on forms prepared by the department that the commissioner reconsider his determination. The request shall contain a brief statement of the reasons for and new evidence in support of the request for reconsideration. At the time of submission of the request to the commissioner, the charging party shall deliver or mail to the respondent a copy of the request for reconsideration. The commissioner shall either reaffirm or reverse his determination of no probable cause within 20 days after receipt of the request for reconsideration, and he shall within ten days notify in writing the charging party and respondent of his decision to reaffirm or reverse.

A decision by the commissioner that no probable cause exists to credit the allegations of an unfair discriminatory practice shall not be appealed to district court pursuant to section 363.072 or sections 14.63 to 14.68.

(3) If the commissioner determines after investigation that probable cause exists to credit the allegations of unfair discriminatory practices, the commissioner shall serve on the respondent and his attorney if he is represented by counsel, by first class mail, a notice setting forth a short plain written statement of the alleged facts which support the finding of probable cause and an enumeration of the provisions of law allegedly violated. If the commissioner determines that attempts to eliminate the alleged unfair practices through conciliation pursuant to subdivision 5 have been or would be unsuccessful or unproductive, the commissioner shall issue a complaint and serve on the respondent, by registered or certified mail, a written notice of hearing together with a copy of the complaint, requiring the respondent to answer the allegations of the complaint at a hearing before a hearing examiner at a time and place specified in the notice, not less than ten days after service of said complaint. A copy of the notice shall be furnished to the charging party and the attorney general.

(4) If, at any time after the filing of a charge, the commissioner has reason to believe that a respondent has engaged in any unfair discriminatory practice, the commissioner may file a petition in the district court in a county in which the subject of the complaint occurs, or in a county in which a respondent resides or transacts business, seeking appropriate temporary relief

against the respondent, pending final determination of proceedings under this chapter, including an order or decree restraining him from doing or procuring an act tending to render ineffectual an order the commissioner may enter with respect to the complaint. The court shall have power to grant temporary relief or a restraining order as it deems just and proper, but no relief or order extending beyond ten days shall be granted except by consent of the respondent or after hearing upon notice to the respondent and a finding by the court that there is reasonable cause to believe that the respondent has engaged in a discriminatory practice. Except as modified by this section, the Minnesota rules of civil procedure shall apply to an application, and the district court shall have authority to grant or deny the relief sought on conditions as it deems just and equitable. All hearings under this section shall be given precedence as nearly as practicable over all other pending civil actions.

(5) If a lessor, after he has engaged in a discriminatory practice defined in section 363.03, subdivision 2, clause (1), (a), leases or rents a dwelling unit to a person who has no knowledge of the practice or of the existence of a charge with respect to the practice, the lessor shall be liable for actual damages sustained by a person by reason of a final order as provided in this section requiring the person to be evicted from the dwelling unit.

(6) In any complaint issued under this section, the commissioner may seek relief for a class of individuals affected by an unfair discriminatory practice occurring on or after a date six months prior to the filing of the charge from which the complaint originates.

(7) The commissioner may adopt policies to determine *which charges are processed and the order in which charges are processed* based on their particular social or legal significance, administrative convenience, difficulty of resolution, or other standard consistent with the provisions of this chapter.

Sec. 200. Minnesota Statutes 1982, section 363.06, is amended by adding a subdivision to read:

Subd. 4a. [TEMPORARY RULES.] The commissioner may adopt temporary rules pursuant to chapter 14 to carry out the purposes of this section. Temporary and permanent rules adopted pursuant to this subdivision apply to cases pending before the commissioner on the date of adoption.

Sec. 201. Minnesota Statutes 1982, section 363.071, subdivision 2, is amended to read:

Subd. 2. [DETERMINATION OF DISCRIMINATORY PRACTICE.] The hearing examiner shall make findings of fact and conclusions of law, and if the hearing examiner finds that the respondent has engaged in an unfair discriminatory practice, the hearing examiner shall issue an order directing the respondent to cease and desist from the unfair discriminatory practice found to exist and to take such affirmative action as in the judgment of the examiner will effectuate the purposes of this chapter. Such order shall be a final decision of the department. The examiner shall order any respondent found to be in violation of any provision of section 363.03 to pay a civil penalty to the state. This penalty is in addition to compensatory and punitive damages to be paid to an aggrieved party. The hearing examiner shall determine the amount of the civil penalty to be paid, taking into account the

seriousness and extent of the violation, the public harm occasioned by the violation, whether the violation was intentional, and the financial resources of the respondent. Any penalties imposed under this provision shall be paid into the general fund of the state. In all cases the examiner may order the respondent to pay an aggrieved party, who has suffered discrimination, compensatory damages, including damages for mental anguish or suffering, and, in all cases, may also order the respondent to pay an aggrieved party, who has suffered discrimination, punitive damages in an amount not more than \$6,000. Punitive damages shall be awarded pursuant to section 549.20. In any case where a political subdivision is a respondent the total of punitive damages awarded an aggrieved party may not exceed \$6,000 and in that case if there are two or more respondents the punitive damages may be apportioned among them. Punitive damages may only be assessed against a political subdivision in its capacity as a corporate entity and no regular or ex-officio member of a governing body of a political subdivision shall be personally liable for payment of punitive damages pursuant to this subdivision. In addition to the aforesaid remedies, in a case involving discrimination in

(a) employment, the examiner may order the hiring, reinstatement or upgrading of an aggrieved party, who has suffered discrimination, with or without back pay, admission or restoration to membership in a labor organization, or his admission to or participation in an apprenticeship training program, on-the-job-training program, or other retraining program, or any other relief the examiner deems just and equitable.

(b) housing, the examiner may order the sale, lease, or rental of the housing accommodation or other real property to an aggrieved party, who has suffered discrimination, or the sale, lease or rental of a like accommodation or other real property owned by or under the control of the person against whom the complaint was filed, according to terms as listed with a real estate broker, or if no such listing has been made, as otherwise advertised or offered by the vendor or lessor, or any other relief the examiner deems just and equitable.

The examiner shall cause the findings of fact, conclusions of law, and order to be served on the respondent personally, the charging party by registered or certified mail, and shall furnish copies to the attorney general and the commissioner.

Sec. 202. Minnesota Statutes 1982, section 453.54, is amended by adding a subdivision to read:

Subd. 7a. It may invest in various technologies to minimize long-run costs of providing electrical services to consumers. These investments include energy conservation measures and renewable resources.

Sec. 203. Minnesota Statutes 1982, section 462A.02, subdivision 10, is amended to read:

Subd. 10. It is further declared that supplies of conventional energy resources are rapidly depleting in quantity and rising in price and that the burden of these occurrences falls heavily upon *the citizens of Minnesota generally and persons of low and moderate income in particular.* These conditions are adverse to the health, welfare, and safety of *all of the citizens*

of this state. It is further declared that it is a public purpose to ensure the availability of financing to be used by ~~low and moderate income people~~ all citizens of the state, while giving preference to low and moderate income people, to ~~install~~ assist in the installation in their dwellings of reasonably priced energy conserving systems ~~using~~ including the use of alternative energy resources and equipment so that by the improvement of the energy efficiency of all housing, the adequacy of the total energy supply may be preserved for the benefit of all citizens.

Sec. 204. Minnesota Statutes 1982, section 462A.05, is amended by adding a subdivision to read:

Subd. 14b. It may agree to purchase, make, or otherwise participate in the making, and may enter into commitments for the purchase, making, or participating in the making, of loans to persons and families, without limitations relating to the maximum incomes of the borrowers, to assist in energy conservation rehabilitation measures for existing housing owned by those persons or families including, but not limited to: weatherstripping and caulking, chimney construction or improvement, furnace or space heater repair, cleaning or replacement, insulation, storm windows and doors, and structural or other directly related repairs essential for energy conservation. Loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part, from private lenders upon equivalent terms and conditions.

Sec. 205. Minnesota Statutes 1982, section 462A.05, is amended by adding a subdivision to read:

Subd. 18a. The agency may make loans, with or without interest, and with security for repayment, if any, the agency determines reasonably necessary and practicable, for the financing of innovative housing as described in this section.

(a) The housing shall be cooperative or rental multifamily housing which is designed to provide long-term affordability and which is either owned and operated on a nonprofit cooperative basis by the residents, or owned by a limited-dividend entity and operated by a residents association.

(b) Occupancy shall be restricted to persons and families of low and moderate income as defined in section 462A.03, subdivision 10; provided that the agency shall give priority to proposals that will provide housing to persons and families whose income is 50 percent or less of the statewide median family income, as estimated by the United States department of housing and urban development.

(c) A democratic residents association shall have substantial control over the operation and management of the housing and over the filling of housing unit vacancies.

(d) A training and education program shall be developed by the loan recipient and made available to residents to help them organize and operate the residents association, understand their legal rights and financial interests regarding the property, and manage and maintain the property. The agency shall ensure that a training and education program has been developed prior to approving any loan under this section.

Sec. 206. Minnesota Statutes 1982, section 462A.05, is amended by ad-

ding a subdivision to read:

Subd. 23. The agency may participate in loans or establish a fund to insure loans, or portions of loans, that are made by any banking institution, savings and loan association, or other lender approved by the agency, organized under the laws of this or any other state or of the United States having an office in this state, to owners of renter occupied homes or apartments that do not comply with standards set forth in section 116J.27, subdivision 3, without limitations relating to the maximum incomes of the owners or tenants. The proceeds of the insured portion of the loan must be used to pay the costs of improvements, including all related structural and other improvements, that will reduce energy consumption.

Sec. 207. [462A.072] [PROVISION OF FINANCIAL EXPERTISE TO OTHER AGENCIES.]

Upon request of the commissioner of energy, planning and development, the director shall provide financial management assistance to the small business finance agency. Reimbursement for these services shall be at a reasonable rate established by negotiation between the director and the commissioner of energy, planning and development.

Sec. 208. Minnesota Statutes 1982, section 462A.21, is amended by adding a subdivision to read:

Subd. 4j. It may expend money for the purposes of section 462A.05, subdivision 23, and may pay the costs and expenses for the development and operation of the program.

Sec. 209. Minnesota Statutes 1982, section 462A.21, is amended by adding a subdivision to read:

Subd. 9a. It may create a revolving fund to be used to make loans to encourage innovative multifamily housing pursuant to section 462A.05, subdivision 18a.

Sec. 210. [462A.27] [RULES.]

The agency may adopt temporary and permanent rules for the efficient administration of sections 204, 205, and 206. The temporary rules need not be adopted in compliance with chapter 14 and are effective for 360 days or until the permanent rules are adopted, whichever occurs first. The temporary rules are effective upon adoption by the agency and shall be published in the state register as soon thereafter as possible.

Sec. 211. Minnesota Statutes 1982, section 471.345, is amended by adding a subdivision to read:

Subd. 9. [ENERGY EFFICIENCY SERVICE CONTRACTS.] Notwithstanding any law to the contrary, a municipality may enter into a contract to purchase by installment payments capital or other equipment or services intended to improve the energy efficiency of buildings or facilities owned by the municipality provided that:

(a) the term of the contract does not exceed ten years;

(b) the entire cost of the contract is a percentage of the resultant savings in energy costs;

(c) the contract for purchase is based on a competitive basis; and

(d) the municipality may unilaterally cancel the agreement if the governing board of the municipality fails to appropriate money to continue the contract.

Sec. 212. [471.365] [LOCAL GOVERNMENT PURCHASES.]

A bid received by a local unit of government on a contract for purchase of goods shall not be considered as the lowest bid if it is a product of a prison industry other than one located in Minnesota.

Sec. 213. Minnesota Statutes 1982, section 473.833, subdivision 3, is amended to read:

Subd. 3. [COUNTY SITE SELECTION AUTHORITIES.] Each metropolitan county shall establish a site selection authority. By June 1, 1983, each site selection authority shall select specific sites within the county from the council's disposal site inventory, in accordance with the procedures established by the council under section 473.149, subdivision 2e, and in a number equal to that required by the council to be acquired by the county. Each site selection authority shall be composed of the county board, plus one member appointed by the governing body of each city or town within the county containing a site in the council's disposal site inventory or the majority of the land contained within such a site. If the number of members on the site selection authority who reside in a city or town containing all or part of a site or buffer area is equal to or greater than the number of members who do not, the chairman of the county board shall appoint to the authority an additional member or members, residing within the county but not within a city or town containing all or part of a site or buffer area, sufficient to assure a majority of one on the authority of members residing in cities and towns not containing all or any part of a site or buffer area. The chairman of the county board shall be the chairman of the site selection authority. If a site selection authority has not selected the requisite number of sites in accordance with the council's standards, criteria, and procedures by June 1, 1983, the council shall make the selection. *A county is not required to develop a solid waste disposal facility in any municipality in which a mixed municipal solid waste resource recovery facility having a capacity greater than 400 tons per day is located if the council finds that the capacity and number of disposal facilities required by the development schedule in that county can be provided in that county without development of the solid waste disposal facility.*

Sec. 214. Minnesota Statutes 1982, section 480.09, subdivision 5, is amended to read:

Subd. 5. All moneys collected shall be paid into the state treasury and ~~shall be added to the current biennial appropriation~~ *are appropriated to the state law librarian for the library purposes. Separate accounts shall be maintained for book sales receipts, the book purchasing service, and computer-assisted legal research.*

Sec. 215. Minnesota Statutes 1982, section 480.241, subdivision 2, is amended to read:

Subd. 2. [TRANSMITTAL OF SURCHARGE TO SUPREME COURT.] Notwithstanding any other law or rule to the contrary, all surcharges col-

lected pursuant to subdivision 1 shall be transmitted monthly by the district, county and conciliation court clerks and municipal court administrators to the supreme court for deposit in a *legal services account in the general special revenue fund*.

Sec. 216. Minnesota Statutes 1982, section 480A.01, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY NUMBER OF JUDGES.] On July 1, 1983 November 1, 1983, the court of appeals shall consist of six judges. On January 1, 1984 April 1, 1984, an additional six judges shall be added.

Sec. 217. Minnesota Statutes 1982, section 514.19, is amended to read:

514.19 [RIGHT OF DETAINER.]

~~Such~~ A lien and right of detainer ~~shall exist~~ exists for:

(1) Transporting property from one place to another but not as a carrier under article 7 of the uniform commercial code;

(2) Keeping or storing property as a bailee but not as a warehouseman under article 7 of the uniform commercial code;

(3) Keeping, feeding, pasturing, or otherwise caring for domestic animals or other beasts, including medical or surgical treatment thereof and shoeing the same;

(4) *The use and storage of molds and patterns in the possession of the fabricator belonging to the customer for the balance due from the customer for fabrication work;*

(5) Making, altering or repairing any article, or expending any labor, skill or material thereon *on it*.

~~Such~~ The liens shall embrace all lawful charges against ~~such the~~ property paid to any other person by the person claiming ~~such the~~ lien, and the price or value of ~~such the~~ care, storage or contribution and all reasonable disbursements occasioned by the detention or sale of the property.

Sec. 218. Minnesota Statutes 1982, section 514.92, subdivision 1, is amended to read:

Subdivision 1. Every duly licensed and registered veterinarian shall have a lien for all veterinary services over \$25 rendered upon any animal or animals at the request of the owner or lawful possessor of same, including but not limited to surgical procedures, vaccines, antisera, virus, antibiotics, or other veterinary treatment, from the date of filing ~~such the~~ lien. Within 60 180 days from the day on which ~~said the~~ treatment was completed, the claimant of ~~such the~~ lien shall file in the appropriate filing office under the Uniform Commercial Code, Minnesota Statutes, Section 336.9-401, a verified lien statement setting forth the kind and number of animals treated, the ~~price agreed upon reasonable value for such the treatment, which shall not exceed the reasonable value of such treatment or services rendered, or the price contracted between the parties,~~ the name of the person for whom ~~such the~~ treatment was done, the ~~description~~ *reasonable identification* of the animal or group of animals treated, and if branded, the brand thereon, dates when the treatment was commenced and was completed, the name of the

owner, or reputed owner, of ~~such~~ *the* animals, the name and address of the veterinarian claiming the lien. Within one year after the date the last service was rendered, but not thereafter, the lien claimant may foreclose his lien in the manner prescribed for security interests under Article 9 of the Uniform Commercial Code.

Sec. 219. Minnesota Statutes 1982, section 546.27, subdivision 2, is amended to read:

Subd. 2. *At least annually*, the board on judicial standards shall ~~annually~~ review the compliance of each district, county, municipal, or probate judge with the provisions of subdivision 1. *To facilitate this review, the director of the state judicial information system shall notify the executive secretary of the state board on judicial standards when a matter exceeds 90 days without a disposition.* The board shall notify the commissioner of finance of each judge not in compliance. If the board finds that a judge has compelling reasons for noncompliance, it may decide not to issue the notice. Upon notification that a judge is not in compliance, the commissioner of finance shall not pay the salary of that judge. The board may cancel a notice of noncompliance upon finding that a judge is in compliance, but in no event shall a judge be paid a salary for the period in which the notification of noncompliance was in effect.

Sec. 220. Minnesota Statutes 1982, section 648.39, subdivision 5, is amended to read:

Subd. 5. [SALE PRICE.] The sale price for each edition of Minnesota Statutes is the actual cost of composition, printing, binding, and distribution of all books ordered, but not less than \$75. The sale prices of each edition of the Laws of Minnesota and supplement to the Minnesota Statutes are not less than the actual cost of composition, printing, binding and distribution of all books ordered, but not less than ~~\$25~~ *\$10*. ~~The revisor of statutes shall fix the sale prices of paper back editions of each of the publications or pamphlets published pursuant to section 648.43. Receipts from the sale of the Minnesota Statutes, supplement to the Minnesota Statutes, and Laws of Minnesota, and any pamphlets shall be deposited in the general fund.~~

Sec. 221. Laws 1976, chapter 314, section 3, is amended to read:

Sec. 3. This act is effective upon final enactment. ~~The board shall expire on June 30, 1983.~~

Sec. 222. Laws 1980, chapter 564, article XII, section 1, subdivision 3, is amended to read:

Subd. 3. WASTE MANAGEMENT BOARD. 15,718,000

This appropriation is available for the following purposes:

- (a) General Operations and Management. Approved Complement - 14. These positions are in the unclassified service and their continuation is dependent upon the availability of money from appropriations in this subdivision. When these appropriations have been

expended the positions shall be cancelled and the approved complement reduced accordingly. The annual salary of the full-time chairperson of the board shall be \$45,000.

(b) Acquisition of Sites and Buffer Areas for Hazardous Waste Facilities 6,200,000

This appropriation is from the state waste management fund, to be spent pursuant to article II, section 3, subdivision 4. Up to ~~\$1,200,000~~ \$3,200,000 is available for expenditure before ~~June 30, 1981~~ for costs of staff and independent professional services needed for the selection and acquisition of sites.

(c) Waste Processing Facility Demonstration Program 8,800,000

This appropriation is from the state waste management fund, to be spent pursuant to article VI, sections 4 and 6. Up to 5 percent is available for administration and technical and professional services.

Sec. 223. Laws 1980, chapter 614, section 192, is amended to read:

Sec. 192. [EFFECTIVE DATE.]

Except as otherwise provided in this act, this act is effective the day following final enactment. Section 55 is effective retroactive to April 1, 1980. Sections 87 and 88 are effective for any notice of the objects of the petition served after the day following final enactment. Sections 85 and 86 are effective for each district named in section 86 upon approval by a majority of the board of managers of the respective districts, and upon compliance with the provisions of Minnesota Statutes, section 645.021. Sections 168 to 180 are effective upon approval by resolution of the St. Paul city council. The resolution shall be adopted after published notice to the public and public hearing. Sections 37 to 39, 49, 51, 57, 60 to 68, 70 to 74, 79, 81 to 83, 89, 101 to 123, 126, 128, 135 to 145, 148, 152, and 155, are effective July 1, 1980. Section 187 is effective July 1, 1980 and expires ~~June 30, 1983~~. Pursuant to Minnesota Statutes, Section 645.023, Subdivision 1, Clause (b), section 155 is effective without local approval July 1, 1980. Section 157 is effective March 1, 1981 and applies to causes of action accruing on or after that date. Section 191, subdivision 2 is effective July 1, 1981.

Sec. 224. Laws 1982, Third Special Session chapter 1, article II, section 2, subdivision 1, is amended to read:

Subdivision 1. [STATE DEPARTMENTS.]

The general fund appropriations in Laws 1981, chapters 306, 346; and 356; as amended by Laws 1981, First Special Session chapter 4, article 4, are reduced by the listed amounts:

(a) Legislature (\$119,800)

The amounts that are reduced from

each appropriation are as follows:

(1) Revisor of Statutes	1983 (49,800)	
(2) Legislative Auditor	(70,000)	
(b) Supreme Court		(35,000)
(c) Contingent Accounts - General		(200,000)
Fuel and Utilities		(1,000,000)
(d) Attorney General		(50,000)
(e) Executive Council		(1,000,000)
(f) Investment Board		(67,000)
(g) Administration		(166,000)
(h) Finance		(145,000)
(i) Employee Relations		(50,000)
(j) Revenue		(315,000)
(k) Agriculture		(88,500)

\$62,000 of this reduction is in the appropriation for flood plain management grants in the southern Minnesota river basin study area two, administered by the soil and water conservation board.

(l) Animal Health, Board of		(100,000)
(m) Natural Resources		(1,273,000)

The amounts that are reduced from each program are as follows:

(1) Field Services Support	(133,000)
(2) Water Resources Management	(471,000)

Notwithstanding the provisions of Minnesota Statutes, section 105.392, subdivision 2, during the period ending July 1, 1983, the commissioner shall enter into agreements for the conservation of wetlands for a period of ten years, but the commissioner may obligate funds for payment at one year intervals for fiscal year 1983, subject to the availability of appropriated funds, if this condition is included in the agreement.

(3) Mineral Resources Management

	(115,000)
(4) Forest Management	(198,000)
(5) Parks and Recreation Management	(100,000)
(6) Enforcement	(7,000)
(7) Planning and Research	(13,000)
(8) Trails and Waterways Management	(236,000)

In addition to the above reductions, it is estimated that \$350,000 of the open appropriation for payments in lieu of taxes on natural resources land pursuant to Minnesota Statutes, section 477A.12, will be cancelled.

It is also estimated that, if the department of natural resources' deficiencies for workers' compensation and unemployment compensation are fully funded according to the November 17, 1982 estimate, the sum of \$541,000 will cancel to the general fund.

(n) Zoological Board	(35,000)
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Admission fees shall be raised to the limits provided in Laws 1981, chapter 356, section 26. It is estimated that this fee increase will generate \$115,000 in non-dedicated revenue for the general fund.

(o) Pollution Control Agency	(650,000)
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(p) Energy, Planning and Development	(358,000)
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(q) Natural Resources Acceleration (LCMR)	(1,399,600)
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The legislative commission on Minnesota resources shall apportion this appropriation reduction, and previous reductions, among the several programs and activities in Laws 1981, chapter 356, section 31; and also among the programs in Laws 1977, chapter 421, sections 12 and 13; Laws 1979, chapter 301, sections 3 and 6; and Laws 1981, chapter 304, section 4, to the extent that the reductions will result in reductions in expenditures from the general fund by June 30, 1983. Appropriation reductions apportioned by the legislative commission on Minnesota resources during the 1981-83 biennium shall not be treated as

cancelations available for expenditure in subsequent bienniums.

(r) Labor and Industry	(50,000)
(s) Military Affairs	(127,000)
(t) Veterans Affairs	(445,000)

The non-dedicated receipt limitation in Laws 1981, chapter 356, section 36, for fiscal year 1983 is removed.

(u) Human Rights	(10,000)
(v) Retirement Contributions	(42,213,600)

The amounts that are reduced from the various appropriations are as follows:

(1) State Agencies	(9,781,600)
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Beginning with the first full pay period after December 28, 1982 and ending with the last full pay period before July 1, 1983, employer retirement contributions for the following employees are reduced by four percent of salary: legislators, judges, and constitutional officers, pursuant to Laws 1981, chapter 356, section 48; state employees, pursuant to sections 352.04, subdivision 3; and 352D.04, subdivision 2; correctional employees, pursuant to section 352.92, subdivision 2; highway patrol employees, pursuant to section 352B.02, subdivision 1; and members of the teachers retirement association employed by state agencies, pursuant to section 354.42, subdivisions 3 and 5. The commissioner of finance shall apportion this reduction among the appropriations made to the several state agencies.

Beginning with the first full pay period after December 28, 1982 and ending with the last full pay period before ~~January 1, 1984~~ July 1, 1983, the employee retirement contributions for the following employees are increased by two percent of salary: legislators, pursuant to section 3A.03, subdivision 1; judges, pursuant to sections 490.102, subdivision 8, and 490.123, subdivision 1, except that this clause relating to judges and the companion provision relating to appropriations for employer contributions for judges are expressly declared to be severable from the remaining provisions of this item (1); constitutional officers, pursuant to section 352C.09, subdivision 1; state

employees, pursuant to sections 352.04, subdivision 2; and 352D.04, subdivision 2; correctional employees, pursuant to section 352.92, subdivision 1; highway patrol employees, pursuant to section 352B.02, subdivision 1; and members of the teachers retirement association employed by state agencies, pursuant to section 354.42, subdivision 2. These increased employee contributions shall be posted to each individual employee's retirement account.

In addition to the appropriation reduction in this item (1), the commissioner of finance shall reduce allotments for grants-in-aid or other payments from the general fund to state and semi-state agencies that employ members of the Minnesota state retirement system but are not on the state payroll system including, but not limited to, the Minnesota historical society, state horticultural society, Minnesota crop improvement association, and the state agricultural society, to reflect the savings to those agencies as a result of the reduced employer contributions provided in this item (1).

(2) University of Minnesota
(1,512,000)

This reduction is attributable to the decrease in employer retirement contributions required by item (1) for university employees who are members of the Minnesota state retirement system.

This reduction is in the appropriations made to the University of Minnesota in Laws 1981, chapter 359, sections 7 to 10, allocated among the various appropriation accounts by the commissioner of finance.

(3) Metropolitan Agencies
(1,080,000)

This reduction is in the appropriations for public transit made to the metropolitan transit commission in Laws 1981, chapter 363, section 55, subdivision 1, allocated among the various appropriation accounts by the commissioner of finance.

In addition to the appropriation reduction in this item (3), the commissioner of finance shall reduce allotments for homestead credits or other payments from the general fund to the

metropolitan council, metropolitan waste control commission, metropolitan sports facilities commission and other metropolitan agencies that employ members of the Minnesota state retirement system to reflect the savings to those agencies as a result of the reduced employer contributions provided in item (1).

(4) Public Employees Retirement Association

Beginning with the first full pay period after December 28, 1982 and ending with the last full pay period before ~~January 1, 1984~~ July 1, 1983, the employee retirement contributions for the following employees are increased by two percent of salary: public employees, pursuant to section 353.27, subdivision 2; and police and firefighters, pursuant to section 353.65, subdivision 2. These increased employee contributions shall be posted to each individual employee's retirement account. ~~It is estimated that these increased contributions will amount to \$24,440,800 by January 1, 1984.~~

Beginning with the first full pay period after December 28, 1982 and ending with the last full pay period before July 1, 1983, upon each credit of employer contributions to the public employees retirement fund and the public employees police and fire fund, a portion of the employer contribution equal to four percent of salary shall be paid from the public employees retirement fund and the public employees police and fire fund to the state treasury and credited to the general fund. It is estimated that these payments will amount to \$24,440,800 by July 1, 1983.

(5) Municipal Employees Retirement Fund

Beginning with the first full pay period after December 28, 1982 and ending with the last full pay period before ~~January 1, 1984~~ July 1, 1983, the employee retirement contribution for Minneapolis employees, pursuant to section 422A.10, is increased by two percent of salary. These increased employee contributions shall be posted to each individual employee's retirement account. ~~It is estimated that these increased contributions will amount to \$1,800,000 by January 1, 1984.~~

Beginning with the first full pay period after

December 28, 1982 and ending with the last full pay period before July 1, 1983, upon each credit of employer contributions to the municipal employees retirement fund, a portion of the employer contribution equal to four percent of salary shall be paid from the municipal employees retirement fund to the state treasury and credited to the general fund. It is estimated that these payments will amount to \$1,800,000 by July 1, 1983.

(6) Local Police and Salaried
Firefighters Relief
Associations

Beginning with the first full pay period after December 28, 1982 and ending with the last full pay period before ~~January 1, 1984~~ July 1, 1983, the employee retirement contributions for members of local police and salaried firefighters relief associations that receive amortization state aid pursuant to section 423A.02 are increased by two percent of salary. These increased employee contributions shall be posted to each individual employee's retirement account. ~~It is estimated that these increased contributions will amount to \$1,790,400 by January 1, 1984.~~

Beginning with the first full pay period after December 28, 1982 and ending with the last full pay period before July 1, 1983, upon each credit of employer contributions to the local police and salaried firefighters relief association retirements funds, a portion of the employer contribution equal to four percent of salary shall be paid from the retirement funds to the state treasury and credited to the general fund. It is estimated that these payments will amount to \$1,790,400 by July 1, 1983.

(7) Teachers Statewide
(26,400,000)

Beginning with the first full pay period after December 28, 1982 and ending with the last full pay period before July 1, 1983, the employer retirement contribution for teachers employed by political subdivisions, pursuant to section 354.42, subdivisions 3 and 5, shall be reduced by four percent of salary.

Beginning with the first full pay period after December 28, 1982 and ending with the last full pay period before ~~January 1, 1984~~ July 1,

1983, the employee retirement contribution for teachers employed by political subdivisions, pursuant to section 354.42, subdivision 2, shall be increased by two percent of salary. These increased contributions shall be posted to each individual employee's retirement account.

School district teachers on extended leave of absence pursuant to section 125.60 and receiving employer contributions pursuant to section 354.094 and school district teachers teaching part-time pursuant to section 354.66, shall not have their employer contributions reduced or employee contributions increased as provided in this item (7).

(8) Teachers in First Class Cities
(3,440,000)

Beginning with the first full pay period after December 28, 1982 and ending with the last full pay period before July 1, 1983, the employer retirement contributions for teachers in Duluth, Minneapolis, and St. Paul, pursuant to section 354A.12, subdivision 2, shall be reduced by four percent of salary. The commissioner of finance shall apportion this reduction among the appropriations to the teachers retirement associations in cities of the first class.

Beginning with the first full pay period after December 28, 1982 and ending with the last full pay period before ~~January 1, 1984~~ July 1, 1983, the employee retirement contribution for teachers in Duluth, Minneapolis, and St. Paul, pursuant to section 354A.12, subdivision 1, shall be increased by two percent of salary. These increased contributions shall be posted to each individual employee's retirement account.

Teachers on extended leave pursuant to section 125.60 and receiving employer contributions pursuant to section 354A.091 and teachers teaching part-time pursuant to section 354A.094, shall not have their employer contributions reduced or employee contributions increased as provided in this item (8).

(9) Pension Fund Reimbursements

The sum of \$8,480,000 is appropriated from the general fund to the commissioner of finance for apportionment to the several pension

funds for the following purposes: \$5,840,000 to reimburse the funds for any amount by which the increased employee contributions received by ~~January 1, 1984~~ July 1, 1983 are less than the reduced employer contributions received by July 1, 1983; \$2,000,000 to reimburse the funds for the loss of investment income they suffer, as determined by the commissioner of finance, because the reduced employer contributions received by July 1, 1983 are not matched by increased employee contributions ~~until January 1, 1984~~; and \$640,000 to fund increased contribution refunds due to the increased employee contributions required by this section. This appropriation is available until June 30, 1984.

(10) Notwithstanding Laws 1982, chapter 641, article I, section 2, subdivision 1, paragraph (i), item (1), the increase in contribution rates required by that item shall be adjusted to reflect the changes in contribution rates required by this section.

Sec. 225. [REIMBURSEMENT OF EXCESS PENSION CONTRIBUTIONS.]

Subdivision 1. [REIMBURSEMENT REQUIRED.] Any public employee or official who retires from January 1, 1983 to June 30, 1985, and whose pension contributions were increased by Laws 1982, Third Special Session chapter 1, article II, section 2, subdivision 1, paragraph (v), must be reimbursed for the amount of increased contributions paid by the official or employee because of that law. Reimbursement must be in a lump sum to the employee or official, or his or her survivor, at the same time as the first annuity payment. The amount of the reimbursement is the amount that the employee's or official's contributions increased because of Laws 1982, Third Special Session chapter 1, article II, section 2, subdivision 1, paragraph (v) plus interest at the then current rate paid on refunds by the relief or retirement association. Reimbursement shall be paid by the retirement or relief association to which the employee belongs.

Subd. 2. [STATE PAYMENTS TO RETIREMENT ASSOCIATIONS.] In the first month of each fiscal year, each retirement or relief association shall submit to the commissioner of finance a statement of the amount of reimbursements that the retirement or relief association paid under subdivision 1 in the prior January 1 to December 31 calendar year. The commissioner of finance shall then pay to the retirement or relief association the amount indicated in the statement.

Sec. 226. [REIMBURSEMENT OF EXCESS PENSION CONTRIBUTIONS; STATE UNCLASSIFIED EMPLOYEES RETIREMENT PROGRAM.]

Subdivision 1. [REIMBURSEMENT REQUIRED.] From January 1, 1983

to June 30, 1985, any participant in the state unclassified employees retirement program whose pension contributions were increased by Laws 1982, Third Special Session chapter 1, article II, section 2, subdivision 1, paragraph (v), must be reimbursed for the amount of increased contributions paid by the participant because of that law. Reimbursement must be in a lump sum to the participant at the time of withdrawal, or to the participant, or his or her survivor, at the same time as the first annuity payment. The amount of the reimbursement is the amount that the participant's contributions increased because of Laws 1982, Third Special Session chapter 1, article II, section 2, subdivision 1, paragraph (v) plus interest at the average rate of return on fixed return investments for the immediately preceding five-year period. Reimbursement shall be paid by the Minnesota state retirement system.

Subd. 2. [STATE PAYMENTS TO RETIREMENT SYSTEM.] In the first month of each fiscal year, the Minnesota state retirement system shall submit to the commissioner of finance a statement of the amount of reimbursements that the Minnesota state retirement system paid under subdivision 1 in the prior January 1 to December 31 calendar year. The commissioner of finance shall then pay to the Minnesota state retirement system the amount indicated in the statement.

Sec. 227. [FUTURE REVIEW.]

The legislature at the session in 1984 will review any adverse consequences of the repeal of increased employee pension contribution rates provided for in this act.

Sec. 228. [CAPITAL IMPROVEMENTS PLANNING.]

Subdivision 1. [CAPITAL IMPROVEMENT PROGRAMS; REVIEW AND RECOMMENDATIONS.] The commissioner of energy, planning and development shall have the following responsibilities under this section:

(a) The commissioner shall review the process used by each state agency for each program whereby the state agency carries out state capital improvement projects; provides state financial assistance to capital improvement projects of political subdivisions or private persons, or reviews requests for federal financial assistance to capital improvement projects of political subdivisions or private persons.

For purposes of this subdivision, financial assistance includes tax exemptions, tax credits, loan guarantees, cash payments and any other form of direct or indirect financial assistance provided by or through the state.

(b) The commissioner shall review existing inventories of capital improvements developed by state agencies, regional or local governmental entities for capital improvement programs in order to determine whether existing inventories provide adequate information on current capital facilities and the present and projected condition of capital projects in the state.

The commissioner shall consider both the adequacy of the inventory for each program and the adequacy of inventories of all programs within a given region or political subdivision.

(c) The commissioner shall determine the impact state agency projects are likely to have on the economic development of the state, the region, and the locality in which the projects are located. Included in the analysis shall be

the relationship of the cost of each project to the economic development benefit of the project and to the goals of the project.

(d) The commissioner shall recommend any changes in procedures or evaluation criteria used by a state agency providing financial assistance for a capital improvement program which would be necessary to ensure that the criteria set out in subdivision 2 are adequately addressed. The commissioner shall determine what changes in procedures used by the agency would be necessary to improve the accuracy and reliability of capital improvement project list for each agency, region and political subdivision.

(e) The commissioner shall determine any changes in procedures or evaluation criteria used by the commissioner of finance in the biennial budget process which may be necessary to address the criteria set out in subdivision 2.

Subd. 2. [CONSIDERATIONS.] In making these determinations, the commissioner of energy, planning and development shall consider geographic differences and local capabilities, including the needs of both rural and urban areas and large and small cities. The objective of the commissioner shall be to recommend a system to better identify capital improvement projects and programs for state agencies that:

- (a) create or improve the economic development capabilities of the state;*
- (b) are consistent with regional capital improvement plans;*
- (c) protect and promote public health and safety; and*
- (d) tend to achieve other state, regional and local goals.*

The commissioner shall encourage each region and political subdivision to consider the state agency criteria when developing local capital improvement project lists.

Subd. 3. [PROGRAMS AFFECTED.] The capital improvement programs governed by this section are those for roads, bridges, parks and recreation facilities, transit facilities/rolling stock, railways, waterways, airports, water systems, sewers, waste water treatment plants, waste disposal facilities, dams, energy facilities, higher education facilities, and other public buildings and equipment.

Subd. 4. [RECOMMENDATIONS.] By January 1, 1984, the commissioner of energy, planning and development shall report to the legislature recommendations for changes in capital improvement programs of each state agency and the biennial budget process needed to give greater weight to projects and programs that would do more to promote economic development in this state. The commissioner shall report on the progress of capital improvement program processes in the regional development commissions provided by subdivision 7.

Subd. 5. [CAPITAL BUDGET.] The report in subdivision 4 may include a recommendation that the budget prepared by the commissioner of finance should include a capital expenditure budget for a five-year period including not only state projects but also regional, local, and private projects that receive financial assistance from the federal government subject to state review.

Subd. 6. [FINANCING STUDY.] The commissioner of energy, planning and development shall report to the legislature by January 1, 1984, recommendations concerning various methods of financing capital improvements in this state. The recommendations shall include:

(a) proposed shifts in responsibility for particular programs or projects from one level of government to another;

(b) proposed changes in the revenue source ultimately used to pay for particular programs and projects, whether general taxes, special taxes, or user fees;

(c) proposed combination or coordination of federal programs of grants or loans to political subdivisions with similar state programs;

(d) proposed changes in the method of financing particular programs or projects, whether from current revenue or from borrowing;

(e) changes in borrowing procedures, including:

(1) use of federal money granted to the state to make loans to political subdivisions;

(2) conversion of state programs of assistance to political subdivisions from grants to loans;

(3) pooled borrowing by the state on behalf of its political subdivisions;

(4) use of sale and lease-back arrangements; and

(5) creation of a state or semi-state infrastructure bank.

Subd. 7. [REGIONAL CAPITAL IMPROVEMENT PLANS.] The commissioner of energy, planning and development shall review the capital improvement plans of each regional development commission. Plans found by the commissioner to be consistent with state goals and policies shall be followed by the commissioner in preparing his recommendations pursuant to subdivision 4.

Subd. 8. [ASSISTANCE.] The commissioner may receive money from other sources, public and private, to assist in carrying out the duties imposed by this section.

Sec. 229. [PAYMENTS RESTORED.]

Any amounts reduced from allotments pursuant to section 5 of House File No. 1308, as enacted at the 1983 regular session, are appropriated and shall be paid pursuant to new allotments for the fiscal year ending June 30, 1984.

Sec. 230. [LAKE BEMIDJI STATE PARK.]

Pursuant to Minnesota Statutes, section 471.59, the city of Bemidji may enter into a joint powers agreement with the commissioner of natural resources to manage for the purposes of outdoor recreation as defined in Minnesota Statutes, section 86A.03, subdivision 3, the following described land within Lake Bemidji state park:

All of government lot 1 and that part of government lot 2 lying west of C.S.A.H. 12; the northeast quarter of the northwest quarter of section 11 lying west of C.S.A.H. 12; all in township 146, range 33.

Sec. 231. [CITY OF DULUTH; GROUP WORKER'S COMPENSATION SELF INSURANCE POOLS.]

Subdivision 1. [FORMATION OF POOLS WITH PRIVATE EMPLOYERS.] Notwithstanding any contrary provision of other law, ordinance, or charter, the city of Duluth may enter into a self insurance pool with private employers to self insure worker's compensation liability of pool members. Any pool formed pursuant to this section shall be operated under bylaws established by members of the pool. The initial bylaws and amendments to them shall not be effective unless approved by the city of Duluth and the commissioner of insurance. The bylaws shall address the following subjects:

(a) Qualifications for group self insurer membership, including underwriting standards.

(b) The method of selecting the board of directors, including the directors' terms of office.

(c) The procedure for amending the bylaws or plan of operation.

(d) Investment of assets of the fund.

(e) Frequency and extent of loss control or safety engineering services provided to members.

(f) A schedule for payment and collection of premiums.

(g) Expulsion procedures, including expulsion for nonpayment of premiums and expulsion for excessive losses.

(h) Delineation of authority granted to the administrator.

(i) Delineation of authority granted to the service company.

(j) Basis for determining premium contributions by members including any experience rating program.

(k) Procedures for resolving disputes between members of the group, which shall not include submitting them to the commissioner.

(l) Basis for determining distribution of any surplus to the members, or assessing the membership to make up any deficit.

(m) Provisions for security to be furnished by private employers to insure assessments are paid in case of private employer insolvency.

The members participating in the pool may establish a joint board with appropriate powers to manage the pool. Each member of the pool shall pay to the pool the amounts assessed against it pursuant to the bylaws. A member may withdraw only after it has reimbursed the pool for the amounts for which it is obligated under the terms of the agreement.

Subd. 2. [APPROVAL OF COMMISSIONER.] A pool formed pursuant to this section shall not be effective or begin operation until it has been approved by the commissioner of insurance in the manner provided in Minnesota Statutes, section 471.982. Section 471.982 and any applicable rules adopted pursuant to it shall apply to any pool formed pursuant to this section. A pool formed pursuant to this section shall be a member of the workers' compensation reinsurance association and shall be bound by its plan of operation.

Sec. 232. [RESTRICTIONS ON CERTAIN AIRPORTS.]

The metropolitan airports commission shall not take any action with respect to an airport owned by it that would result in a permanent net reduction in useable runway length at the airport. Retention of existing useable runway length at an airport owned by the metropolitan airports commission shall not cause the airport to be reclassified from a minor use to an intermediate use airport.

Sec. 233. [COMPENSATION COUNCIL.]

The salary increases recommended by the compensation council created by 1983 regular session S. F. No. 415, section 8, shall be paid only from appropriations enacted after January 1, 1984.

Sec. 234. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall change the words "state treasurer" wherever they appear in Minnesota Statutes 1982, sections 345.31 to 345.60 to "commissioner" in Minnesota Statutes 1984.

Sec. 235. [REPEALER.]

Minnesota Statutes 1982, sections 3.472; 3.86; 4.073; 8.31, subdivision 4; 114A.01; 114A.02; 114A.03; 114A.04; 114A.05; 114A.06; 114A.07; 114A.08; 114A.09; 116J.27, subdivisions 5 and 7; 193.35; and 297A.05, are repealed. Laws 1965, chapters 66 and 312, are repealed.

Sec. 236. [EFFECTIVE DATE.]

Section 140 is effective retroactively to January 1, 1982. However, claims made for grass fires in highway rights-of-way occurring between January 1, 1982 and May 31, 1983 must be postmarked and sent via certified mail no later than June 30, 1983, in order to qualify for reimbursement consideration. Section 225, subdivision 1, and section 226, subdivision 1 are effective retroactively to December 29, 1982. Sections 178, 181, and 182 are effective for gasoline sold for motorboats after December 31, 1982. Section 108 is effective for reporting years 1983 and following. Sections 111 to 118, 172, 221, 223, and 228 are effective the day following final enactment. Section 66 is effective July 1, 1983, but only if no other law setting the salary of judges of the court of appeals is enacted at the 1983 regular session. Sections 146 and 148 to 152 are procedural changes and are effective for all cases pending on July 1, 1983, regardless of the date of injury, date of hearing, or date of appeal and all decisions of workers' compensation judges and the workers' compensation court of appeals issued on or after July 1, 1983, shall apply the provisions of those sections. Section 225, subdivision 2, and section 226, subdivision 2, are effective July 1, 1984. Sections 155 to 158 are effective July 1, 1985."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain money in the state treasury; authorizing land acquisition in certain cases; fixing and limiting the amount of fees and other costs to be collected in certain cases; creating, abolishing, modifying, and

transferring agencies and functions; providing for a motor vehicle study; providing for an information systems directory; defining and amending terms; providing for settlement of claims; imposing certain duties, responsibilities, authority, and limitations on agencies, political subdivisions, and the University of Minnesota; setting certain salaries; setting guidelines and procedures for procurement; establishing boards and a council; providing for bonds; providing for certain licenses, permits, and certificates; setting evidentiary standards for workers' compensation court of appeals; modifying election procedures; regulating certain utilities; providing for a review process for tax expenditures; providing property tax relief for congressional medal of honor recipients; modifying certain tax obligations; regulating certain employment practices; providing assistance for residential energy conservation; modifying right of detainer and veterinary liens; providing for reimbursement of excess pension contributions; providing for capital improvements planning; allowing the city of Duluth to enter into a self-insurance pool with private employers; imposing penalties; amending Minnesota Statutes 1982, sections 3.732, by adding a subdivision; 3.922, subdivision 5; 3.9222; 6.65; 7.09, subdivision 1; 14.14, subdivision 1; 15.16, subdivision 5; 15A.083, subdivision 1; 16.02, subdivisions 10a, 14, and by adding a subdivision; 16.083, subdivisions 1, 3, 4, 5, 6, and by adding subdivisions; 16.084; 16.085; 16.086, subdivision 1; 16.098, subdivision 4; 16.28; 16.32, subdivision 2; 16.75, by adding a subdivision; 16.82, subdivision 1; 16.866, subdivision 1; 16.872, subdivision 4; 16A.125, subdivision 5; 16A.127, subdivisions 1 and 7; 16A.128; 16A.36; 16A.50; 16A.64, subdivisions 2 and 4; 16A.66, subdivisions 1, 2, and 3; 43A.05, subdivision 5; 43A.23, subdivision 1; 85A.01, subdivision 2; 85A.04, subdivision 3, and by adding a subdivision; 98.47, by adding a subdivision; 98.48, subdivision 9; 105.405, subdivision 2; 105.41, subdivision 5; 105.44, subdivision 10; 115A.58, subdivision 2; 116.03, subdivision 3; 116.07, subdivisions 2a, 9, and by adding a subdivision; 116.16, subdivision 10; 116.17, subdivision 2; 116.18, subdivision 1; 116.41, subdivision 2; 116C.03, subdivision 2; 116J.24, by adding a subdivision; 116J.27, subdivisions 2 and 6; 116J.31; 116J.36, by adding a subdivision; 116J.42, subdivision 8; 124.46, subdivision 2; 136.40, subdivision 8; 139.18, subdivision 1; 148.56; 156A.02, subdivision 6; 156A.10, subdivision 1; 161.465; 167.50, subdivision 2, as amended by Laws 1983, chapter 17, section 4; 169.123, subdivision 6; 174.51, subdivisions 2 and 3; 175A.05; 176.183, subdivision 2; 176.421, subdivisions 1, 3, and 6; 176.441, subdivision 1; 176.471, subdivision 1; 179.7411; 181A.12, subdivision 1; 183.375, subdivision 5; 183.411, subdivision 3; 183.545; 183.57, subdivision 2; 190.05, subdivisions 5, as amended, 5a, as amended, and 5b, as amended; 204B.32; 204D.11, subdivision 1; 206.09; 214.06, subdivision 1; 216B.164, subdivisions 2, 3, 5, 6, 8, and by adding a subdivision; 216B.44; 239.10; 290.06, subdivision 13; 290.37, subdivision 1; 290.44; 296.18, subdivision 1; 296.421, subdivision 5; 298.22, subdivision 1; 309.53, subdivision 2, and by adding a subdivision; 317.67, by adding a subdivision; 322A.16; 322A.71; 331.02, by adding a subdivision; 333.055, subdivision 3; 333.20, subdivision 4; 345.31, by adding a subdivision; 345.41; 357.08; 360.302, subdivisions 1, 2, and 3; 363.02, subdivision 1; 363.06, subdivision 4, and by adding a subdivision; 363.071, subdivision 2; 453.54, by adding a subdivision; 462A.02, subdivision 10; 462A.05, by adding subdivisions; 462A.21, by adding subdivisions; 471.345, by adding a subdivision; 473.833, subdivision 3; 480.09, subdivision 5; 480.241, subdivision 2; 480A.01, subdivision 2; 514.19; 514.92, subdivision 1; 546.27, subdivision 2; and 648.39, subdivision 5; Laws 1976, chapter 314, section 3; Laws 1980, chapter 564,

article XII, section 1, subdivision 3; Laws 1980, chapter 614, section 192; Laws 1982, Third Special Session chapter 1, article II, section 2, subdivision 1; proposing new law coded in Minnesota Statutes, chapters 3; 4; 16A; 116C; 116J; 216B; 270; 273; 462A; and 471; repealing Minnesota Statutes 1982, sections 3.472; 3.86; 4.073; 8.31, subdivision 4; 114A.01; 114A.02; 114A.03; 114A.04; 114A.05; 114A.06; 114A.07; 114A.08; 114A.09; 116J.27, subdivisions 5 and 7; 193.35; and 297A.05; and Laws 1965, chapters 66 and 312."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Phyllis Kahn, David Battaglia, James I. Rice, Douglas W. Carlson, David T. Bishop

Senate Conferees: (Signed) Carl W. Kroening, Sam G. Solon, William P. Luther, Gerald L. Willet, Gregory L. Dahl

Mr. Kroening moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1290 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1290 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 39 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Langseth	Pehler	Schmitz
Berglin	Dieterich	Lantry	Peterson,C.C.	Solon
Bertram	Freeman	Lessard	Peterson,D.C.	Spear
Chmielewski	Hughes	Luther	Petty	Stumpf
Dahl	Johnson, D.J.	Moe, D. M.	Pogemiller	Vega
Davis	Jude	Moe, R. D.	Purfeerst	Waldorf
DeCramer	Kroening	Nelson	Reichgott	Willet
Dicklich	Laidig	Novak	Samuelson	

Those who voted in the negative were:

Anderson	Frank	Knaak	Olson	Taylor
Belanger	Frederick	Knutson	Peterson,D.L.	Ulland
Benson	Frederickson	Kronebusch	Ramstad	
Berg	Isackson	McQuaid	Renneke	
Bernhagen	Johnson, D.E.	Mehrkens	Sieloff	
Brataas	Kamrath	Merriam	Storm	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1310, and repassed said bill in accordance with the report of the Committee, so

adopted.

House File No. 1310 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 23, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1310

A bill for an act relating to capital improvements; authorizing the acquisition and betterment of public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; appropriating money; proposing new law coded in Minnesota Statutes, chapter 16.

May 23, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1310, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 1310 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [CAPITAL IMPROVEMENTS; APPROPRIATIONS.]

The sums set forth in the column designed “APPROPRIATIONS” are appropriated from the state building fund, or any other fund designated, to the state agencies indicated, to be expended for the acquisition and betterment of public land and buildings and other public improvements of a capital nature, as more specifically described in the following sections of this act.

SUMMARY

ADMINISTRATION	\$27,943,000
NATURAL RESOURCES	20,326,800
ENERGY, PLANNING AND DEVELOPMENT	17,325,000
MILITARY AFFAIRS	360,000
TRANSPORTATION	8,442,700
EDUCATION	850,000
STATE UNIVERSITIES	3,360,000
COMMUNITY COLLEGES	470,000
UNIVERSITY OF MINNESOTA	21,456,300
CORRECTIONS	17,000,000
PUBLIC WELFARE	2,805,000

MINNESOTA HISTORICAL SOCIETY	2,280,000
BOND SALE EXPENSES	111,900
TOTAL	\$122,730,700
Trunk Highway Fund	10,285,700
Building Fund	112,445,000

APPROPRIATIONS

Sec. 2. ADMINISTRATION

To the commissioner of administration for the purposes specified in this section	\$27,943,000
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- (a) Replace PCB transformers statewide \$300,000
- (b) Replace high-voltage oil switches in capitol complex loop 180,000
- (c) Emergency contingent account 335,000

This appropriation is available for expenditure with the approval of the governor after consultation with the legislative advisory commission pursuant to Minnesota Statutes, section 3.30.

- (d) Renovate capitol 1,255,000
- (e) Landscaping in the capitol complex 375,000
- (f) State History Center 400,000

This amount includes funding for program and structural planning of the State History Center and provides for a project design competition in cooperation with the Capitol Area Architectural and Planning Board, in accordance with Minnesota Statutes, section 15.50, subdivision 2(e). The project will utilize the existing Historical Society building in conjunction with the Mechanic Arts High School site. It will include the connection of the State History Center to the proposed district heating system. All design considerations will conform to the comprehensive plan for the Capitol Area, established under Minnesota Statutes, section 15.50, subdivision 2(a).

- (g) Judicial Building 100,000

This amount includes funding for a study of program needs and site selection for the judicial branch within the Capitol area complex.

- (h) Acquire MEA Building 2,750,000

This appropriation, or so much thereof as is

necessary, is for all costs of acquisition by direct purchase of the Minnesota Education Association building at 55 Sherburne Avenue, St. Paul, Minnesota.

(i) MEA building renovations 385,000

This appropriation is for renovation of the MEA building and connection to the district heating system.

(j) Rehabilitate and make energy modifications to the state office building 19,000,000

This appropriation may be used in part for temporary relocation of the occupants of the state office building during the renovation. The windows of the renovated building must be capable of being opened.

(k) Life safety projects in the capitol complex 1,020,000

(l) Transportation building 1,843,000

(1) Life safety projects 765,000

(2) Replace heating and cooling coils 50,000

(3) Improve elevators 728,000

(4) Remove PCB transformers 300,000

The appropriations in items (1) to (4) are from the trunk highway fund.

Sec. 3. NATURAL RESOURCES

Subdivision 1. To the commissioner of administration or the commissioner of natural resources for the purposes more specifically described in the following subdivisions of this section 20,326,800

Subd. 2. To the commissioner of administration to install sewer system connection at Lake City headquarters 30,000

Subd. 3. To the commissioner of natural resources for dam safety projects 626,800

(a) Analysis, design, and repair of publicly owned dams 100,000

(b) Lake Zumbro dam 125,000

(c) Lanesboro dam 100,000

(d) Granite Falls dam 301,800

Subd. 4. To the commissioner of natural resources to acquire and better public outdoor recreation lands and capital improvements as

more specifically described in the following paragraphs of this subdivision	19,670,000
(a) For acquisition of state parks and recreation areas, as listed and described in Minnesota Statutes, sections 85.012 and 85.013	2,500,000
(b) For betterment of state parks and recreation areas, as listed and described in Minnesota Statutes, sections 85.012 and 85.013	3,450,000
(c) For acquisition and betterment of state trails and trails within state parks and other units of the outdoor recreation system as defined in Minnesota Statutes, section 86A.05 and Laws 1980, chapter 614, section 164	3,725,000
\$2,000,000 is for the state trail in Ramsey and Washington counties authorized by this act.	
(d) For acquisition of state forests listed and described in Minnesota Statutes, section 89.021	470,000
(e) For betterment of R. J. Dorer memorial forest described in Minnesota Statutes, section 89.021, subdivision 33	230,000
(f) For betterment of state forest recreation listed and described in Minnesota Statutes, section 89.021	380,000
(g) For betterment of state forest roads and bridges	1,150,000
(h) For acquisition of fishing management lands including riparian rights and other interests therein needed for management of waters for primary wildlife use and benefit and for access to fishing waters pursuant to Minnesota Statutes, section 97.48, subdivisions 8, 11, and 15	240,000
(i) For acquisition of wildlife management areas pursuant to Minnesota Statutes, sections 97.48, subdivision 13, and 97.481, and wetlands under the water bank program pursuant to Minnesota Statutes, section 105.392	4,090,000
(j) For betterment of wildlife management areas, acquired pursuant to Minnesota Statutes, sections 97.48, subdivision 13, and 97.481	575,000
(k) For acquisition of scientific and natural areas designated pursuant to Minnesota Statutes, section 84.033	400,000
(l) For betterment of natural and scientific	

areas designated pursuant to Minnesota Statutes, section 84.033	60,000
(m) For acquisition of wild, scenic, and recreational rivers, designated pursuant to sections 104.25 to 104.40, and canoe and boating routes, portages, and camp sites, as listed and described in Minnesota Statutes, section 85.32	250,000
(n) For betterment of canoe and boating routes, portages, and camp sites as listed and described in Minnesota Statutes, section 85.32 ..	50,000
(o) For betterment of public accesses to public waters pursuant to Minnesota Statutes, section 97.48, subdivision 15	920,000
(p) For acquisition of public accesses to public waters pursuant to Minnesota Statutes, section 97.48, subdivision 15	1,180,000

Lands in this subdivision shall be acquired by the commissioner of natural resources and in accordance with policies established in Minnesota Statutes, sections 86A.01 to 86A.09. Those acquired for each unit of the outdoor recreation system shall be suited for the purpose of that unit and suited for management in accordance with the principles applicable to it. The commissioner of natural resources shall submit semiannual work progress reports to the legislative commission on Minnesota resources, in the form requested by the commission, and shall submit a work program to the commission and request its recommendation thereon before expending any money appropriated by this subdivision for any purpose. The commission's recommendation shall be advisory only. Failure to respond to a request within 60 days after receipt shall be deemed a negative recommendation. Work programs involving land acquisition shall include a land acquisition plan. No parcel may be acquired unless it is covered by an acquisition plan.

Within two years after the acquisition of fee title to any land purchased pursuant to this section, the commissioner shall offer for sale in the manner provided by law other lands of equal acreage.

The approved complement of the department of natural resources is increased by 26 unclas-

sified positions. These positions are a continuation of the positions authorized by Laws 1981, chapter 304, section 4 and shall be paid for from either or both of these appropriations.

None of the amounts authorized in subdivision 4 of this section, except for \$500,000 in paragraph (g) and \$1,000,000 in paragraph (i), shall be expended until the commissioner of natural resources has presented a prioritized list of projects to the 1984 session of the legislature and to the chairmen of the senate finance committee and the house appropriations committee and the chairmen have given their approval. No bonds authorized pursuant to the appropriations in subdivision 4 shall be sold before July 1, 1984, except for: (1)\$500,000 in paragraph (g) and \$1,000,000 in paragraph (i); or (2) bonds that the commissioner of finance determines are needed before that date.

Sec. 4. ENERGY, PLANNING AND DEVELOPMENT 17,325,000

To the commissioner of energy, planning and development for payment to the metropolitan council established under Minnesota Statutes, section 473.123. The commissioner of energy, planning and development shall transfer this amount to the metropolitan council upon receipt of a certified copy of a council resolution requesting payment. The appropriation shall be used to pay the cost of the acquisition and betterment by the metropolitan council and local governmental units of regional recreation open space in accordance with the council's policy plan as provided in Minnesota Statutes, sections 473.301 to 473.341, including relocation costs and tax equivalents required to be paid by Minnesota Statutes, sections 473.315 and 473.341.

(a) Of the amount appropriated by this section, the metropolitan council may expend no more than \$400,000 for staff and independent professional services necessary to acquire and better open space and for the performance of duties of the metropolitan council under this section.

(b) Laws 1981, chapter 304, section 2, is amended to allow the expenditure of up to \$400,000 for staff and independent professional services during the biennium ending

June 30, 1985.

(c) Of the amount appropriated by this section, the metropolitan council shall use \$50,000 for site selection, planning, and working drawings for the metropolitan speed skating rink recommended pursuant to Laws 1981, chapter 304, section 3.

(d) The publicly owned land on Big Island in Lake Minnetonka shall be designated as a regional park by the metropolitan council.

(e) With respect to grants for acquisition in the central riverfront regional park, the council shall, to the maximum extent possible, require acquisition of non fee interest in the housing out parcel on Nicollet Island where consistent with continued housing use and the overall development of the park.

(f) The legislature recognizes the intent of the Minneapolis park and recreation board and the Hennepin county park reserve district to achieve a coordinated functioning of their respective systems, including the establishment of a policy and procedure for answering adequate operational funding and an equitable sharing of associated financial responsibility for both systems.

(g) None of the amounts authorized in this section shall be expended until the metropolitan council has presented a prioritized list of projects to the 1984 session of the legislature and to the chairmen of the senate finance committee and the house appropriations committee and the chairmen have given their approval. No bonds authorized pursuant to this section shall be sold before July 1, 1984, except for bonds that the commissioner of finance determines are needed before that date.

Sec. 5. MILITARY AFFAIRS

To the adjutant general for the purposes specified in this section 360,000

(a) Install heating plant at Worthington 100,000

(b) Replace roofs statewide 260,000

Sec. 6. TRANSPORTATION

To the commissioner of transportation for the purposes specified in this section 8,442,700

Subdivision 1. Central Shop	3,227,000
Subd. 2. Chemical Storage Sheds	313,000
Subd. 3. East Grand Forks truck station	244,000
Subd. 4. Henning truck station	229,000
Subd. 5. Mapleton equipment storage	325,000
Subd. 6. Grand Rapids equipment storage	670,000
Subd. 7. Rum River Rest Area	909,700
Subd. 8. Split Rock Rest Area	620,000
Subd. 9. Golden Valley office addition	980,000
Subd. 10. Morris Maintenance Headquarters	925,000

Subd. 11. If the commissioner of transportation does not have sufficient money to match all available federal aid for road and bridge construction during the biennium ending June 30, 1985, the commissioner shall defer some or all of the buildings in this section until it is possible to match federal aid.

The appropriations in this section are from the trunk highway fund.

Sec. 7. EDUCATION

To the state board of education for post secondary vocational-technical construction in the school districts listed in this section

850,000

Independent School District No. 206, Alexandria

Notwithstanding any law to the contrary, Independent School District No. 206, Alexandria, may construct an addition to its area vocational-technical institute to replace a temporary building subject to the following conditions: (1) approval of the school board; (2) availability, at the time of construction, of unencumbered funds in the district's area vocational-technical institute building construction fund equal to or exceeding \$600,000; (3) the cost of construction shall not exceed the total cost of \$600,000; (4) the addition shall be used for the carpentry program; (5) the size of the addition shall meet the guidelines of the department of education; (6) the entire cost of construction shall be from the area vocational-technical institute building construction fund of Independent School District No. 206, Alexandria.

Independent School District No. 891, Canby	70,000
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This appropriation is for roof repairs. The total cost of the construction shall not exceed \$84,200, whether paid from state, local, or federal money.

Independent School District No. 917, Dakota County	63,000
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The appropriation is for roof repairs. The total cost of the construction shall not exceed \$75,000, whether paid from state, local, or federal money.

Independent School District No. 22, Detroit Lakes	68,000
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This appropriation is for roof repairs. The total cost of the construction shall not exceed \$80,000, whether paid from state, local, or federal money.

Independent School District No. 697, Eveleth	105,000
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This appropriation is for restroom facilities. The total cost of the construction shall not exceed \$125,000, whether paid from state, local, or federal money.

Independent School District No. 423, Hutchinson	235,000
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This appropriation is for roof repairs. The total cost of the construction shall not exceed \$276,800 whether paid from state, local, or federal money.

Independent School District No. 77, Mankato	59,000
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This appropriation is for roof repairs. The total cost of the project shall not exceed \$70,000, whether paid from state, local, or federal money.

Independent School District No. 583, Pipestone	34,000
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This appropriation is for floor repairs for the meat cutting program.

The total cost of the construction shall not exceed \$40,000, whether paid from state, local, or federal money.

Independent School District No. 625,

St. Paul 85,000

This appropriation is for roof repairs. The total cost of the project shall not exceed \$100,000, whether paid from state, local, or federal money.

Independent School District No. 819, Wadena 90,000

This appropriation is for roof repairs. The total cost of the project shall not exceed \$107,200, whether paid from state, local, or federal money.

Independent School District No. 861, Winona 41,000

This appropriation is for roof repairs. The total cost of the construction shall not exceed \$48,400, whether paid from state, local, or federal money.

Joint Independent School District No. 287, Suburban Hennepin

Joint Independent School District No. 287, Suburban Hennepin, may construct an addition and remodel the Xenium Lane office building to provide additional space for special education and secondary vocational education programs. Funding for this project shall be provided from the local building construction fund in an amount not to exceed \$1,900,000.

Sec. 8. STATE UNIVERSITIES

Subdivision 1. To the commissioner of administration for the purposes more specifically described in the following subdivisions of this section 3,360,000

Subd. 2. Bemidji Campus This appropriation is for the following projects: 670,000

(a) Replace roofs at Bangsberg hall and Hagg-Sauer hall 220,000

(b) Correct water infiltration and structural deficiencies at maintenance-receiving warehouse 100,000

(c) Replace bleachers at Glas field house and Physical Education Gymnasium 350,000

Subd. 3. Mankato Campus Correct water infiltration problems at Trafton hall 850,000

Subd. 4. Southwest Campus

Replace theater stage lighting system 80,000

Subd. 5. St. Cloud Campus

(a) Replace theater stage lighting system 80,000

(b) It is the intent of the legislature that any assessment by the city of St. Cloud for construction associated with the replacement of the Tenth Street bridge shall be made only upon completion of construction and upon notice of assessment and shall not exceed \$500,000. The state departments of transportation and administration shall work with the city of St. Cloud and the project architects to assure the state university system that the structural integrity of the facilities on the St. Cloud State University campus is not damaged as a result of the construction and utilization of the Tenth Street bridge.

Subd. 6. Winona Campus

Restore Phelps hall foundation and building exterior 180,000

Subd. 7. Systemwide

Remove asbestos fireproofing material 1,500,000

Sec. 9. COMMUNITY COLLEGES

To the commissioner of administration to replace roofs systemwide 470,000

Sec. 10. UNIVERSITY OF MINNESOTA

Subdivision 1. To the regents of the University of Minnesota for the purposes more specifically described in the following subdivisions of this section 21,456,300

Subd. 2. Minneapolis Campus 19,154,000

(a) Supplement to the School of Management and Hubert H. Humphrey Institute facility due to delay in project 1,664,000

(b) Construct music facility on the West Bank Campus 15,990,000

None of this appropriation shall be used for the concert auditorium. The university is encouraged to secure donations from nonstate sources for that facility.

(c) Civil and mineral engineering equipment 1,000,000

This appropriation is available upon submission of required documentation that the state money has been matched by an equal amount in contributions of money or equipment from

nonstate sources. The contributions must be made after July 1, 1983, in order to qualify to match the state funds.

Subd. 3. Duluth Campus	1,943,000
(a) Supplement due to delay in construction of greenhouse	30,000
(b) Supplement due to delay in renovation of school of business space	50,000
(c) Natural resources research institute	1,200,000
No portion of this appropriation may be spent until the following two events have occurred: (a) the receipt of title to the Sage building from the federal government, and (b) the receipt of a \$1,800,000 grant for the construction from the federal government. If the federal grant and the title to the building are not forthcoming, the university may request money for rental of space for the institute from the general contingent account pursuant to Minnesota Statutes, section 3.30.	
(d) Prepare working drawings for a physical education and recreational sports complex	663,000
Subd. 4. Morris Campus	
Supplement due to delay of remodeling Behmler hall	43,000
Subd. 5. Northwest Experiment Station - Crookston	
Supplement due to delay of construction	4,000
Subd. 6. Southwest Experiment Station - Lamberton	
(a) Supplement due to delay of construction	17,000
(b) This appropriation is for the state share of the purchase price of a 270-acre parcel of land near the Southwest Experiment Station	148,300
Subd. 7. Southern Experiment Station - Waseca	
Waseca city sewer relief	95,000
Subd. 8. Hormel Institute - Austin	
Supplement due to delay of construction	52,000
Subd. 9. Soudan	
Construct physics laboratory	500,000

This appropriation is available upon submission of required documentation that each dollar of state money has been matched by money

contributed from nonstate sources.

Sec. 11. CORRECTIONS

Subdivision 1. To the commissioner of administration for the purposes more specifically described in the following subdivisions of this section

17,000,000

Subd. 2. Minnesota Correctional Facility - Stillwater

700,000

Repair of roofs, gutters, rainleaders, and downspouts

Subd. 3. Minnesota Correctional Facility - Sauk Centre

(a) Reshingle and repair Evers cottage roof

22,000

(b) Fire and life safety projects

125,000

Subd. 4. Minnesota Correctional Facility - St. Cloud

(a) Fire and life safety projects

560,000

(b) Replace roofs on food service, laundry, and warehouse; upgrade insulation to code, reroof

Reshape building and reroof Cell House C

260,000

(c) Replace sewer serving administration building and cell house

65,000

Subd. 5. Minnesota Correctional Facility - Red Wing

Fire and life safety projects

268,000

Subd. 6. Minnesota Correctional Facility - Shakopee

Construct a new prison for women

15,000,000

This appropriation is for the total cost of planning, designing, constructing, and equipping the facility. \$500,000 is available immediately and \$14,500,000 is available after April 1, 1984.

Sec. 12. PUBLIC WELFARE

Subdivision 1. To the commissioner of administration for the purposes more specifically described in the following subdivisions of this section

2,805,000

Subd. 2. Anoka State Hospital

490,000

(a) Administration building and tunnel ramp repair

290,000

(b) Air conditioning, boiler replacement, and pool repair in Miller building	200,000
Subd. 3. Faribault State Hospital	
Install privacy screens for Elm, Hickory, and Seneca cottages	65,000
Subd. 4. Fergus Falls State Hospital	
Replace emission control unit	450,000
Subd. 5. State Hospitals and Nursing Homes	
Systemwide roof repair and replacement	800,000
Subd. 6. State Hospitals and Nursing Homes	
Systemwide fire and life safety projects	1,000,000

No money appropriated for fire and life safety projects shall be used for removal of fire escape slides at any state hospital or state nursing home.

Sec. 13. MINNESOTA HISTORICAL SOCIETY

To the Minnesota historical society for the purposes specified in this section	2,280,000
(a) To construct an underground microfilm vault	630,000
(b) Install humidity controls in historical society building	40,000
(c) Renovate the Charles A. Lindbergh house	110,000
(d) Agriculture Interpretive Center at Waseca	1,500,000

The limitations provided by Minnesota Statutes, section 138.93, subdivision 1, do not apply to construction financed under this subdivision. The improvements shall be constructed on land owned by the state or pledged to be conveyed to the state.

Funds shall be provided only for the purpose of providing capital improvements. Before issuing any bonds under this subdivision, the commissioner of finance shall obtain a written contract from the operator of the Agricultural Interpretive Center establishing the terms and conditions for the repayment of the sum of \$1,500,000 plus interest. The debt service payments paid by the center shall be identical to the debt costs of the state for the bonds sold to provide funds to finance capital improvements in this act including capitalization costs. The principal and interest payments shall be for a period of 20 years. The first payment

shall be made in the third year following the sale of the bonds and shall continue for 20 years. Funds not required for payments to the center shall be invested by the state board of investment and the interest shall be credited to the general fund. Payments back to the state of Minnesota by the center shall be credited to the general fund.

Notwithstanding the provisions of Minnesota Statutes, section 272.02, the operator of the Agriculture Interpretive Center shall pay property tax on all tillable land included in the center.

Sec. 14. BOND SALE EXPENSES

To the commissioner of finance for bond sale expenses pursuant to Minnesota Statutes, section 16A.64, subdivision 4 111,900

Sec. 15. [BOND SALE; DEBT SERVICE.]

To provide the money appropriated in this act from the state building fund the commissioner of finance upon request of the governor shall sell and issue bonds of the state in an amount up to \$112,445,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.63 to 16A.671, and by the Constitution, Article XI, Sections 4 to 7.

Sec. 16. [CONSULTATION REQUIRED.]

No land shall be purchased and no buildings shall be purchased, constructed, or erected on lands of the University of Minnesota until the regents have first consulted with the chairman of the senate finance committee and the chairman of the house appropriations committee and obtained their recommendations, which are advisory only.

Sec. 17. [REVIEW OF PLANS.]

The commissioner of administration, the commissioner of transportation, and the board of regents of the University of Minnesota shall not prepare final plans and specifications for any construction or major remodeling authorized by this act until the using agency or department has presented the program and schematic plans and cost estimates for all elements necessary to complete the project to the chairman of the house appropriations committee and the chairman of the senate finance committee and the chairmen have made their recommendations thereon. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is deemed a negative recommendation.

Sec. 18. [APPROPRIATIONS FOR CONSTRUCTION; TRANSFER.]

Upon the awarding of final contracts for the completion of a project for construction or other permanent improvement authorized by this act, the commissioners of administration and transportation and the board of regents of the University of Minnesota as to appropriations made to them may transfer any unencumbered balance in the project account to any other

project enumerated in the same section of the appropriation act as the project about to be completed. The money transferred pursuant to this section is appropriated for the purposes for which transferred. The commissioners of administration and transportation and the board of regents of the University of Minnesota shall report to the chairman of the house appropriations committee and the chairman of the senate finance committee on any transfer made pursuant to this section.

Sec. 19. [APPROPRIATIONS FOR CONSTRUCTION; FEDERAL MONEY; EXCEEDING AUTHORIZED COST.]

The commissioner of administration, the commissioner of transportation, and the board of regents of the University of Minnesota shall apply for the maximum federal share for each capital improvement project for which money is appropriated by this act. Encumbrance or expenditure of money in excess of the project authorization shall be made only after the commissioner of administration, the commissioner of transportation, and the board of regents, as appropriate, have consulted with the chairman of the house appropriations committee and the chairman of the senate finance committee and the chairmen have made their recommendations thereon. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is deemed a negative recommendation.

Sec. 20. [METHODS OF ACQUISITION.]

Where money has been appropriated by this act to the commissioner of administration to acquire lands or sites for public buildings or real estate, acquisition may be by gift, purchase, or condemnation proceedings. Condemnation proceedings shall be pursuant to Minnesota Statutes, chapter 117.

Sec. 21. [REVOLVING LAND FUND STUDY.]

The commissioner of natural resources shall review the concept of a revolving land fund and report to the legislature by January 15, 1984 with his findings and recommendations.

Sec. 22. [16.321] [ART IN STATE BUILDINGS.]

Subdivision 1. [PERCENT OF APPROPRIATIONS FOR ART.] An appropriation for the construction or alteration of any state building that is enacted on or after the effective date of this act may contain an amount not to exceed one percent of the total appropriation for the building for the acquisition of works of art, excluding landscaping, which may be an integral part of the building or its grounds, attached to the building or grounds or capable of being displayed in other state buildings. Money used for this purpose is available only for the acquisition of works of art to be exhibited in areas of a building or its grounds accessible, on a regular basis, to members of the public. For the purposes of this section "state building" means a building the construction or alteration of which is paid for wholly or in part by the state.

Subd. 2. [EXEMPT BUILDINGS.] A building for which the appropriation is less than \$500,000 for construction or alteration or a building for which the commissioner of administration has determined that this section is inappropriate is exempt from the requirements of this section.

Subd. 3. [UNUSED FUNDS.] If an amount made available under subdivision 1 is not expended for works of art for the building, the unexpended portion is available to the Minnesota board of the arts for the commission or purchase of works of art for state buildings existing or for which an appropriation was made prior to the effective date of this act and is not available to pay construction costs of the building.

Sec. 23. Minnesota Statutes 1982, section 85.015, is amended by adding a subdivision to read:

Subd. 14. [STATE TRAIL, RAMSEY AND WASHINGTON COUNTIES.] (a) The trail shall originate at milepost 446.19 on the Soo Line Railroad right-of-way in the Southeast Quarter of Section 19, Township 29 North, Range 22 West, Ramsey County, and shall extend in an easterly and northeasterly direction along the Soo Line Railroad right-of-way to milepost 438.33 in the Southwest Quarter of Section 5, Township 29 North, Range 21 West, in Washington County, and there terminate.

(b) The trail shall be developed primarily for hiking and nonmotorized riding.

(c) In addition to the authority granted in Minnesota Statutes, section 85.015, subdivision 1, lands and interests in lands for the trail may be acquired by eminent domain.

(d) The commissioner of natural resources, after consulting with all local units of government affected by the trail, and with the commissioner of transportation and the metropolitan council, shall prepare a master plan for the trail. After completion of the master plan, any land or interest in land not needed for the trail may be disposed of by the commissioner of natural resources as follows:

(1) by transfer to the department of transportation, the historical society, or another state agency;

(2) by sale at not less than the purchase price to a city, town, school district, park district, or other political subdivision whose boundaries include or are adjacent to the land, for public purposes only, after written notice to each of these political subdivisions; or

(3) if no offer to purchase is received from any political subdivision within one year after the completion of the master plan, then by public sale, at not less than the purchase price, upon notice published in the manner provided in section 92.14, and otherwise in the same manner as trust fund lands are sold, so far as applicable.

All proceeds derived from sales of unneeded land and interest in land shall be deposited in the state bond fund. For the purposes of United States Code, title 23, section 138, and title 49, section 1653(f), any land or interest in land not needed for the trail and transferred to another state agency, or sold, does not constitute permanent park, recreation area, or wildlife or waterfowl refuge facility land.

Sec. 24. Minnesota Statutes 1982, section 473.147, subdivision 1, is amended to read:

Subdivision 1. The metropolitan council after consultation with the parks

and open space commission, municipalities, park districts and counties in the metropolitan area, and after appropriate public hearings, shall prepare and adopt a long-range system policy plan for regional recreation open space as part of the council's metropolitan development guide. The plan shall substantially conform to all policy statements, purposes, goals, standards, and maps in development guide sections and comprehensive plans as developed and adopted by the council pursuant to the chapters of the Minnesota Statutes directly relating to the council. The policy plan shall identify generally the areas which should be acquired by a public agency to provide a system of regional recreation open space comprising park district, county and municipal facilities which, together with state facilities, reasonably will meet the outdoor recreation needs of the people of the metropolitan area and shall establish priorities for acquisition and development. In preparing or amending the policy plan the council shall consult with and make maximum use of the expertise of the commission. The policy plan shall include a five year capital improvement program, which shall be revised periodically, and shall establish criteria and priorities for the allocation of funds for such acquisition and development. *The legislature in each bonding measure shall designate an anticipated level of funding for this acquisition and development for each of the two succeeding bienniums.*

Sec. 25. Minnesota Statutes 1982, section 473.436, subdivision 5, is amended to read:

Subd. 5. [BUS PURCHASES AND OTHER IMPROVEMENTS.] In addition to obligations outstanding on January 1, ~~1980~~ 1983, the commission may issue certificates of indebtedness, bonds or other obligations in an amount not exceeding ~~\$9,000,000~~ \$12,000,000 for the purposes of purchasing and rehabilitation of buses and related equipment, and constructing maintenance and other buildings, bus shelters and road related improvements.

Sec. 26. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 5, after the semicolon insert "requiring review of the concept of a revolving land fund; providing for art in state buildings;"

Page 1, line 6, after the second semicolon insert "amending Minnesota Statutes 1982, sections 85.015, by adding a subdivision; 473.147, subdivision 1; and 473.436, subdivision 5;"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) James I. Rice, Lyndon R. Carlson, Robert E. Vanasek, Willard M. Munger, John Rose

Senate Conferees: (Signed) Gene Waldorf, Keith Langseth, Carl W. Kroening, Don B. Samuelson, John Bernhagen

Mr. Waldorf moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1310 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

CALL OF THE SENATE

Mr. Waldorf imposed a call of the Senate for the balance of the proceedings on H.F. No. 1310. The Sergeant at Arms was instructed to bring in the absent members.

H.F. No. 1310: A bill for an act relating to capital improvements; authorizing the acquisition and betterment of public land and buildings and other public improvements of a capital nature with certain conditions; requiring review of the concept of a revolving land fund; providing for art in state buildings; authorizing issuance of state bonds; appropriating money; amending Minnesota Statutes 1982, sections 85.015, by adding a subdivision; 473.147, subdivision 1; and 473.436, subdivision 5; proposing new law coded in Minnesota Statutes, chapter 16.

Was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 56 and nays 10, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Langseth	Peterson, C.C.	Spear
Berg	Frederick	Lantry	Peterson, D.C.	Storm
Berglin	Freeman	Lessard	Peterson, R.W.	Stumpf
Bernhagen	Hughes	Luther	Petty	Taylor
Brataas	Isackson	McQuaid	Pogemiller	Ulland
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Vega
Dahl	Johnson, D.J.	Merriam	Reichgott	Waldorf
Davis	Knaak	Moe, D. M.	Renneke	Willet
DeCramer	Knutson	Moe, R. D.	Samuelson	
Dicklich	Kroening	Nelson	Schmitz	
Diessner	Kronebusch	Novak	Sieloff	
Dieterich	Laidig	Pehler	Solon	

Those who voted in the negative were:

Anderson	Benson	Frederickson	Kamrath	Peterson, D.L.
Belanger	Bertram	Jude	Olson	Ramstad

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 769, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 769 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 23, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 769

A bill for an act relating to metropolitan government; extending the time

for design selection for noise suppression equipment at the international airport; amending Minnesota Statutes 1982, section 473.608, subdivision 20.

May 23, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 769, report that we have agreed upon the items in dispute and recommend as follows:

That the House accede to the Senate amendment.

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Wes Skoglund, O.J. Heinitz, Linda Scheid

Senate Conferees: (Signed) Michael Freeman, William V. Belanger, Jr., Eric D. Petty

Mr. Freeman moved that the foregoing recommendations and Conference Committee Report on H.F. No. 769 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 769 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knutson	Nelson	Samuelson
Anderson	Diessner	Kroening	Novak	Schmitz
Belanger	Dieterich	Kronebusch	Olson	Sieloff
Benson	Frank	Laidig	Pehler	Solon
Berg	Frederickson	Langseth	Peterson.C.C.	Spear
Berglin	Freeman	Lantry	Peterson.D.C.	Storm
Bernhagen	Hughes	Lessard	Peterson.D.L.	Stumpf
Bertram	Isackson	Luther	Peterson.R.W.	Taylor
Brataas	Johnson, D.E.	McQuaid	Petty	Ulland
Chmielewski	Johnson, D.J.	Mehrkens	Pogemiller	Vega
Dahl	Jude	Merriam	Purfeerst	Waldorf
Davis	Kamrath	Moe, D. M.	Ramstad	Willet
DeCramer	Knaak	Moe, R. D.	Renneke	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1224,

and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1224 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 23, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1224

A bill for an act relating to occupations and professions; regulating the period of time between professional boxing contests, matches, or exhibitions; amending Minnesota Statutes 1982, section 341.115; proposing new law coded in Minnesota Statutes, chapter 341.

May 23, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1224, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 1224 be further amended as follows:

Page 2, line 22, after the period, insert "*The examination must also include an eye examination designed to reveal any retinal defects or damage that could be aggravated by boxing.*"

Page 2, after line 23, insert:

"The board may order an electroencephalogram before any contest, match, or exhibition if it determines that the examination is necessary to protect the health of the boxer. The examination must be performed at the expense of the promoter."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Paul Anders Ogren, Ben E. Gustafson, Terry Dempsey

Senate Conferees: (Signed) Florian Chmielewski, Sam G. Solon, Darril Wegscheid

Mr. Chmielewski moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1224 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1224 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 47 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kroening	Nelson	Schmitz
Anderson	Frank	Kronebusch	Novak	Sieloff
Belanger	Frederickson	Langseth	Olson	Solon
Benson	Freeman	Lantry	Pehler	Storm
Bertram	Hughes	Lessard	Peterson.C.C.	Stumpf
Chmielewski	Isackson	Luther	Peterson.D.L.	Vega
Dahl	Johnson, D.E.	McQuaid	Petty	Willet
Davis	Jude	Mehrkens	Pogemiller	
DeCramer	Kamrath	Moe, D. M.	Renneke	
Dicklich	Knutson	Moe, R. D.	Samuelson	

Those who voted in the negative were:

Berglin	Knaak	Peterson,D.C.	Peterson,R.W.	Spear
Dieterich	Merriam			

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 862 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 862

A bill for an act relating to public employment; providing rights for certain part-time employees; amending the definition of supervisory employee; providing that the public employer's duty to bargain supersedes all municipal charters, ordinances or resolutions; amending Minnesota Statutes 1982, sections 179.63, subdivisions 7 and 9; 179.66, subdivision 2; and 179.71, subdivision 8.

May 23, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 862, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 862 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 179.63, subdivision 7, is amended to read:

Subd. 7. "Public employee" or "employee" means any person appointed or employed by a public employer except:

- (a) elected public officials;
- (b) election officers;

(c) commissioned or enlisted personnel of the Minnesota national guard;

(d) emergency employees who are employed for emergency work caused by natural disaster;

(e) part time employees whose service does not exceed the lesser of 14 hours per week or 35 percent of the normal work week in the employee's bargaining unit;

(f) employees who hold positions of a basically temporary or seasonal character for a period not in excess of ~~100~~ 67 working days in any calendar year;

(g) employees who hold positions of a basically temporary character for a period not in excess of 100 working days in a calendar year, or part-time employees, who are under the age of 22, are full-time students enrolled in a nonprofit or public educational institution prior to their being hired by an employer and who have indicated, either in their application for employment or by being enrolled at an educational institution for the next academic year or term, an intention to continue as students during or after their temporary or part time employment.

The exclusions of clauses (e) and (f) shall not apply to:

(1) an employee hired by a school district to replace an absent teacher who at the time of his absence is a "public employee" not within the other exclusions of this subdivision where the replacement employee is employed more than 30 working days as a replacement for that teacher; and

(2) an employee hired by a school district for a teaching position created by increased enrollment, curriculum expansion, courses which are a part of the curriculum whether offered annually or not, or other appropriate reasons.

Employees included as "public employees" pursuant to clauses (1) and (2) shall not be included under master contracts expiring June 30, 1981, for purposes of salary or fringe benefits;

~~(g)~~ (h) employees of charitable hospitals as defined by section 179.35, subdivision 3;

~~(h)~~ (i) full time undergraduate students employed by the school which they attend under a work study program or in connection with the receipt of any financial aid, irrespective of number of hours of service per week;

~~(i)~~ (j) an individual who renders part time teaching service for less than 300 hours in a fiscal year as an instructor in an adult vocational education program.

Sec. 2. Minnesota Statutes 1982, section 179.63, subdivision 9, is amended to read:

Subd. 9. "Supervisory employee", when the reference is to other than essential employees as defined in subdivision 11, means ~~any~~ a person ~~having~~ ~~ing~~ who has authority in the interests of the employer to hire, transfer, suspend, promote, discharge, assign, reward or discipline other employees or responsibly to direct them or adjust their grievances on behalf of the employer, or to effectively recommend any of the aforesaid actions, if in con-

nection with the foregoing the exercise of ~~such~~ the authority is not merely routine or clerical in nature but requires the use of independent judgment. Any A determination of "supervisory employee" may be appealed to the public employment relations board.

Effective May 2, 1983, the removal of employees by the employer from non-supervisory bargaining units for the purpose of designating the employees as "supervisory employees" shall require either the prior written agreement of the exclusive representative and the written approval of the director or a separate determination by the director before the redesignation is effective.

Sec. 3. Minnesota Statutes 1982, section 179.66, subdivision 2, is amended to read:

Subd. 2. A public employer has an obligation to meet and negotiate in good faith with the exclusive representative of the public employees in an appropriate unit regarding grievance procedures and the terms and conditions of employment, but ~~such~~ the obligation does not compel the public employer or its representative to agree to a proposal or require the making of a concession.

The public employer's duty under this subdivision exists notwithstanding contrary provisions in a municipal charter, ordinance, or resolution. A provision of a municipal charter, ordinance, or resolution which limits or restricts a public employer from negotiating or from entering into binding contracts with exclusive representatives is superseded by this subdivision.

Sec. 4. Minnesota Statutes 1982, section 179.71, subdivision 8, is amended to read:

Subd. 8. Hearings and mediation meetings authorized by this section shall be held ~~in the county which best meets the conveniences of the witnesses, but such hearings may be held~~ at a time and place as is agreed to by the petitioner and those parties affected by the petition ~~determined by the director, but, whenever practical, a hearing shall be held in the general geographic area where the question has arisen or exists.~~

Sec. 5. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Florian Chmielewski, Carl W. Kroening, Tom A. Nelson

House Conferees: (Signed) Joseph R. Begich, Tom Osthoff

Mr. Chmielewski moved that the foregoing recommendations and Conference Committee Report on S.F. No. 862 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 862 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the

Conference Committee.

The roll was called, and there were yeas 37 and nays 15, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Luther	Petty	Spear
Berglin	Freeman	Merriam	Pogemiller	Stumpf
Chmielewski	Johnson, D.E.	Moe, D. M.	Purfeerst	Vega
Dahl	Jude	Moe, R. D.	Reichgott	Wegscheid
Davis	Kronebusch	Nelson	Samuelson	Willet
DeCramer	Langseth	Pehler	Schmitz	
Dicklich	Lantry	Peterson, D.C.	Sieloff	
Diessner	Lessard	Peterson, R.W.	Solon	

Those who voted in the negative were:

Anderson	Berg	Isackson	Knutson	Olson
Belanger	Bertram	Kamrath	McQuaid	Peterson, D.L.
Benson	Frederickson	Knaak	Mehrkens	Renneke

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Messages From the House and First Reading of House Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 428, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 428: A bill for an act relating to state government; extending the expiration date of certain advisory committees and councils; repealing certain inactive advisory councils, committees, and task forces; amending Minnesota Statutes 1982, sections 3.9223, subdivision 1; 4.31, subdivision 5; 11A.08, subdivision 4; 15.059, subdivision 5; 16.02, subdivision 28; 16.872, subdivision 3; 21.112, subdivision 2; 41.54, subdivision 2; 52.062, subdivisions 1 and 2; 115A.12, subdivision 1; 121.938; 123.581, subdivision 1; 126.531; 145.919; 145.93, subdivision 3; 145.98, subdivision 1; 148.191, subdivision 2; 152.02, subdivision 13; 155A.06, subdivision 5; 156A.06, subdivision 1; 161.1419, by adding a subdivision; 198.055, by adding a subdivision; 241.64; 241.71; 246.017, subdivision 2; 256B.58; 268.12, subdivision 6; and 507.09; Laws 1975, chapter 235, section 2; Laws 1976, chapter 314, section 3; and Laws 1980, chapter 614, section 192; repealing Minnesota Statutes 1982, sections 16.91; 16.853; 31.60, subdivisions 2 and 3; 43A.31, subdivision 4; 52.061; 52.062, subdivision 3; 82.30; 84.524; 86A.10; 115A.12, subdivision 2; 116J.04; 121.934; 123.581, subdivisions 2, 3, 4, 5, and 7; 124.215; 128A.03; 129B.09, subdivision 8; 136A.02, subdivision 6; 141.24; 144.011, subdivision 2; 144.571; 144A.17; 144A.55; 145.93, subdivision 2; 151.13, subdivision 2; 152.02, subdivision 11; 184.23; 214.14; 222.65; 245.84, subdivision 4; and 363.04, subdivisions 4, 4a, and 5.

Senate File No. 428 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 23, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 634, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 634: A bill for an act relating to game and fish; establishing the joint legislative committee on fishing resources; imposing a surcharge on fishing licenses for development and improvement of state fishing resources; authorizing designation of experimental and specialized fishing waters; authorizing additional notice of netting season; licensing fishing guides; increasing certain license fees; prohibiting angling and use of tip-ups while spearing in a dark house; prohibiting issuance of new commercial game fish netting licenses; allowing designation of lakes for taking of certain muskellunge; imposing penalties for various offenses; amending Minnesota Statutes 1982, sections 84.027, subdivision 2; 97.48, subdivision 26, and by adding a subdivision; 97.53, by adding a subdivision; 97.55, by adding subdivisions; 98.46, subdivision 5; 98.52, by adding subdivisions; and 101.42, subdivisions 1a and 20; proposing new law coded in Minnesota Statutes, chapters 97, 98, and 102.

Senate File No. 634 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 23, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 964, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 964: A bill for an act relating to corporations; providing for the determination of eligibility for the indemnification of certain persons; prohibiting the use of corporate information obtained improperly; authorizing the use of protective orders and other relief to prevent the premature disclosure of certain confidential information or the use of corporate information obtained improperly; permitting the use of corporate names of corporations not filing the active status report; restricting the right of a corporation to deny cumulative voting; protecting preemptive rights of shareholders; clarifying when equitable relief is available to minority stockholders; providing for the retention of cumulative voting and preemptive rights after incorporation; amending Minnesota Statutes 1982, sections 300.083, subdivision 6; 302A.115, by adding a subdivision; 302A.215; 302A.413, by adding a subdivision; 302A.461, subdivisions 4, 6, and by adding a subdivision; 302A.521, subdivision 6; and 302A.751, subdivision 1, and by adding a subdivision.

Senate File No. 964 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 23, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1008, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1008: A bill for an act relating to courts; authorizing the appointment of court referees; amending Minnesota Statutes 1982, sections 260.031, subdivision 1; 484.65, subdivisions 4, 5, and 6; and 484.70, subdivision 1; repealing Minnesota Statutes 1982, section 484.701.

Senate File No. 1008 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 23, 1983

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 995.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 23, 1983

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 995: A bill for an act relating to intoxicating liquor; authorizing Clearwater County to issue an off-sale license in Itasca Township; authorizing St. Louis County to issue an off-sale license in Angora Township; authorizing the city of St. Paul to permit the sale of liquor at certain park club houses.

Mr. Peterson, R.W. moved that H.F. No. 995 be laid on the table. The motion prevailed.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 767: A bill for an act relating to retirement; authorizing the purchase of prior service credit in the Minnesota state retirement system by certain employees or former employees of the legislature or joint legislative agencies or commissions; proposing new law coded in Minnesota Statutes, chapter 352D.

Senate File No. 767 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 23, 1983

CONCURRENCE AND REPASSAGE

Mr. Petty moved that the Senate concur in the amendments by the House to S.F. No. 767 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 767 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 59 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Novak	Samuelson
Anderson	Diessner	Kronebusch	Olson	Schmitz
Belanger	Dieterich	Laidig	Pehler	Sieloff
Benson	Frank	Langseth	Peterson, C. C.	Solon
Berg	Frederick	Lantry	Peterson, D. C.	Spear
Berglin	Frederickson	Lessard	Peterson, D. L.	Storm
Bernhagen	Freeman	Luther	Peterson, R. W.	Stumpf
Bertram	Isackson	McQuaid	Petty	Vega
Brataas	Johnson, D. J.	Mehrkens	Purfeerst	Waldorf
Chmielewski	Jude	Merriam	Ramstad	Wegscheid
Dahl	Kamrath	Moe, D. M.	Reichgott	Willet
Davis	Knaak	Moe, R. D.	Renneke	

Mr. Kroening voted in the negative.

So the bill, as amended, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Vega moved that H.F. No. 916 be taken from the table. The motion prevailed.

SPECIAL ORDER

H.F. No. 916: A bill for an act relating to economic development; creating a preference for Minnesota residents in the awarding of public contracts; creating a preference for Minnesota labor and materials; proposing new law coded in Minnesota Statutes, chapter 16.

Mr. Dahl moved to amend H.F. No. 916 as follows:

Page 2, line 7, delete "*design*" and insert "*engineering services*"

Mr. Benson moved to amend the Dahl amendment to H.F. No. 916 as follows:

Page 1, line 2, after "*design*" insert "*, erection, construction, alteration, or*"

Page 1, after line 3, insert:

"Page 2, line 8, delete "*repair of any public building or structure*"

The question was taken on the adoption of the amendment to the amend-

ment.

The roll was called, and there were yeas 23 and nays 30, as follows:

Those who voted in the affirmative were:

Anderson	Isackson	Kronebusch	Olson	Storm
Belanger	Johnson, D.E.	Laidig	Peterson, D.L.	Taylor
Benson	Kamrath	Langseth	Ramstad	Ulland
Berg	Knaak	McQuaid	Renneke	
Frederickson	Knutson	Mehrkens	Sieloff	

Those who voted in the negative were:

Adkins	Dicklich	Jude	Nelson	Solon
Berglin	Diessner	Lantry	Novak	Spear
Bertram	Dieterich	Lessard	Peterson, R.W.	Stumpf
Chmielewski	Frank	Merriam	Petty	Vega
Dahl	Freeman	Moe, D. M.	Reichgott	Wegscheid
Davis	Hughes	Moe, R. D.	Schmitz	Willet

The motion did not prevail. So the amendment to the amendment was not adopted.

The question recurred on the Dahl amendment.

The roll was called, and there were yeas 51 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Moe, R. D.	Spear
Anderson	Diessner	Kroening	Nelson	Storm
Belanger	Dieterich	Kronebusch	Novak	Stumpf
Benson	Frank	Laidig	Olson	Taylor
Berg	Frederickson	Langseth	Pehler	Vega
Berglin	Freeman	Lantry	Petty	Wegscheid
Bernhagen	Hughes	Lessard	Purfeerst	Willet
Bertram	Isackson	Luther	Ramstad	
Chmielewski	Johnson, D.E.	Mehrkens	Reichgott	
Dahl	Jude	Merriam	Schmitz	
Davis	Kamrath	Moe, D. M.	Sieloff	

Mr. Knutson, Mrs. McQuaid and Mr. Renneke voted in the negative.

The motion prevailed. So the amendment was adopted.

Mr. Laidig moved to amend H.F. No. 916 as follows:

Page 3, line 5, delete everything after "*association*"

Page 3, line 6, delete everything before the period

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 40 and nays 17, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Kamrath	McQuaid	Ramstad
Anderson	DeCramer	Knaak	Mehrkens	Renneke
Belanger	Dicklich	Knutson	Moe, R. D.	Sieloff
Benson	Frederick	Kronebusch	Nelson	Spear
Berg	Frederickson	Laidig	Olson	Storm
Bernhagen	Isackson	Langseth	Pehler	Stumpf
Bertram	Johnson, D.E.	Lessard	Peterson, D.L.	Taylor
Chmielewski	Jude	Luther	Purfeerst	Ulland

Those who voted in the negative were:

Berglin	Frank	Lantry	Petty	Willet
Dahl	Freeman	Merriam	Reichgott	
Diessner	Hughes	Moe, D. M.	Schmitz	
Dieterich	Kroening	Novak	Vega	

The motion prevailed. So the amendment was adopted.

H.F. No. 916 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 42 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Lantry	Peterson, D.C.	Spear
Belanger	Freeman	Lessard	Peterson, R.W.	Storm
Berglin	Hughes	Luther	Petty	Stumpf
Chmielewski	Johnson, D.E.	Merriam	Pogemiller	Vega
Dahl	Johnson, D.J.	Moe, R. D.	Purfeerst	Waldorf
Davis	Jude	Nelson	Reichgott	Willet
DeCramer	Knaak	Novak	Samuelson	
Dicklich	Kroening	Pehler	Schmitz	
Diessner	Laidig	Peterson, C.C.	Solon	

Those who voted in the negative were:

Anderson	Brataas	Kamrath	Mehrrens	Steloff
Benson	Dieterich	Knutson	Olson	Taylor
Berg	Frederick	Kronebusch	Peterson, D.L.	Ulland
Bernhagen	Frederickson	Langseth	Ramstad	
Bertram	Isackson	McQuaid	Renneke	

So the bill, as amended, passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Chmielewski moved that H.F. No. 274 be taken from the table. The motion prevailed.

SPECIAL ORDER

H.F. No. 274: A bill for an act relating to the legislature; providing for the majority leader of the senate rather than the president of the senate to serve as chairman of the legislative coordinating commission; changing the term of the chairman of the commission from one year to two years; amending Minnesota Statutes 1982, section 3.303, subdivision 3.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Taylor moved to amend the Chmielewski amendment to H.F. No. 274, adopted by the Senate May 20, 1983, as follows:

Page 28, after line 17, insert:

"Disability ratings for permanent partial disability shall be based on objective medical evidence."

Page 62, line 32, delete "article 2,"

Page 62, line 33, delete "141" and insert "140"

Page 67, line 1, after the period, insert *"The schedule shall be determined by sound actuarial evaluation and shall be based on the benefit level which exists on January 1, 1983."*

Page 67, line 11, delete "1985" and insert "1984"

Page 108, after line 32, insert:

"If the department of public welfare or the department of economic security seeks to intervene in any matter before the division, a compensation judge or the workers' compensation court of appeals, a non-attorney employee of the department, acting at the direction of the staff of the attorney general, may prepare, sign, serve and file motions for intervention and related documents and appear at prehearing conferences. This activity shall not be considered to be the unauthorized practice of law."

Page 120, line 25, delete "article 2, section 85" and insert "section 84"

Page 128, line 7, delete "79.51,"

Page 128, line 8, after "4;" insert "79.51,"

Page 128, after line 23, insert:

"Sec. 175. [SMALL BUSINESS PREMIUM COST STUDY.]

The commissioner shall conduct a study on the effect of sections 44 to 64 on small businesses located in Minnesota, including to what extent benefits payable pursuant thereto affect small businesses' workers' compensation insurance premium costs. The commissioner shall report to the legislature by January 30, 1985."

Page 128, line 26, after "for" insert "section 86,"

Page 128, line 26, delete "on"

Page 128, line 27, delete "the day after final enactment" and insert "upon the adoption of temporary rules under section 86" and after "95" insert "97" and after "110" delete ", 128, section" and insert "to"

Page 128, line 28, after "of" insert "section 129,"

Page 128, line 32, delete "66,"

Page 128, line 34, delete "67,"

Page 128, line 36, delete "66" and insert "67"

Page 128, line 36, after "94," insert "96,"

Renumber the sections in sequence and correct internal references

Mr. Taylor moved to amend the Taylor amendment to the Chmielewski amendment to H.F. No. 274 as follows:

Page 1, line 11, delete "January 1, 1983" and insert "July 1, 1982"

The question was taken on the adoption of the amendment to the amendment.

The roll was called, and there were yeas 25 and nays 39, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Kamrath	McQuaid	Renneke
Belanger	Frederick	Knaak	Mehrkens	Sieloff
Benson	Frederickson	Knutson	Olson	Storm
Berg	Isackson	Kronebusch	Peterson, D.L.	Taylor
Bertram	Johnson, D.E.	Laidig	Ramstad	Ulland

Those who voted in the negative were:

Adkins	Dieterich	Lantry	Pehler	Schmitz
Bernhagen	Frank	Lessard	Peterson, C.C.	Solon
Chmielewski	Freeman	Luther	Peterson, D.C.	Spear
Dahl	Hughes	Merriam	Peterson, R.W.	Vega
Davis	Johnson, D.J.	Moe, D. M.	Petty	Waldorf
DeCramer	Jude	Moe, R. D.	Purfeerst	Wegscheid
Dicklich	Kroening	Nelson	Reichgott	Willet
Diessner	Langseth	Novak	Samuelson	

The motion did not prevail. So the amendment to the amendment was not adopted.

The question recurred on the Taylor amendment.

Mr. Dieterich requested division of the amendment as follows:

First portion:

Page 28, after line 17, insert:

“Disability ratings for permanent partial disability shall be based on objective medical evidence.”

Second portion:

Page 62, line 32, delete *“article 2,”*

Page 62, line 33, delete *“141”* and insert *“140”*

Page 67, line 1, after the period, insert *“The schedule shall be determined by sound actuarial evaluation and shall be based on the benefit level which exists on January 1, 1983.”*

Page 67, line 11, delete *“1985”* and insert *“1984”*

Page 108, after line 32, insert:

“If the department of public welfare or the department of economic security seeks to intervene in any matter before the division, a compensation judge or the workers’ compensation court of appeals, a non-attorney employee of the department, acting at the direction of the staff of the attorney general, may prepare, sign, serve and file motions for intervention and related documents and appear at prehearing conferences. This activity shall not be considered to be the unauthorized practice of law.”

Page 120, line 25, delete *“article 2, section 85”* and insert *“section 84”*

Page 128, line 7, delete *“79.51,”*

Page 128, line 8, after *“4,”* insert *“79.51,”*

Page 128, after line 23, insert:

“Sec. 175. [SMALL BUSINESS PREMIUM COST STUDY.]

The commissioner shall conduct a study on the effect of sections 44 to 64 on small businesses located in Minnesota, including to what extent benefits payable pursuant thereto affect small businesses’ workers’ compensation insurance premium costs. The commissioner shall report to the legislature by January 30, 1985.”

Page 128, line 26, after *“for”* insert *“section 86,”*

Page 128, line 26, delete *“on”*

Page 128, line 27, delete "*the day after final enactment*" and insert "*upon the adoption of temporary rules under section 86*" and after "95" insert "97" and after "110" delete ", 128, section" and insert "to"

Page 128, line 28, after "of" insert "section 129,"

Page 128, line 32, delete "66,"

Page 128, line 34, delete "67,"

Page 128, line 36, delete "66" and insert "67"

Page 128, line 36, after "94," insert "96,"

Renumber the sections in sequence and correct internal references

The question was taken on the adoption of the first portion of the amendment.

The roll was called, and there were yeas 54 and nays 11, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Olson	Solon
Anderson	Diessner	Kronebusch	Pehler	Spear
Belanger	Frederick	Laidig	Peterson, D.L.	Storm
Benson	Frederickson	Langseth	Peterson, R.W.	Stumpf
Berg	Freeman	Lessard	Petty	Taylor
Bernhagen	Hughes	Luther	Purfeerst	Ulland
Bertram	Isackson	McQuaid	Ramstad	Vega
Brataas	Johnson, D.E.	Mehrkens	Reichgott	Waldorf
Chmielewski	Jude	Moe, R. D.	Renneke	Wegscheid
Dahl	Kamrath	Nelson	Schmitz	Willett
Davis	Knaak	Novak	Sieloff	

Those who voted in the negative were:

Dicklich	Johnson, D.J.	Lantry	Moe, D. M.	Pogemiller
Dieterich	Kroening	Merriam	Peterson, D.C.	Samuelson
Frank				

The motion prevailed. So the first portion of the amendment was adopted.

The question was taken on the adoption of the second portion of the amendment.

The roll was called, and there were yeas 55 and nays 11, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Novak	Sieloff
Anderson	Diessner	Kronebusch	Olson	Solon
Belanger	Frederick	Laidig	Pehler	Spear
Benson	Frederickson	Langseth	Peterson, D.L.	Storm
Berg	Freeman	Lessard	Peterson, R.W.	Stumpf
Bernhagen	Hughes	Luther	Petty	Taylor
Bertram	Isackson	McQuaid	Purfeerst	Ulland
Brataas	Johnson, D.E.	Mehrkens	Ramstad	Vega
Chmielewski	Jude	Merriam	Reichgott	Waldorf
Dahl	Kamrath	Moe, R. D.	Renneke	Wegscheid
Davis	Knaak	Nelson	Schmitz	Willett

Those who voted in the negative were:

Berglin	Frank	Kroening	Moe, D. M.	Pogemiller
Dicklich	Johnson, D.J.	Lantry	Peterson, D.C.	Samuelson
Dieterich				

The motion prevailed. So the second portion of the amendment was

adopted.

H.F. No. 274 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 52 and nays 15, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kronebusch	Pehler	Spear
Anderson	Diessner	Laidig	Peterson, D.L.	Storm
Belanger	Frederick	Langseth	Peterson, R.W.	Stumpf
Benson	Frederickson	Lessard	Petty	Taylor
Berg	Freeman	Luther	Purfeerst	Ulland
Bernhagen	Isackson	McQuaid	Ramstad	Waldorf
Bertram	Johnson, D.E.	Mehrkens	Reichgott	Wegscheid
Brataas	Jude	Merriam	Renneke	Willet
Chmielewski	Kamrath	Moe, R. D.	Schmitz	
Dahl	Knaak	Nelson	Sieloff	
Davis	Knutson	Olson	Solon	

Those who voted in the negative were:

Berglin	Frank	Kroening	Novak	Pogemiller
Dicklich	Hughes	Lantry	Peterson, C.C.	Samuelson
Dieterich	Johnson, D.J.	Moe, D. M.	Peterson, D.C.	Vega

So the bill, as amended, passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1234 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1234

A bill for an act relating to the organization and operation of state government; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines commission, corrections ombudsman, and health related boards; providing an entitlement to certain child care services; increasing marriage license and dissolution fees; providing for distribution of federal maternal and child health block grant money; requiring cost increase limits and other cost containment measures in medical care programs; amending eligibility standards; changing general assistance to allow flat grants, employment through grant diversion and work registration requirements, and federal benefit application incentives; providing for job training for certain persons; amending Minnesota Statutes 1982, sections 129A.03; 144.653, subdivision 2; 144A.04, subdivision 5; 144A.10, subdivision 2; 145.882; 145.921, subdivision 1; 245.62; 245.66; 245.83; 245.84, subdivisions 1, 2, and 5; 245.85; 245.86; 245.87; 256.045, subdivision 3; 256.82, by adding a subdivision; 256.966, subdivision 1; 256.968; 256B.02, subdivision 8; 256B.04, subdivision 14, and by adding a subdivision; 256B.06, subdivision 1; 256B.07; 256B.14, subdivision 2; 256B.17, subdivision 4, and by adding subdivisions; 256B.27, subdivision 3; 256B.48, by adding a subdivision; 256D.01, subdivision 1; 256D.02, subdivision 4; 256D.03, sub-

divisions 3 and 4, and by adding subdivisions; 256D.05, subdivision 1a; 256D.06, subdivision 5; 256D.09, subdivision 2, and by adding a subdivision; 260.191, subdivision 2; 260.242, subdivision 2; 261.23; 357.021, subdivisions 2 and 2a; 401.14, by adding a subdivision; 401.15, subdivision 1; 517.08, subdivisions 1b and 1c; proposing new law coded in Minnesota Statutes, chapters 145; 252; 256; 256B; 256D; and 268; repealing Minnesota Statutes 1982, sections 256D.02, subdivision 14; 256D.05, subdivision 1a; 256D.06, subdivision 1a; 256D.22; and Laws 1981, chapter 360, article II, section 54, as amended.

May 23, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1234, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 1234 be further amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

Section 1. [WELFARE, CORRECTIONS, HEALTH; APPROPRIATIONS.]

The sums set forth in the columns designated “APPROPRIATIONS” are appropriated from the general fund, or any other fund designated, to the agencies and for the purposes specified in the following sections of this act, to be available for the fiscal years indicated for each purpose. The figures “1984,” and “1985,” wherever used in this act, mean that the appropriation or appropriations listed thereunder shall be available for the year ending June 30, 1984, or June 30, 1985, respectively.

SUMMARY BY FUND

	1984	1985	TOTAL
General	\$958,190,700	\$939,228,200	\$1,897,418,900
Trunk Highway	\$ 386,000	\$ 389,700	\$ 775,700
Total	\$958,576,700	\$939,617,900	\$1,898,194,600

APPROPRIATIONS

Available for the Year
Ending June 30,

1984 1985

Sec. 2. COMMISSIONER OF PUBLIC WELFARE

Subdivision 1. Total Department Appropriation.....	\$738,072,000	\$807,888,100
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The amounts that may be expended from this appropriation for each program and activity

are more specifically described in the following subdivisions of this section.

Positions and administrative money may be transferred within the department of public welfare as deemed necessary by the commissioner, upon the advance approval of the commissioner of finance.

Subd. 2. Welfare Management	1,334,000	1,342,800
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Estimated federal money to be deposited in the general fund that is earned by the various accounts of the department of public welfare is detailed on the worksheets of the conferees of the senate and house of representatives, a true copy of which is on file in the office of the commissioner of finance. If federal money anticipated is less than shown on the official worksheets, the commissioner of finance shall reduce the amount available from the specific appropriation by a like amount. The reductions shall be noted in the budget document submitted to the 74th legislature in addition to an estimate of similar federal money anticipated for the 1985-1987 biennium.

Subd. 3. Support Services	9,537,500	9,749,700
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The provisions of section 256D.22 are suspended for the biennium ending June 30, 1985.

Subd. 4. Social Services	67,233,400	70,341,300
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The amounts that may be expended from this appropriation for each activity are as follows:

Community Social Services Subsidies		
\$54,862,200	\$57,775,100	

Effective January 1, 1984, the commissioner of public welfare shall include in the community social service subsidies, the money authorized by this appropriation for purposes of providing semi-independent living services pursuant to 12 MCAR 2.023. In calendar years 1984 and 1985, the county board shall not reduce the funding provided in calendar year 1983 for community services for the mentally retarded as authorized in the official worksheets of the house and senate conference committee for Laws 1981, chapter 360, except the amount of money for mentally retarded persons eligible for medical assistance.

Notwithstanding the provisions of chapter

256E, a county board may delegate to a county welfare board established pursuant to Minnesota Statutes, chapter 393, authority to provide or approve contracts for the purchase of the kinds of community social services that were provided or contracted for by the county welfare boards prior to the enactment of Laws 1979, chapter 324. Designation of the method for providing citizen participation in the planning process, final approval of the community social services plan and the distribution of community social services money shall be the responsibility of the county board.

The payments for the community social services subsidy for each county shall be based upon the formula in effect for calendar year 1983. In addition the amount available for each county shall be increased by five percent on January 1, 1984 for calendar year 1984 and by five percent on January 1, 1985 for the first six months of 1985. No county shall receive less than the amount received in 1981; however, this appropriation shall be prorated if the amount is insufficient.

Aging, Blind, and Deaf Services
 \$ 6,517,000 \$ 6,546,500

Social Services Support
 \$ 5,854,200 \$ 6,019,700

This appropriation includes the sum of \$30,000 in fiscal year 1984 for the purpose of providing a grant-in-aid to The Bridge for Runaway Youth, Inc. for expenses related to a program which offered support for teenage women who wish to stop their involvement in prostitution and short-term residence and support for teenage runaways.

This is the final and nonrecurring appropriation for The Bridge for Runaway Youths, Inc.

Subd. 5. Income Maintenance 484,668,800 552,503,000

The amounts that may be expended from this appropriation for each activity are as follows:

Aid to Families with Dependent Children,
 General Assistance, Minnesota Supplemental
 Assistance
 \$139,349,000 \$153,970,600

If the appropriation for aid to families with dependent children, general assistance, and

Minnesota supplemental assistance is insufficient for either year, the appropriation for the other year shall be available by direction of the governor after consulting with the legislative advisory commission.

During the biennium ending June 30, 1985, the commissioner of public welfare shall provide supplementary grants, not to exceed \$150,000 per year, for aid to families with dependent children and shall include the following costs in determining the amount of the supplementary grants: major home repairs, repair of major home appliances, utility recaps, supplementary dietary needs not covered by medical assistance, and replacement of essential household furnishings and essential major appliances.

In determining the amount of the aid to families with dependent children grants, the commissioner of public welfare shall effect a five percent increase on July 1, 1983, and a five percent increase on July 1, 1984, unless federal statute or regulation requires otherwise.

Medical Assistance, General Assistance Medical Care and Preadmission Screening
\$330,651,400 \$383,554,100

Notwithstanding any law requiring deposit of receipts in the general fund, all receipts from collection efforts for the state hospitals and state nursing homes shall be deposited in the medical assistance account and are appropriated for that purpose. The commissioner shall make changes in the departmental financial reporting systems and internal accounting procedures as necessary to ensure compliance with federal standards for reimbursement for program and administrative expenditures and to fulfill the purpose of this paragraph.

The maximum monthly payment for attendant care shall be adjusted to \$1,080 per month effective July 1, 1983.

If the appropriation for medical assistance and general assistance medical care is insufficient for either year, the appropriation for the other year shall be available by direction of the governor after consulting with the legislative advisory commission.

The catastrophic health expense protection

program is suspended for the fiscal year ending June 30, 1984.

To determine eligibility for medical assistance the commissioner shall disregard: (1) from July 1 to December 31, 1983, 23 percent; (2) from January 1 to December 31, 1984, 25 percent; and (3) from January 1 to June 30, 1985, 28 percent of the income from retired, survivor's, and disability insurance benefits, veterans' administration benefits, and railroad retirement benefits. If this disregard is disallowed by the federal government and the waiver application denied, the commissioner shall disregard the increase for social security and supplemental security income recipients as provided under Minnesota Statutes 1982, section 256B.06, subdivision 1, paragraph 10.

Income Maintenance Support
\$ 14,668,400 \$ 14,978,300

For the child support enforcement activity, during the biennium ending June 30, 1985, sums received from the counties for providing data processing services shall be deposited in that activity's account. Those sums are appropriated to the commissioner of public welfare for the purposes of the child support enforcement activity.

In determining the income contribution of parents of children in out-of-home placement, the state agency shall use the standard set forth in 12 MCAR 2.027 until the promulgation of the rules required by section 256B.14, subdivision 2.

Subd. 6. Mental Health 175,298,300 173,951,300

Any federal money received in excess of the estimates shown in the 1983 department of public welfare budget document shall reduce the state appropriation available by a like dollar amount, unless otherwise directed by the governor, after he has consulted with the legislative advisory commission.

The amounts that may be expended from this appropriation for each activity are as follows:

State Hospitals

Approved Complement - 5447

Salaries
\$127,700,000 \$128,100,000

Of the 110 additional positions authorized under this appropriation, at least 55 shall be human services technician positions. Human services technician positions shall not be converted to other positions.

Current Expense
\$ 14,900,000 \$ 15,500,000

Repairs and Betterments
\$ 2,088,900

Special Equipment
\$ 639,800

Nursing Homes

Approved Complement

July 1, 1983	July 1, 1984
616.5	605.5

Salaries
\$13,900,000 \$13,664,900

This appropriation includes \$242,700 in fiscal year 1984 for the purpose of operating an experimental project for chronically chemically dependent people at Ah Gwah Ching state nursing home. The commissioner of public welfare shall augment the program with federal money and any additional money provided through shared service agreements pursuant to Minnesota Statutes 1982, section 246.57, after the amount of the state appropriation has been recovered and deposited in the medical assistance account.

The commissioner shall maintain records of the operations of this project, evaluate the efficiency and effectiveness of the treatment program, and report back to the legislature during the 1984 session on the amount deposited to the medical assistance account from the shared service agreements and the necessity and viability of operating this project in the future.

Current Expense
\$ 1,950,000 \$ 2,050,000

Repairs and Betterments
\$ 224,100

Special Equipment
\$ 69,400

Mental Health Support

\$ 13,826,100 \$ 14,636,400

Any unexpended balance remaining in the first year for special equipment and repairs and betterments does not cancel but is available for the second year of the biennium.

If earnings under the various shared services agreements authorized are less than appropriated, the appropriation shall be reduced by a like dollar amount. If any shared service agreement is reduced or terminated, the approved complement related to that shared service agreement shall be reduced accordingly.

Notwithstanding the provisions of sections 275.50 to 275.58 or any other law to the contrary, a county which transferred monies from its general revenue account to the public assistance administrative account prior to May 1, 1983, to cover 1983 expenditures, may transfer without penalty from the special levy accounts delineated in section 275.50, subdivision 5, clauses (c) and (d), to the account for public assistance administration, an amount not to exceed the total amount originally transferred from the general revenue account. The transfer of this sum may occur over a period of time to include calendar years 1983, 1984, and 1985.

Sec. 3. COMMISSIONER OF ECONOMIC SECURITY

Subdivision 1. Total Department Appropriation.....	113,835,400	25,205,200
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The amounts that may be expended from this appropriation for each program are more specifically described in the following subdivisions of this section.

Subd. 2. Jobs Program
\$70,000,000

Any unexpended balance remaining in the first year for the Minnesota emergency employment development program does not cancel but is available for the second year of the biennium. To the extent permissible under federal and state law, the commissioner shall use money available from the federal government and the private sector to fund the program.

Subd. 3. Special Allowances

\$19,000,000

Any unexpended balance remaining in the first year for special allowances does not cancel but is available for the second year of the biennium.

Subd. 4. Job Service
\$ 4,634,900 \$ 3,134,900

The commissioner may expend up to one percent of the appropriation for each fiscal year for the department's administrative costs and for program operators' administrative costs.

Of the money appropriated for the summer youth program for fiscal year 1984, \$750,000 is immediately available. If that amount is insufficient for the costs incurred, an additional amount may be transferred upon the advance approval of the commissioner of finance. Any unexpended balance of the immediately available money shall be available for the year in which it is appropriated. Contracts for the calendar year 1983 program shall be written for the entire period of the calendar year 1983 program.

Subd. 5. Vocational Rehabilitation Services
\$15,063,100 \$16,428,300

Money received from workers' compensation carriers for vocational rehabilitation services to injured workers shall be deposited in the general fund.

Long-term sheltered workshops that receive funding through the department of economic security for long-term sheltered work operations shall: (a) provide sheltered workers a grievance procedure having final and binding arbitration before a neutral third party mutually acceptable to the parties involved as the final step; (b) provide long-term sheltered workers with fundamental personnel benefits including, but not limited to, paid sick, vacation, and holiday leave; and (c) provide to workers wages certified pursuant to the subminimum wage provisions of the Fair Labor Standards Act, United States Code, title 29, sections 201 to 219, as amended through December 31, 1982, that are proportionately commensurate to prevailing wages in the vicinity for similar jobs. Beginning in January, 1984, the commissioner of economic security

shall annually provide a report to the chairs of the house appropriations and senate finance committees on the operation of the long-term sheltered workshops including information on compliance with these requirements.

Subd. 6. Training and Community Services
\$ 4,587,400 \$ 5,642,000

If the appropriation for either year of the weatherization program is insufficient, the appropriation from the other year is available for the program.

Subd. 7. Program and Management Support
\$ 550,000

The appropriation for the displaced homemaker program includes money for the purpose of making grants to programs to provide employment, training, and support services to displaced homemakers.

This appropriation includes \$550,000 for article 6, for the biennium. Any unexpended balance remaining in the first year does not cancel, but is available for the second year.

Sec. 4. COMMISSIONER OF CORRECTIONS

Subdivision 1. Total Department Appropriation 78,253,200 79,205,900

The amounts that may be expended from the appropriation for each program and activity are more specifically described in the following subdivisions of this section.

Positions and administrative money may be transferred within the department of corrections as deemed necessary by the commissioner, upon the advance approval of the commissioner of finance.

Subd. 2. Management Services 1,865,500 1,888,000

No new positions eligible for county probation reimbursement under this activity shall be added by any county without the written approval of the commissioner of corrections.

When new positions are approved, the commissioner shall include the cost of those positions in calculating each county's share.

The commissioner of corrections, working with other appropriate state agencies and leg-

islative staff, shall evaluate and study the feasibility of encouraging the private sector to construct a women's correctional facility at Shakopee to be leased by the state of Minnesota with an option to purchase after an agreed upon period of years. This report shall include a comparative study of the fiscal implications of a leased/purchased plan versus the traditional construction approach utilizing the bonding process. The commissioner may submit requests for proposals to develop the necessary information required to make the comparative study. The new proposed facility must be designed to meet the program needs of the commissioner of corrections.

The commissioner shall report his findings to the chairs of the appropriate legislative committees in January, 1984.

Subd. 3. Policy and Planning	1,368,700	1,505,100
Subd. 4. Community Services	21,076,100	20,239,300

The amounts that may be expended from this appropriation for each activity are as follows:

Support
 \$ 8,506,300 \$ 8,717,000

Community Corrections Act
 \$12,569,800 \$11,522,300

Notwithstanding the provisions of chapter 401, no county or group of counties participating in the community corrections act shall be charged any per diem cost of confinement for adults sentenced to the commissioner of corrections for crimes committed on or after January 1, 1981.

The commissioner of corrections may authorize the use of a percentage of a grant for the operation of an emergency shelter or make a separate grant for the rehabilitation of any facility owned by the grantee and used as a shelter to bring the facility into compliance with state and local laws pertaining to health, fire, and safety and to provide security.

Subd. 5. Correctional Institutions	53,942,900	55,573,500
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Salaries
 \$41,392,100 \$42,541,800

Current Expense
 \$ 8,575,700 \$ 8,986,400

Repairs and Betterments
 \$ 569,600 \$ 531,100

Special Equipment
 \$ 171,200 \$ 180,100

Any unexpended balances in special equipment, and repairs and betterments, and industry remaining in the first year does not cancel but is available for the second year of the biennium.

Notwithstanding section 15.059, subdivisions 5 and 6 or any other law to the contrary, the advisory task force on battered women established under Minnesota Statutes 1982, section 241.64, and the advisory task force on the woman offender established under Minnesota Statutes 1982, section 241.71 are continued in effect for the biennium ending June 30, 1985.

The commissioner of corrections is authorized to enter into an agreement with the appropriate Wisconsin officials for housing Wisconsin prisoners in Minnesota correctional institutions. Money received from Wisconsin pursuant to the contract is appropriated to the commissioner of corrections for the purpose of operating MCF-Oak Park Heights and reimbursing MCF-Stillwater and MCF-St. Cloud for the cost of Wisconsin inmate care. Any unexpended balances within correctional institutions in current expense and salaries remaining in the first year does not cancel but is available for the second year of the biennium if receipt projections in the first year show a deficit for the biennium.

Institution Support
 \$ 3,234,300 \$ 3,334,100

Sec. 5. SENTENCING GUIDELINES COMMISSION

Salaries, Supplies, and Expense	154,000	145,000
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Sec. 6. CORRECTIONS OMBUDSMAN

Salaries, Supplies, and Expense	270,000	272,100
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Sec. 7. COMMISSIONER OF HEALTH

Subdivision 1. Total Department Appropriation	25,002,600	24,685,900
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Of this appropriation \$386,000 for fiscal year 1984 and \$389,700 for fiscal year 1985 are appropriated from the trunk highway fund for

emergency medical services activities.

The amounts that may be expended from this appropriation for each program and activity are more specifically described in the following subdivisions of this section.

Positions and administrative money may be transferred within the department of health as deemed necessary by the commissioner, upon the advance approval of the commissioner of finance.

Notwithstanding the provisions of section 144.145, the commissioner of health may enter into an agreement with the city of Brainerd to provide an alternate dental health plan. If the commissioner, in consultation with the governor, approves the plan and the city provides the plan in accordance with the agreement, the city of Brainerd is exempt from the provisions of section 144.145 for the duration of the agreement.

Subd. 2. Preventive and Personal Health Services	8,827,200	9,205,100
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Notwithstanding any law to the contrary, the commissioner of health shall charge a fee of not less than \$5 for medical laboratory services.

The commissioner of health may charge a fee for voluntary certification of medical laboratories and environmental laboratories. The fee may be established without complying with chapter 14.

The commissioner of health may charge fees for environmental and medical laboratory services in amounts approximately equal to the costs of providing the services. The fees may be established without complying with chapter 14.

The commissioner of health shall conduct a study and evaluation of lead exposure and the health effects on children. The commissioner shall report the findings of the study to the legislature by February 1, 1984.

Subd. 3. Health Systems Quality Assurance	1,930,600	1,947,900
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The commissioner of health shall require a fee of \$1,000 prior to undertaking a study of a human service occupation under section 214.13.

The fee shall be imposed on an applicant group at the time the application is filed with the commissioner. The fee shall be deposited to the general fund and if the application is accepted it is not refundable.

Subd. 4. Health Support Services 14,244,800 13,532,900

The amounts that may be expended from this appropriation for each activity are as follows:

General support
\$ 3,362,100 \$ 3,414,100

Community Health Services Subsidy
\$10,882,700 \$10,118,800

For the purposes of the community health services subsidy, the commissioner of finance may authorize the transfer of money to the community health services activity from the other programs in this section.

The payments for the community health services subsidy for each county shall be based upon the formula in effect in fiscal year 1983 except that the amount available for each county shall be increased by five percent each year of the biennium ending June 30, 1985, and be based upon the data used in arriving at the appropriation.

No county, city, group of cities, or group of counties shall receive less than the amount received in 1981; however, this appropriation shall be prorated if the amount is insufficient.

If the appropriation for community health services or services to children with handicaps is insufficient for either year, the appropriation for the other year shall be available by direction of the governor after consulting with the legislative advisory commission.

For the purposes of the community health services subsidy, the commissioner shall include public school swimming pool sanitation and safety within the definition of environmental health services.

Sec. 8. HEALTH RELATED BOARDS

Subdivision 1. Board of Chiropractic Examiners	87,900	89,400
Subd. 2. Board of Dentistry	256,700	263,500
Subd. 3. Board of Medical Examiners	421,300	414,300

Subd. 4. Board of Nursing	766,400	783,100
Subd. 5. Board of Examiners for Nursing Home Administrators	105,500	107,400
Subd. 6. Board of Optometry	48,300	49,600
Subd. 7. Board of Pharmacy	327,900	327,400
Subd. 8. Board of Podiatry	5,800	6,000
Subd. 9. Board of Psychology	104,000	107,200
Subd. 10. Board of Veterinary Medicine ...	65,700	67,800

The commissioner of finance shall not permit the allotment, encumbrance, or expenditure of any money appropriated in this section in excess of the anticipated biennial revenues from fees collected by the boards.

Neither this provision nor section 214.06 shall apply to transfers from the general contingent account, if the amount transferred does not exceed the amount of surplus revenue accumulated during the previous five years.

Sec. 9. CONTINGENT FOR STATE INSTITUTIONS 500,000

This appropriation shall be used for emergency purposes and for the purchase of food, clothing, drugs, utilities, and fuel for any of the institutions for which an appropriation is made in this act. No expenditure shall be made from this appropriation without the direction of the governor after consultation with the legislative advisory commission.

Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

The allowance for food may be adjusted annually according to the United States department of labor, bureau of labor statistics publication wholesale price index, upon the approval of the governor. Adjustments shall be based on the June, 1983, wholesale food price index, but the adjustment shall be prorated if the wholesale food price index adjustment would require money in excess of this appropriation.

Sec. 10. SPECIAL CONTINGENT 300,000

This appropriation is available for use by the commissioner of public welfare to match fed-

eral money from the home and community based waiver under United States Code, title 42, section 1396n(c), as amended through December 31, 1982, for costs to establish a client information system and for positions to administer the mental retardation program. This appropriation shall only be expended with the governor's approval after consultation with the legislative advisory commission under section 3.30. This money is not available to the commissioner if the home and community based waiver application is not approved by June 30, 1984.

Sec. 11. [FEDERAL RECEIPTS.]

For the ~~fiscal~~ biennium ending June 30, 1985 federal receipts as shown in the biennial budget document or in working papers of the two appropriations committees to be used for financing activities, programs, and projects under the supervision and jurisdiction of the commissioner of public welfare as ~~approved~~ *indicated* in Article 1, section 10 and Article 5, ~~section~~ *sections 9 and 12* shall be accredited to and become a part of the appropriations provided for in section 2.

Sec. 12. [PROVISIONS.]

For the biennium ending June 30, 1985, money appropriated to the commissioner of corrections and the commissioner of public welfare under this act for the purchase of provisions within the item "current expense" shall be used solely for that purpose. Any money so provided and not used for purchase of provisions shall be canceled into the fund from which appropriated, except that money so provided and not used for the purchase of provisions because of population decreases may be transferred and used for the purchase of medical and hospital supplies with the approval of the governor after consulting with the legislative advisory commission.

Sec. 13. [TRANSFERS OF MONEY.]

Subdivision 1. [GOVERNOR'S APPROVAL REQUIRED.] For the biennium ending June 30, 1985, the commissioner of public welfare, the commissioner of corrections, the commissioner of economic security, and the commissioner of health shall not transfer any money to or from the object of expenditure personal services to or from the object of expenditure claims and grants, as shown on the official worksheets of the conferees of the senate and house of representatives, a true copy of which is on file in the office of the commissioner of finance, except as provided in article 8, section 16 and for services for the blind and for those transfers that have the written approval of the governor after consulting with the legislative advisory commission.

Subd. 2. [TRANSFERS OF UNOBLIGATED APPROPRIATIONS.] For the biennium ending June 30, 1985, the commissioners of public welfare, corrections, and health by direction of the governor after consulting with the legislative advisory commission may transfer unobligated appropriation balances and positions among all programs.

Sec. 14. [APPROVED COMPLEMENT.]

For the biennium ending June 30, 1985, the approved complements indicated in this act are full-time equivalent positions and apply only to positions paid for with money appropriated by this act.

Additional employees over the number of the approved complement may be employed on the basis of public necessity or emergency with the written approval of the governor, but the governor shall not approve the additional personnel until he has consulted with the legislative advisory commission. Any requests for increases in the approved complement shall be forwarded to the appropriate committees on finance of the legislature not less than 30 days prior to the legislative advisory commission meeting.

Sec. 15. Minnesota Statutes 1982, section 129A.03, is amended to read:

129A.03 [POWERS AND DUTIES.]

The commissioner shall:

(a) Develop and administer the long-term sheltered workshops and work activity programs and perform the duties as specified in section 129A.08;

(b) Provide vocational rehabilitation services such as, ~~but not limited to,~~ diagnostic and related services incidental to the determination of eligibility for services to be provided, ~~which services may include~~ medical diagnosis and vocational diagnosis; vocational counseling, training and instruction, including personal adjustment training; physical restoration, including corrective surgery, therapeutic treatment, hospitalization and prosthetic devices, all of which shall be ~~secured~~ *obtained* from appropriate established agencies; transportation; occupational and business licenses or permits, customary tools and equipment, maintenance, books, supplies and training materials; initial stocks and supplies; placement; ~~the~~ acquisition of vending stands or other equipment, initial stocks and supplies for small business enterprises; supervision and management of small business enterprises, merchandising programs or services rendered by severely disabled persons; ~~the~~ establishment, improvement, maintenance or extension of public and other non-profit rehabilitation facilities, centers, workshops, demonstration projects and research. These services shall be provided for handicapped persons in the state whose capacity to earn a living has in any way been destroyed or impaired through industrial accident or otherwise, ~~provided that such;~~ *these persons shall be* ~~are~~ entitled to free choice of vendor for any medical or dental services ~~thus~~ *provided under this paragraph;*

(c) Formulate plans of cooperation with the commissioner of labor and industry ~~with reference to~~ *for* providing services to workers covered under the workers' compensation act. Those plans ~~shall be~~ *are* effective only ~~when~~ *if* approved by the governor;

(d) Maintain a contractual relationship with the United States as authorized by the act of congress approved September 1, 1954, known as the "Social Security Amendments of 1954," ~~being~~ *Public Law 761, Section 221,* and the act approved October 30, 1972, known as the Social Security Amendments of 1972, ~~being~~ *Public Law 92-603,* and subsequent amendments ~~thereto, in which agreement.~~ *Under the contract,* the state will undertake to make determinations referred to in those public laws with respect to all individuals in Minnesota, or with respect to ~~such~~ *a* class or classes of individuals in this state as ~~may be~~ *that is* designated in the agreement at the

state's request, ~~it being~~. *It is the purpose of this relationship to permit the citizens of this state to obtain all benefits available under federal law;*

(e) Provide an in-service training program for department employees by paying for ~~the its~~ direct costs ~~thereof~~ with state and federal funds;

(f) Conduct research and demonstration projects; provide training and instruction, including ~~the~~ establishment and maintenance of research fellowships and traineeships, along with all necessary stipends and allowances; disseminate information to the handicapped and general public; and provide technical assistance relating to vocational rehabilitation;

(g) Receive and disburse pursuant to law ~~funds~~ money and gifts available from governmental and private sources for the purpose of vocational rehabilitation;

(h) Design all state plans of vocational rehabilitation services required as a condition to the receipt and disbursement of any ~~funds~~ money available from the federal government;

(i) Cooperate with other public or private agencies or organizations for the purpose of vocational rehabilitation. *Money received from school districts, governmental subdivisions, mental health centers or boards, and private nonprofit organizations is appropriated to the commissioner for conducting joint or cooperative vocational rehabilitation programs;*

(j) Enter into contractual arrangements with instrumentalities of federal, state, or local government and with private individuals, organizations, agencies or facilities with respect to providing vocational rehabilitation services;

(k) Take other actions required by state and federal legislation relating to vocational rehabilitation and disability determination programs;

(l) Hire ~~the~~ staff and arrange for ~~the provision~~ of services and facilities necessary to perform the duties and powers specified in this section; and

(m) Adopt, amend, suspend or repeal rules necessary to implement or make specific programs ~~which that~~ the commissioner by sections 129A.01 to 129A.09 is empowered to administer.

Sec. 16. Minnesota Statutes 1982, section 144.653, subdivision 2, is amended to read:

Subd. 2. [PERIODIC INSPECTION.] All facilities required to be licensed under the provisions of sections 144.50 to 144.58 shall be periodically inspected by the state commissioner of health to ~~insure~~ *ensure* compliance with ~~its~~ rules, ~~regulations~~ and standards. Inspections shall occur at different times throughout the calendar year. The ~~state~~ commissioner of health may enter into agreements with political subdivisions providing for the inspection of such facilities by locally employed inspectors.

The commissioner of health shall conduct inspections and reinspections of facilities licensed under the provisions of sections 144.50 to 144.56 with a frequency and in a manner calculated to produce the greatest benefit to residents within the limits of the resources available to the commissioner. In performing this function, the commissioner may devote proportionately more resources to the inspection of those facilities in which conditions present the

most serious concerns with respect to resident health, treatment, comfort, safety, and well-being.

These conditions include but are not limited to: change in ownership; frequent change in administration in excess of normal turnover rates; complaints about care, safety, or rights; where previous inspections or re-inspections have resulted in correction orders related to care, safety, or rights; and, where persons involved in ownership or administration of the facility have been indicted for alleged criminal activity. Any health care facility that has none of the above conditions or any other condition established by the commissioner that poses a risk to resident care, safety, or rights shall be inspected once every two years.

Sec. 17. Minnesota Statutes 1982, section 144A.04, subdivision 5, is amended to read:

Subd. 5. [ADMINISTRATORS.] Except as otherwise provided by this subdivision, a nursing home must have a full time licensed nursing home administrator serving the facility. In any nursing home of less than 25 beds, the director of nursing services may also serve as the licensed nursing home administrator. Two nursing homes having a total of 100 beds or less and located within 50 miles of each other may share the services of a licensed administrator if the administrator divides his full time work week between the two facilities in proportion to the number of beds in each facility. Every nursing home shall have a person-in-charge on the premises at all times in the absence of the licensed administrator. The name of the person in charge must be posted in a conspicuous place in the facility. The commissioner of health shall by rule promulgate minimum education and experience requirements for persons-in-charge, and may promulgate rules specifying the times of day during which a licensed administrator must be on the nursing home's premises. A nursing home may employ as its administrator the administrator of a hospital licensed pursuant to sections 144.50 to 144.56 if the individual is licensed as a nursing home administrator pursuant to section 144A.20 and the nursing home and hospital have a combined total of 150 beds or less and are located within one mile of each other. *A nonproprietary retirement home having fewer than 15 licensed nursing home beds may share the services of a licensed administrator with a nonproprietary nursing home, having fewer than 150 licensed nursing home beds, that is located within 25 miles of the retirement home.* A nursing home which is located in a facility licensed as a hospital pursuant to sections 144.50 to 144.56, may employ as its administrator the administrator of the hospital if the individual meets minimum education and long term care experience criteria set by rule of the commissioner of health.

Sec. 18. Minnesota Statutes 1982, section 144A.10, subdivision 2, is amended to read:

Subd. 2. [INSPECTIONS.] The commissioner of health shall ~~annually~~ inspect each nursing home to ~~assure~~ ensure compliance with sections 144A.01 to 144A.17 and the rules promulgated ~~thereunder~~ to implement them. The ~~annual~~ inspection shall be a full inspection of the nursing home. If upon a reinspection provided for in subdivision 5 the representative of the commissioner of health finds one or more uncorrected violations, a second inspection of the facility shall be conducted. The second inspection need not

be a full inspection. No prior notice shall be given of an inspection conducted pursuant to this subdivision. Any employee of the commissioner of health who willfully gives or causes to be given any advance notice of an inspection required or authorized by this subdivision shall be subject to suspension or dismissal in accordance with chapter 43A. An inspection required by a federal rule or statute may be conducted in conjunction with or subsequent to any other inspection. Any inspection required by this subdivision may be in addition to or in conjunction with the reinspections required by subdivision 5. Nothing in this subdivision shall be construed to prohibit the commissioner of health from making more than one unannounced inspection of any nursing home during its license year. The commissioner of health shall coordinate his inspections of nursing homes with inspections by other state and local agencies.

The commissioner shall conduct inspections and reinspections of health facilities with a frequency and in a manner calculated to produce the greatest benefit to residents within the limits of the resources available to the commissioner. In performing this function, the commissioner may devote proportionately more resources to the inspection of those facilities in which conditions present the most serious concerns with respect to resident health, treatment, comfort, safety, and well-being.

These conditions include but are not limited to: change in ownership; frequent change in administration in excess of normal turnover rates; complaints about care, safety, or rights; where previous inspections or reinspections have resulted in correction orders related to care, safety, or rights; and, where persons involved in ownership or administration of the facility have been indicted for alleged criminal activity. Any facility that has none of the above conditions or any other condition established by the commissioner that poses a risk to resident care, safety, or rights shall be inspected once every two years.

Sec. 19. Minnesota Statutes 1982, section 145.921, subdivision 1, is amended to read:

Subdivision 1. [PAYMENT.] When a city, county, or group of cities or counties meets the requirements prescribed in section 145.917, the state commissioner of health shall pay the amount of subsidy to the city or county in accordance with applicable rules and regulations from the funds appropriated for the purpose. ~~The state commissioner of health may make an advancement of funds on a quarterly basis.~~ *The commissioner of health shall make payments for community health services to each county in 12 installments per year. The commissioner shall ensure that the pertinent payment of the allotment for each month is made to each county on the first working day after the end of each month of the calendar year, except for the last month of the calendar year. The commissioner shall ensure that each county receives its payment of the allotment for that month no later than the last working day of that month. The payment described in this subdivision for services rendered during June, 1985 shall be made on the first working day of July, 1985.*

Sec. 20. Minnesota Statutes 1982, section 246.57, is amended by adding a subdivision to read:

Subd. 3. [LIMITED AGREEMENTS.] Notwithstanding the provisions of subdivision 1, the commissioner of public welfare may authorize a state hos-

pital or state nursing home to enter into agreements with other governmental or nonprofit organizations for participation in limited shared service agreements that would be of mutual benefit to the state, the organization involved, and the public.

The duration of limited agreements may not exceed three calendar years and the total dollar amount attributable to a limited agreement may not exceed \$100,000. Consultation with the legislative advisory committee is not required for agreements made pursuant to this subdivision. The charges for services must be on an actual cost basis and receipts are dedicated for the operations of the state hospitals or state nursing homes that provide the service, and are appropriated for that purpose.

Sec. 21. Minnesota Statutes 1982, section 251.011, subdivision 6, is amended to read:

Subd. 6. [RULES AND REGULATIONS.] ~~The commissioner of public welfare shall have the power to make~~ *may promulgate rules and regulations for the operation of, for admission of residents in, and to establish charges for care in the state nursing homes at Ah-Gwah-Ching and Oak Terrace and for the admission of patients thereto, and to fix the charges to be made for care therein. For the purposes of collecting from the federal government for the care of those residents in the state nursing homes eligible for medical care under the Social Security Act, "cost of care" shall be determined as set forth in the rules and regulations of the Department of Health and Human Services or its successor agency.*

Sec. 22. [252.32] [FAMILY SUBSIDY PROGRAM.]

Within the limits of appropriations, the commissioner of public welfare may provide subsidies to families with mentally retarded children in order to enable those families to continue caring for the children in their own homes. The commissioner may establish criteria for determining eligibility for a subsidy and subsidy amounts and conditions for use of subsidies.

Sec. 23. Minnesota Statutes 1982, section 256E.06, subdivision 2, is amended to read:

Subd. 2. [MINIMUM FUNDING LEVEL; STATE AIDS MAXIMUM FUNDING; ALLOCATION.] ~~No county shall receive less in state aids for community social services under subdivision 1 in calendar years 1982 and 1983 than 106 percent of the state money it received in the immediately preceding calendar year pursuant to section 256E.06. For purposes of 1983, the state money the county received in 1982 shall be the community social service grant plus the state money it received for state fiscal year 1982 as authorized by the health, welfare, and corrections appropriations act for the biennium ending June 30, 1983 for the following activities: cost of care for mentally retarded, epileptic or emotionally handicapped children pursuant to section 252.27, subdivision 1; community mental health pilot program pursuant to section 245.72 and community-based residential programs for mentally ill persons.~~

~~The term state funds does not include any federal money received by the state or counties for financing these services.~~

No county shall receive more than 130 percent of the amount received in the immediately preceding year as specified in this subdivision. If the

amount allocated to any county pursuant to subdivision 1 is greater than this amount, the excess shall be reallocated to all counties in direct proportion to their initial allocations.

~~If the amount allocated to any county pursuant to subdivision 1 and the preceding paragraph is less than the minimum funding level of that county, its allocation shall be raised to its minimum share through an equal percentage reduction applied to all other county allocations.~~

Sec. 24. Minnesota Statutes 1982, section 401.14, is amended by adding a subdivision to read:

Subd. 3. [INSTALLMENT PAYMENTS.] The commissioner of corrections shall make payments for community corrections services to each county in 12 installments per year. The commissioner shall ensure that the pertinent payment of the allotment for each month is made to each county on the first working day after the end of each month of the calendar year, except for the last month of the calendar year. The commissioner shall ensure that each county receives its payment of the allotment for that month no later than the last working day of that month. The payment described in this subdivision for services rendered during June, 1985 shall be made on the first working day of July, 1985.

Sec. 25. Minnesota Statutes 1982, section 401.15, subdivision 1, is amended to read:

Subdivision 1. [CERTIFIED STATEMENTS; DETERMINATIONS; ADJUSTMENTS.] On or before the end of each calendar quarter, participating counties which have received the payments authorized by section 401.14 shall submit to the commissioner certified statements detailing the amounts expended and costs incurred in furnishing the correctional services provided in sections 401.01 to 401.16. Upon receipt of certified statements, the commissioner shall, in the manner provided in sections 401.10 and 401.12, determine the amount each participating county is entitled to receive, making any adjustments necessary to rectify any disparity between the amounts received pursuant to the estimate provided in section 401.14 and the amounts actually expended. If the amount received pursuant to the estimate is greater than the amount actually expended during the quarter, the commissioner may withhold the difference from any subsequent ~~quarterly~~ *monthly* payments made pursuant to section 401.14. Upon certification by the commissioner of the amount a participating county is entitled to receive under the provisions of section 401.14 or of this subdivision the commissioner of finance shall thereupon issue a state warrant to the chief fiscal officer of each participating county for the amount due together with a copy of the certificate prepared by the commissioner.

Sec. 26. Laws 1982, chapter 614, section 13, is amended to read:

Sec. 13. [EFFECTIVE DATE.]

Sections 1, 3 to 7 and 11 are effective the day following enactment. Section 2 shall become effective for a specified provider group on March 1, 1983 if the commissioner of health certifies to the health and welfare committees of the house and senate that the voluntary efforts by the provider group to promote price competition and to implement the reporting requirements of section 2 have not made satisfactory progress. This certification

shall take the form of a written report delivered to the chairmen of the house and senate committees by January 2, 1983. Notice of the date of the delivery shall be published in the state register. Sections 8 to 10 and 12 are effective ~~March 15~~ June 30, 1984.

Sec. 27. [REPEALER.]

Laws 1981, chapter 323, section 4 and chapter 360, article II, section 54, as amended by Laws 1981, First Special Session chapter 4, article IV, section 22, are repealed. The section proposed to be coded as section 471.365 contained in a bill styled as H.F. No. 1290 during the 1983 regular legislative session is repealed.

Sec. 28. [EFFECTIVE DATE.]

Sections 19, 24, and 25 are effective July 1, 1984.

ARTICLE 2

CHILD CARE ENTITLEMENT

Section 1. Minnesota Statutes 1982, section 245.83, is amended to read:

245.83 [GRANTS FOR CHILD CARE SERVICES; DEFINITIONS.]

Subdivision 1. As used in sections 245.83 to 245.87 the words defined in this section shall have the meanings given them.

Subd. 2. "Child care services" means family day care homes, group day care centers, nursery schools, day nurseries, child day care centers, play groups, head start and parent cooperatives, as defined by rules of the commissioner, and in-home child care as defined in the Minnesota plan for social services to families and children.

Subd. 3. "Child" means any person 14 years of age or younger.

Subd. 4. "Commissioner" means the commissioner of public welfare.

Subd. 5. "Interim financing" means funds to carry out such activities as are necessary for family day care homes, group family day care homes and cooperative child care centers to receive and maintain state licensing, and operating funds for a period of six consecutive months following receipt of state licensing by a family day care home, group family day care home, or cooperative child care center.

Sec. 2. Minnesota Statutes 1982, section 245.84, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The county board is authorized to *provide child care services*, to make grants from the community social service fund or other sources to any municipality, corporation or combination thereof for the cost of providing technical assistance and child care services, or to *contract for services with any licensed day care facility*, as the board deems necessary or proper to carry out the purposes of sections 245.83 to 245.87.

The board is further authorized to make grants to or *contract with any municipality, incorporated licensed child care facility, or corporation or combination thereof* for any of the following purposes:

(a) For creating new licensed day care facilities and expanding existing

facilities including, but not limited to, supplies, equipment, and facility renovation and remodeling;

(b) For improving licensed day care facility programs, including, but not limited to, staff specialists, staff training, supplies, equipment, and facility renovation and remodeling;

(c) For supportive child development services including, but not limited to, inservice training, curriculum development, consulting specialist, resource centers, and program and resource materials;

(d) For carrying out programs including, but not limited to, staff, supplies, equipment, facility renovation, and training; and,

(e) For interim financing.

Sec. 3. Minnesota Statutes 1982, section 245.84, subdivision 2, is amended to read:

Subd. 2. [ALLOCATION, ELIGIBILITY, SLIDING FEE.] *(a) Within the limit of appropriations available and subject to the allocation requirements of section 245.87 the commissioner shall establish a program to make grants allocate available appropriations to counties for the purpose of reducing according to a sliding fee schedule the costs of child care for eligible families. The commissioner shall promulgate rules to govern the program in accordance with this subdivision. No later than April 1 of each odd-numbered year, the commissioner shall notify all county boards of the allocation procedures for applying for the sliding fee program grants. No later than June 1 of each odd-numbered year, each county wishing to participate in the sliding fee program shall apply to inform the commissioner for a grant of the number of persons estimated to be entitled to child care services, the number of persons estimated to use the program, and the expected cost for the following two state fiscal years. No later than July 1 of that year, the commissioner shall allocate to all counties that apply and agree to comply with the provisions of sections 245.84 to 245.87 grants in the amounts determined by rule each county its proportionate share of the appropriation for that and the next fiscal year, determined according to the county's report. If the appropriation is insufficient to meet the needs in all counties, the amount shall be prorated among the counties. The commissioner shall require collection of data and periodic reports as the commissioner deems necessary to demonstrate the effectiveness of the program in preventing and reducing dependence of participants on public assistance and in providing other benefits. The commissioner shall report to the legislature no later than January 15 of each odd-numbered year of the effectiveness of the program.*

(b) In addition to payments from parents, contributions to the cost of the program shall be made by grantees counties as follows: 5 percent in the first grant year, and 15 percent in the second and subsequent grant years, that the county provides services under this subdivision.

The county board shall establish the income range for eligibility of families for the sliding fee program, which shall be not less than the minimum nor more than the maximum income range, as follows: (a) the minimum income range includes families having income above 60 percent but less than 70 percent of the state median income for a family of four adjusted for family size; (b) the maximum income range includes families having income above 60 percent but

less than 90 percent of the state median income for a family of four adjusted for family size. Families having parents determined by the commissioner, according to criteria which the commissioner shall establish, to be unable to care for the child because of employment, school attendance or other circumstances are eligible for the sliding fee program.

(c) Families receiving child care services under this subdivision on July 1, 1983 are entitled to child care services under this paragraph (c). As money that is allowed or required to be used for providing child care becomes available to the county from federal, state, or local sources, the county board shall to the extent practical make child care services available to single parent families in which the parent needs child care services under this section to secure or retain employment, or to obtain the training or education necessary to secure employment, or for other circumstances, established by the commissioner, related to education, training, or employment, and, in the following order of priority:

(1) who are receiving aid to families with dependent children under sections 256.72 to 256.87. Child care services to these families shall be made available as in-kind services, to cover the difference between the actual cost and \$160 per month per child or the amount disregarded under rules for persons not employed full-time; then

(2) whose household income is within the income range established by the county board. Child care services to these families shall be made available on a sliding fee. The minimum income range a county board may establish is between the aid to families with dependent children eligibility limit and household income of less than 70 percent of the state median income for a family of four adjusted for family size, and the maximum income range is between the aid to families with dependent children eligibility limit and household income of less than 90 percent of the state median income for a family of four adjusted for family size.

(d) In setting the sliding fee schedule, the commissioner shall exclude from the amount of income used to determine eligibility under the income range established by the county board an amount for federal and state income and social security taxes attributable to that income level according to federal and state standardized tax tables. The total fee charged for child care to any family shall not exceed 75 percent of the income so determined to be above the maximum allowable for fully subsidized child care.

(e) In each case where the ~~grantee~~ county charges a fee that is less than the fee set by the commissioner for the same service, the state's payment shall be limited to the difference between the fee set by the commissioner and the charge for care.

In cases where the provider of the child care service charges in excess of 125 percent of the median charge for like care arrangements in the geographic area defined by the commissioner for the purposes of ascertaining ~~such~~ the median charge, the state's payment shall be limited to the difference between 125 percent of the median charge for like care arrangements in the geographic area and the parents' fee.

(f) The county board shall ensure that child care services are available to county residents entitled to them under paragraph (c), that the availability of

services is well-advertised, and that all recipients of and applicants for aid to families with dependent children are informed of any availability of child care services under paragraph (c). The county board may accept any gifts, grants, bequests, devises, or offers of inclusion of services as employees' fringe benefits for use in providing services under sections 1 to 8.

(g) The commissioner shall promulgate temporary and permanent rules in accordance with sections 14.05 to 14.36 to implement this section. No more than seven percent of any ~~grant~~ *grant allocation* shall be used for the ~~grantee's~~ *grantee's* county's administration expenses.

Sec. 4. Minnesota Statutes 1982, section 245.84, subdivision 5, is amended to read:

Subd. 5. [BIENNIAL PLAN.] The county *board* shall biennially develop a plan for the distribution of ~~funds~~ *money* for child care services as part of the community social services plan prescribed in section 256E.09. All licensed child care programs shall be given written notice concerning the availability of ~~funds~~ *money* and the application process.

Sec. 5. Minnesota Statutes 1982, section 245.85, is amended to read:

245.85 [TERMINATION SUPERVISION OF ALL OR PART OF A GRANT SERVICES.]

The county board shall supervise and coordinate all child care services and programs for which a ~~grant~~ *money* has been made *available* pursuant to sections 245.83 to 245.87, and shall endeavor insofar as possible to establish a set of program standards and uniform regulations to coordinate child care services and programs at the local level. The board shall, from time to time, review the budgets, expenditures and development of each child care service and program to which a ~~grant~~ *money* has been made *available* pursuant to sections 245.83 to 245.87.

Sec. 6. Minnesota Statutes 1982, section 245.86, is amended to read:

245.86 [AUTHORIZATION TO COUNTIES AND MUNICIPALITIES TO CONTRACT OR MAKE GRANTS.]

Any county or municipality may *contract for services or make grants* from special tax revenues or from its general fund to any organization, governmental or corporate, for the same purposes for which the commissioner is authorized to make ~~grants~~ *allocations* by sections 245.83 to 245.87.

Sec. 7. Minnesota Statutes 1982, section 245.87, is amended to read:

245.87 [ALLOCATIONS.]

For the purposes of section 245.84, subdivision 2 ~~grants shall be distributed, the commissioner shall allocate money appropriated~~ between the metropolitan area, comprising the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington, and the area outside the metropolitan area so that no more than 55 percent of the total fund goes to either area after excluding allocations for migrant day care services, administrative costs and statewide projects. At least ten percent of the total program allocation *under section 245.84, subdivision 1* shall be designated for interim financing. The commissioner is further instructed that the allocation in each area be based on a need and population basis.

Sec. 8. [DEADLINES.]

For state fiscal year 1984, counties shall inform the commissioner as required under section 3 no later than July 15, 1983, and the commissioner shall allocate money as required under section 3 no later than September 1, 1983.

Sec. 9. [SCHEDULE FOR PARTICIPATION.]

The commissioner of public welfare shall report to the legislature by January 1, 1984, with a schedule for requiring additional counties to provide child care services under section 3.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective July 1, 1983.

ARTICLE 3

FEE INCREASES

Section 1. Minnesota Statutes 1982, section 357.021, subdivision 2, is amended to read:

Subd. 2. [FEE AMOUNTS.] The fees to be charged and collected by the clerk of district court shall be as follows:

(1) In every civil action or proceeding in said court, the plaintiff, petitioner, or other moving party shall pay, when the first paper on his part is filed in said action, a fee of \$20, except that in an action for marriage dissolution, a fee of ~~\$35~~ is \$55.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper on his or their part is filed in said action, a fee of \$15.

The party requesting a trial by jury shall pay \$15.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 106, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding \$5 and \$3.50 for an uncertified copy.

(3) Issuing a subpoena \$1 for each name.

(4) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$5.

(5) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, \$5.

(6) Filing and entering a satisfaction of judgment, partial satisfaction or assignment of judgment, \$5.

(7) Certificate as to existence or non-existence of judgments docketed, \$1

for each name certified to and \$1 for each judgment certified to.

(8) Filing and indexing trade name; or recording notary commission; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians or optometrists, \$5.

(9) For the filing of each partial, final, or annual account in all trusteeships, \$10.

(10) All other services required by law for which no fee is provided such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

Sec. 2. Minnesota Statutes 1982, section 357.021, subdivision 2a, is amended to read:

Subd. 2a. [CERTAIN FEE PURPOSES.] Of the marriage dissolution fee collected pursuant to subdivision 1, the clerk shall pay ~~\$15~~ \$35 to the state treasurer to be deposited in the general fund *to be used as follows: \$15 for the purposes of funding grant programs for emergency shelter services and support services to battered women under sections 241.61 to 241.66 and for administering displaced homemaker programs established under section 4.40; and \$20 is appropriated to the commissioner of corrections for the purpose of funding emergency shelter services and support services to battered women, on a matching basis with local money for 20 percent of the costs and state money for 80 percent. Of the \$15 for the purposes of funding grant programs for emergency shelter services and support services to battered women under sections 241.61 to 241.66 and for administering displaced homemaker programs established under section 4.40, \$6.75 is appropriated to the commissioner of corrections and \$8.25 is appropriated to the commissioner of economic security.* The state treasurer shall identify and report to the commissioner of finance all amounts deposited in the general fund under this section.

Sec. 3. Minnesota Statutes 1982, section 517.08, subdivision 1b, is amended to read:

Subd. 1b. [TERM OF LICENSE; FEE.] The clerk shall examine upon oath the party applying for a license relative to the legality of the contemplated marriage. If at the expiration of a five-day period, he is satisfied that there is no legal impediment to it, he shall issue the license, containing the full names of the parties before and after marriage, and county and state of residence, with the district court seal attached, and make a record of the date of issuance. The license shall be valid for a period of six months. In case of emergency or extraordinary circumstances, a judge of the county court or a judge of the district court of the county in which the application is made, may authorize the license to be issued at any time before the expiration of the five days. The clerk shall collect from the applicant a fee of ~~\$30~~ \$40 for administering the oath, issuing, recording, and filing all papers required, and preparing and transmitting to the state registrar of vital statistics the reports of marriage required by this section. If the license should not be used within the period of six months due to illness or other extenuating circumstances, it may be surrendered to the clerk for cancellation, and in that case a new license shall issue upon request of the parties of the original license without fee. A clerk who knowingly issues or signs a marriage license in any

manner other than as provided in this section shall pay to the parties aggrieved an amount not to exceed \$1,000.

Sec. 4. Minnesota Statutes 1982, section 517.08, subdivision 1c, is amended to read:

Subd. 1c. [DISPOSITION OF LICENSE FEE.] Of the marriage license fee collected pursuant to subdivision 1b, the clerk shall pay ~~\$15~~ \$25 to the state treasurer to be deposited in the general fund *to be used as follows: \$15 for the purposes of funding grant programs for emergency shelter services and support services to battered women under sections 241.61 to 241.66 and for administering displaced homemaker programs established by July 1, 1983, under section 4.40; and \$10 is appropriated to the commissioner of economic security for the purpose of funding displaced homemaker programs established after July 1, 1983, under section 4.40 in areas of the state where those programs previously did not exist or adjunct programs that extend access to current programs in northeastern Minnesota, on a matching basis with local funds providing 20 percent of the costs and state funds providing 80 percent. Of the \$15 for the purposes of funding grant programs for emergency shelter services and support services to battered women under sections 241.61 to 241.66 and for administering displaced homemaker programs established by July 1, 1983, under section 4.40, \$6.75 is appropriated to the commissioner of corrections and \$8.25 is appropriated to the commissioner of economic security.*

The state treasurer shall identify and report to the commissioner of finance all amounts deposited in the general fund *and appropriated* under this section.

Sec. 5. [EFFECTIVE DATE.]

This article is effective July 1, 1983, and applies to all licenses issued and dissolution petitions filed on or after that date.

ARTICLE 4

MATERNAL AND CHILD HEALTH

Section 1. Minnesota Statutes 1982, section 145.881 is amended to read:

145.881 [MATERNAL AND CHILD HEALTH ADVISORY TASK FORCE.]

Subdivision 1. [COMPOSITION OF TASK FORCE.] The commissioner shall establish and appoint a maternal and child health advisory task force consisting of 15 members who will provide equal representation from:

- (1) professionals with expertise in maternal and child health services;
- (2) representatives of local health boards as defined in section 145.913; and
- (3) consumer representatives interested in the health of mothers and children.

No members shall be employees of the state department of health. Task force members shall be appointed and removed ~~and terms shall expire~~ as provided in section 15.059, subdivision 6. *Notwithstanding section 15.059, subdivisions 5 and 6, the maternal and child health advisory task force shall*

terminate on June 30, 1987.

Subd. 2. [DUTIES.] The advisory task force shall meet on a regular basis to perform the following duties:

(a) Review and report on the health care needs of mothers and children throughout the state of Minnesota;

(b) Review and report on the type, frequency and impact of maternal and child health care services provided to mothers and children under existing maternal and child health care programs, including programs administered by the commissioner of health;

(c) Establish, review, and report to the commissioner a list of program guidelines and criteria which the advisory task force considers essential to providing an effective maternal and child health care program to low income, *populations and high risk patients persons* and fulfilling the purposes defined in section 145.88;

(d) Review staff recommendations of the department of health regarding maternal and child health grant awards before the awards are made;

(e) Make recommendations to the commissioner for the use of other federal and state funds available to meet maternal and child health needs;

(f) Make recommendations to the commissioner of health on priorities for funding the following maternal and child health services: (1) prenatal, delivery and postpartum care, (2) comprehensive health care for children, especially from birth through five years of age, (3) adolescent health services, (4) family planning services, (5) preventive dental care, (6) special services for chronically ill and handicapped children and (7) any other services which promote the health of mothers and children; and

(g) Make recommendations to the commissioner of health on ~~a the~~ process to distribute, award and administer the maternal and child health block grant funds ~~after July 1, 1983 that will fulfill the purposes of section 145.88.~~

Sec. 2. Minnesota Statutes 1982, section 145.882, is amended to read:

145.882 [MATERNAL AND CHILD HEALTH BLOCK GRANT DISTRIBUTION.]

~~The maternal and child health care block grant shall be distributed to the same recipients that received funds during the previous year until July 1, 1983. A reduction in federal funding shall be distributed to reflect a proportional reduction for each recipient.~~

Recipients of maternal and child health grants for special projects in state fiscal year 1983 shall continue to be funded at the same level as in state fiscal year 1983 until September 30, 1985, if they comply with the provisions of sections 145.881, and 2 to 7. These recipients are also eligible to apply for state grants under sections 3 to 7. Any decrease in the amount of federal funding to the state for the maternal and child health block grant shall be apportioned to reflect a proportional decrease for each recipient until September 30, 1985. Any increase in the amount of federal funding to the state shall be distributed for services to children with handicaps and to special projects as provided in sections 3 to 7, except that an amount not to exceed ten percent may be retained by the commissioner of health to address cost of

living increases and increases in supplies and services.

After September 30, 1985, the advisory task force shall review and recommend the proportion of maternal and child health block grant funds to be expended for indirect costs, direct services and special projects. The proportion of funds expended in direct services through special projects shall be maintained at not less than the level expended in state fiscal year 1984.

The commissioner shall prepare, with the advice of the advisory task force, an annual report to the legislature which details the distribution of maternal and child health block grant funds, including the amounts to be expended for indirect costs, direct services, and special projects. The report shall also identify the statewide needs of low income and high risk populations and the department of health's plans for meeting their needs. The legislature must receive the report no later than January of each year.

Sec. 3. [145.883] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of sections 145.881, 145.882, and 3 to 7, the terms defined in this section shall have the meanings given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of health.

Subd. 3. [QUALIFIED PROGRAM.] "Qualified program" means a program with professional maternal and child health care staff which is established for the purpose of providing one or more essential services in maternal and child health care to target populations of low income and high risk persons. Nothing in this subdivision shall imply that every person served must take a means test.

Subd. 4. [ESSENTIAL SERVICES.] "Essential services" means (a) prenatal, delivery, and post partum care; (b) comprehensive health care for children from birth through five years of age; (c) adolescent health services; (d) family planning services, as defined in section 145.912, subdivision 9; (e) preventive dental care; or (f) special services for chronically ill children and for handicapped children.

Subd. 5. [LOW INCOME.] "Low income" means an individual or family with an income determined to be at or below 175 percent of the income official poverty line defined by the office of management and budget and revised annually in accordance with United States Code, title 42, section 9902, as amended through December 31, 1982. With respect to an individual who is a high risk person, "low income" means that the income of the high risk person or the person's family is determined to be at or below 200 percent of the income official poverty line defined by the office of management and budget and revised annually in accordance with United States Code, title 42, section 9902, as amended through December 31, 1982. The commissioner shall establish the low income level for eligibility for services to children with handicaps.

Subd. 6. [HIGH RISK PERSON.] "High risk person" means a mother or child with a condition which significantly increases the probability of disease, injury, death, or other adverse health-related problem. Determination that a condition results in high risk shall be based on well validated, scientific studies.

Subd. 7. [SPECIAL PROJECT.] "Special project" means a qualified program that receives maternal and child health block grant money and is administered by a public or private nonprofit agency other than the Minnesota department of health. A special project may not impose residency requirements, other than state residence, as a condition of receiving essential services. A special project that can demonstrate a need to reduce services as a result of high demand for these services from outside the project's proposed service area may apply for additional funds. Any special project providing statewide essential services may serve a population that is low income or high risk.

Subd. 8. [MATERNAL AND CHILD HEALTH BLOCK GRANT MONEY.] "Maternal and child health block grant money" means the money received by the state from the federal maternal and child health block grant. The commissioner shall carry forward from state fiscal year 1985, and succeeding years, only sufficient funds for qualified programs approved through the federal fiscal year.

Sec. 4. [145.884] [GRANTS TO QUALIFIED PROGRAMS.]

Subdivision 1. [RULES.] The commissioner shall, in the name of the state and within the limit of the federal maternal and child health block grant appropriation, make grants to public and private nonprofit agencies administering qualified programs of maternal and child health care services. The commissioner shall promulgate rules for the administration of grants authorized by this subdivision. The rules shall establish and contain as a minimum:

(a) procedures for grant applications;

(b) conditions and procedures for the administration of grants;

(c) criteria of eligibility for grants; and

(d) other matters the commissioner finds necessary for the proper administration of the grant program.

Subd. 2. [PRIORITY CRITERIA FOR GRANTS.] Any public or private nonprofit agency providing or planning to provide services in maternal and child health care to an identified low income and high risk population may apply to the commissioner for a maternal and child health care grant. The commissioner shall, when making grants, give priority to qualified programs that provide essential services in maternal and child health care to a target population of low income and high risk persons. In distributing any increase in federal funding to special projects, the commissioner shall give priority to grant applications for special projects located outside the metropolitan area for at least 50 percent of the increased funding.

Sec. 5. [145.885] [APPLICATION FOR A GRANT.]

An application for a grant shall be submitted to the commissioner at a time and in a form and manner as the commissioner prescribes. Department of health technical staff shall be available to provide technical assistance in development of grant applications. The application must contain:

(a) A complete description of the program and the manner in which the applicant intends to conduct the program;

(b) A budget and justification for the amount of grant funds requested;

(c) A description of the target population served by the qualified program and estimates of the number of low income or high risk patients the program is expected to serve;

(d) The name or names of the person or persons who shall have primary responsibility for the administration and delivery of services of the qualified program; and

(e) The reporting and accounting procedures to be followed by the qualified agency to enable the commissioner to evaluate the activities of the qualified program.

Sec. 6. [145.886] [GRANT REVIEW PROCESS.]

Primary review of all grant applications shall be conducted by the department of health technical staff. All technically completed applications will be forwarded for secondary review to a grants review panel established by the commissioner. A majority of the grants review panel must be professionals with expertise in maternal and child health care. No member of the panel may be an employee of a public or private nonprofit agency receiving or applying for maternal and child health block grant money. The advisory task force shall review the recommendations of the grants review panel for comment to the commissioner. The commissioner shall award grants under sections 5 and 6 only after receiving the comments and recommendation of the grants review panel and the advisory task force on completed grant applications.

Sec. 7. [145.888] [LIMITATIONS.]

Grants awarded to qualified programs under sections 5 to 7 shall not exceed 75 percent of the estimated annual cost of the qualified program for the fiscal year for which the grant is awarded.

Sec. 8. [RULES.]

The commissioner may adopt temporary and permanent rules for the efficient administration of sections 1 to 8. The temporary rules need not be adopted in compliance with chapter 14 and shall be effective for 360 days or until the permanent rules are adopted, whichever occurs first. The temporary rules shall be effective upon adoption by the commissioner and shall be published in the State Register as soon thereafter as possible.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective the day following final enactment.

ARTICLE 5

MEDICAL ASSISTANCE AND GENERAL ASSISTANCE MEDICAL CARE

Section 1. Minnesota Statutes 1982, section 245.62, is amended to read:

245.62 [COMMUNITY MENTAL HEALTH PROGRAM; TAX LEVY CENTER.]

Subdivision 1. [ESTABLISHMENT.] Any city, county, town, or any combination thereof, or private nonprofit corporation may establish a community mental health services program and may establish clinics and staff

same with persons specially trained in psychiatry and related fields center.

Subd. 2. [DEFINITION.] A community mental health center is a private nonprofit corporation or public agency approved under the temporary and permanent rules promulgated by the commissioner pursuant to subdivision 4.

Subd. 3. [CLINICAL DIRECTOR.] All community mental health center services shall be provided under the clinical direction of a licensed consulting psychologist licensed under sections 148.88 to 148.98, or a physician who is board certified or eligible for board certification in psychiatry, and who is licensed under section 147.02.

Subd. 4. [RULES.] The commissioner shall promulgate temporary and permanent rules to establish standards for the designation of an agency as a community mental health center. These standards shall include, but are not limited to:

(a) provision of mental health services in the prevention, identification, treatment and aftercare of emotional disorders, chronic and acute mental illness, mental retardation and developmental disabilities, and alcohol and drug abuse and dependency, including the services listed in section 245.61 except detoxification services;

(b) establishment of a community mental health center board pursuant to section 245.66; and

(c) approval pursuant to section 245.69, subdivision 2.

Sec. 2. Minnesota Statutes 1982, section 245.66, is amended to read:

245.66 [COMMUNITY MENTAL HEALTH CENTER BOARDS.]

Every city, county, town, combination thereof or nonprofit corporation establishing a community mental health center ~~under contract with a county board or human service board shall, before it may come within the provisions of sections 245.61 to 245.69 and receive funds from the county board or human service board,~~ shall establish a community mental health center board. The community mental health center ~~boards~~ board may include county commissioner representatives from each participating county and shall be representative of local health departments, medical societies, hospital boards, lay associations concerned with mental health, mental retardation and chemical dependency, labor, agriculture, business, civic and professional groups and the general public. Membership may include a representative from any county which purchases substantial services from the community mental health board; the local population, including at least health and human service professions and advocate associations, other fields of employment, and the general public. Each community mental health center board shall be responsible for the governing governance and performance of its center and shall be responsible for the performance of the center under any contracts entered into with a county board of commissioners or human services board. This governing shall include determination of the services to be provided by the community mental health center, establishment of the annual budget, appointment of the center director, and establishment of personnel standards and compensation for employees of the center.

Sec. 3. Minnesota Statutes 1982, section 256.01, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC POWERS.] Subject to the provisions of section 241.021, subdivision 2, the commissioner of public welfare shall:

(1) Administer and supervise all forms of public assistance provided for by state law and other welfare activities or services as may from time to time be vested in the commissioner.

(2) Administer and supervise all child welfare activities; promote the enforcement of laws protecting defective, illegitimate, dependent, neglected and delinquent children; license and supervise child-caring and child-placing agencies and institutions; supervise the care of children in boarding and foster homes or in private institutions; and generally perform all functions relating to the field of child welfare now vested in the state board of control.

(3) Administer and supervise all non-institutional service to handicapped persons, including the blind, the deaf, the tuberculous, the crippled, and otherwise handicapped persons. The authority and power conferred by this subdivision shall include the authority and power to provide and contract for the care and treatment of qualified indigent children in facilities other than those located and available at state hospitals when it is not feasible to provide the service in state hospitals.

(4) Assist and actively cooperate with other departments, agencies and institutions, local, state, and federal, by performing services in conformity with the purposes of Laws 1939, Chapter 431.

(5) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, Chapter 431, including the administration of any federal funds granted to the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, Chapter 431, and including the promulgation of rules making uniformly available medical care benefits to all recipients of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical care to recipients of public assistance, the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

(6) Establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(7) Administer and supervise any additional welfare activities and services as may, from time to time, hereafter be vested by law in the ~~state~~ department.

(8) The commissioner is hereby specifically constituted as guardian of both the estate and the person of all the wards of the state of Minnesota and other persons the guardianship of whom has been heretofore vested in the state board of control, whether by operation of law or by an order of court, without any further act or proceeding whatever, except as to persons committed as mentally retarded or epileptic. All of said guardianships, and the funds and property of the same, are hereby transferred to and vested in said commissioner, and said commissioner is hereby constituted a legal entity and is hereby empowered to act as guardian under any laws of this state heretofore conferring such powers upon the state board of control.

(9) Act as coordinating referral and informational center on requests for

service for newly arrived immigrants coming to Minnesota.

(10) The specific enumeration of powers and duties as hereinabove set forth shall in no way be construed to be a limitation upon the general transfer of powers herein contained.

(11) Establish county, regional, or state-wide schedules of maximum fees and charges which may be paid by local agencies for medical, dental, surgical, hospital, nursing and nursing home care and medicine and medical supplies under all programs of medical care provided by the state and for congregate living care under the income maintenance programs.

(12) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of public welfare is authorized to waive the enforcement of existing specific statutory program requirements, regulations, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration, shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a project exceed two years. It is further provided that no order establishing an experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

(a) The proposed comprehensive plan including estimated project costs and the proposed order establishing the waiver shall be filed with the secretary of the senate and chief clerk of the house of representatives at least 60 days prior to its effective date.

(b) The secretary of health, education, and welfare of the United States has agreed, for the same project, to waive state plan requirements relative to state-wide uniformity.

(c) A comprehensive plan, including estimated project costs, shall be approved by the legislative advisory commission and filed with the commissioner of administration.

(13) In accordance with federal requirements establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(14) ~~Promulgate, by rule, standards of administration to be applied by local welfare boards administering state and county financed programs of medical assistance pursuant to chapter 256B, general relief medical care pursuant to section 256D.02, subdivision 4 and medical, hospital, and surgical care for persons eligible for general assistance pursuant to chapter 256D, or for indigent persons whose costs of hospitalization are paid pursuant to sections 261.21 to 261.232. The rules shall specify a uniform standard of performance and a tolerated error rate, but shall not specify the minimum number of personnel to be employed by a local agency if the agency operates at the specified standard of performance or at or below the tolerated error rate. The commissioner may deduct from the earned administrative reimbursements of a county a penalty for the county's failure to comply with the standards of administration. The penalty shall be fixed by the commissioner as a percentage of the overexpenditure caused by improper administration, beyond an initial tolerated amount~~

of overexpenditure. In the event that fiscal sanctions are imposed by the federal government because of improper administration of the programs, one half of the amount of the sanctions attributable to local agency performance shall be deducted from administrative reimbursement otherwise due the county. Allocate federal fiscal disallowances or sanctions which are based on quality control error rates for the aid to families with dependent children, medical assistance, or food stamp program in the following manner:

(a) One-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs and shall be shared by each county board in the same proportion as that county's expenditures for the sanctioned program are to the total of all counties' expenditures for that program. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due hereunder, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due.

(b) Notwithstanding the provisions of paragraph (a), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in paragraph (a), an amount equal to the portion of the total disallowance which resulted from the noncompliance, and may distribute the balance of the disallowance according to paragraph (a).

Sec. 4. Minnesota Statutes 1982, section 256.045, subdivision 3, is amended to read:

Subd. 3. [STATE AGENCY HEARINGS.] In counties in which the commissioner of welfare has not appointed a local welfare referee, any person applying for or receiving any of the forms of public assistance described in subdivision 2 whose application for assistance is denied, not acted upon with reasonable promptness, or whose assistance is suspended, reduced, or terminated by a local agency, or any patient or relative aggrieved by an order of the commissioner under section 252.27, may contest that action or decision before the state agency by submitting a written request for a hearing to the state agency within 30 days after receiving written notice of the action or decision, or within 90 days of such written notice if the applicant or recipient, patient or relative shows good cause why the request was not submitted within the 30 day time limit. A local agency or applicant or recipient, patient or relative aggrieved by a ruling of a local welfare referee may appeal the ruling to the state agency by filing a notice of appeal with the state agency within 30 days after receiving the ruling of the local welfare referee. A state welfare referee shall conduct a hearing on the matter and shall recommend an order to the commissioner of public welfare. In appeals from rulings of local welfare referees, the hearing may be limited, upon stipulation of the parties, to a review of the record of the local welfare referee.

Sec. 5. Minnesota Statutes 1982, section 256.82, is amended by adding a subdivision to read:

Subd. 3. [SETTING FOSTER CARE STANDARD RATES.] The commis-

sioner shall annually establish minimum standard maintenance payment rates for foster care maintenance for all children in foster care, and require county boards to establish difficulty of care payment rates for all children in foster care.

Sec. 6. Minnesota Statutes 1982, section 256.966, subdivision 1, is amended to read:

Subdivision 1. [IN GENERAL.] For the biennium ending June 30, ~~1983~~ 1985, the annual increase in the cost per service unit paid to any vendor under medical assistance and general assistance medical care shall not exceed ~~eight~~ *five percent. The period for measuring growth shall be the state fiscal year, except that the five percent annual increase limitation applied to vendors under this subdivision does not apply to nursing homes licensed under chapter 144A or boarding care homes licensed under sections 144.50 to 144.56. The estimated acquisition cost of prescription drug ingredients is not subject to the five percent increase limit, any general state payment reduction, or cost limitation described in this section, except as required under federal law or regulation. For vendors enrolled in the general assistance medical care program, the annual increase in cost per service unit allowable during state fiscal year 1984 shall not exceed five percent. The basis for measuring growth shall be the cost per service unit that would have been reimbursable in state fiscal year 1983 if payments had not been rateably reduced and if payments had been based on the 50th percentile of usual and customary billings for medical assistance in 1978. The increase in cost per service unit allowable for vendors in the general assistance medical care program during state fiscal year 1985 shall not exceed five percent. The basis for measuring growth shall be state fiscal year 1984.*

Sec. 7. Minnesota Statutes 1982, section 256.967, is amended to read:

256.967 [MEDICAL CARE PAYMENTS; LIMITATIONS ON FEES.]

For the biennium ending June 30, 1985, all payments for vendors of medical care under general assistance medical care shall be based upon this standard: the 50th percentile of usual and customary fees based upon medical assistance billings during calendar year 1978. All payments for vendors of medical care under medical assistance shall be limited to the 50th percentile of usual and customary fees based upon billings during calendar year 1979 for physician services, dental care, vision care, podiatric services, chiropractic care, physical therapy, occupational therapy, speech pathologists, audiologists, mental health centers, psychologists, public health clinics, and independent laboratory and x-ray services.

Sec. 8. Minnesota Statutes 1982, section 256.968, is amended to read:

256.968 [LIMITATION ON INPATIENT CHEMICAL DEPENDENCY TREATMENT.]

The commissioner of public welfare shall limit medical assistance and general assistance medical care reimbursement for treatment of alcoholism, chemical dependency or drug addiction which is rendered in a licensed hospital or certified nursing home to ~~40~~ 30 days unless need for extended care is certified by the attending physician and has received prior approval from the commissioner.

Sec. 9. [256.969] [INPATIENT HOSPITALS.]

Subdivision 1. [ANNUAL COST INDEX.] The commissioner of public welfare shall develop a prospective payment system for inpatient hospital service under the medical assistance and general assistance medical care programs. Rates paid to licensed hospitals for rate years beginning during the fiscal biennium ending June 30, 1985, shall not exceed an annual hospital cost index for the final rate allowed to the hospital for the preceding year not to exceed five percent in any event. The annual hospital cost index shall be obtained from an independent source representing a statewide average of inflation estimates determined for expense categories to include salaries, employee benefits, medical fees, raw food, medical supplies, pharmaceuticals, utilities, repairs and maintenance, insurance other than malpractice insurance, and other applicable expenses as determined by the commissioner. The index shall reflect the regional differences within the state and include a one percent increase to reflect changes in technology. The annual hospital cost index shall be published 30 days before the start of each calendar quarter and shall be applicable to all hospitals whose fiscal years start on or during the calendar quarter.

Subd. 2. [RATES FOR INPATIENT HOSPITALS.] Rates paid to inpatient hospitals shall be based on a rate per admission.

Subd. 3. [SPECIAL CONSIDERATIONS.] In determining the rate, the commissioner of public welfare will take into consideration whether the following circumstances exist:

(a) minimal medical assistance and general assistance medical care utilization;

(b) unusual length of stay experience; and

(c) disproportionate numbers of low income patients served.

Subd. 4. [APPEALS BOARD.] An appeals board shall be established for purposes of hearing reports for changes in the rate per admission. The appeals board shall consist of two public representatives, two representatives of the hospital industry, and one representative of the business or consumer community. The appeals board shall advise the commissioner on adjustments to hospital rates under this section.

Subd. 5. [APPEAL RIGHTS.] Nothing in this section supersedes the contested case provisions of chapter 14, the Administrative Procedure Act.

Subd. 6. [RULES.] The commissioner of public welfare shall promulgate temporary and permanent rules to implement a system of prospective payment for inpatient hospital services pursuant to chapter 14, the Administrative Procedure Act.

Sec. 10. Minnesota Statutes 1982, section 256B.02, subdivision 8, is amended to read:

Subd. 8. "Medical assistance" or "medical care" means payment of part or all of the cost of the following care and services for eligible individuals whose income and resources are insufficient to meet all of such cost:

(1) Inpatient hospital services. A second medical opinion is required prior to reimbursement for elective surgeries. The commissioner shall publish in the State Register a proposed list of elective surgeries that require a second

medical opinion prior to reimbursement. The list is not subject to the requirements of sections 14.01 to 14.70. The commissioner's decision whether a second medical opinion is required, made in accordance with rules governing that decision, is not subject to administrative appeal.

(2) Skilled nursing home services and services of intermediate care facilities.

(3) Physicians' services.

(4) Outpatient hospital or *nonprofit community health clinic services or physician-directed clinic services. The physician-directed clinic staff shall include at least two physicians, one of whom is on the premises whenever the clinic is open, and all services shall be provided under the direct supervision of the physician who is on the premises. Hospital outpatient departments are subject to the same limitations and reimbursements as other enrolled vendors for all services, except initial triage, emergency services, and services not provided or immediately available in clinics, physicians' offices, or by other enrolled providers. "Emergency services" means those medical services required for the immediate diagnosis and treatment of medical conditions that, if not immediately diagnosed and treated, could lead to serious physical or mental disability or death or are necessary to alleviate severe pain. Neither the hospital, its employees, nor any physician or dentist, shall be liable in any action arising out of a determination not to render emergency services or care if reasonable care is exercised in determining the condition of the person, or in determining the appropriateness of the facilities, or the qualifications and availability of personnel to render these services consistent with this section.*

(5) *Community mental health center services, as defined in rules adopted by the commissioner pursuant to section 256B.04, subdivision 2, and provided by a community mental health center as defined in section 245.62, subdivision 2.*

~~(5)~~ (6) Home health care services.

~~(6)~~ (7) Private duty nursing services.

~~(7)~~ (8) Physical therapy and related services.

~~(8)~~ (9) Dental services, excluding cast metal restorations.

~~(9)~~ (10) Laboratory and x-ray services.

~~(10)~~(11) The following if prescribed by a licensed practitioner: drugs, eyeglasses, dentures, and prosthetic devices. The commissioner shall designate a formulary committee which shall advise the commissioner on the names of drugs for which payment shall be made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of public welfare, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of public welfare, and

a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two year terms and shall serve without compensation. The commissioner may establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. *Prior authorization may be required by the commissioner, with the consent of the drug formulary committee, before certain formulary drugs are eligible for payment.* The formulary shall not include: drugs or products for which there is no federal funding; over the counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, prenatal vitamins, and vitamins for children under the age of seven; *or any other over the counter drug identified by the commissioner, in consultation with the appropriate professional consultants under contract with or employed by the state agency, as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14, the Administrative Procedure Act;* nutritional products, *except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product;* anorectics; and drugs for which medical value has not been established. *Separate payment shall not be made for nutritional products for residents of long term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities.* Payment to drug vendors shall not be modified before the formulary is established *except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary, and his determination shall not be subject to chapter 14, the Administrative Procedure Act.* The commissioner ~~may promulgate~~ shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

The basis for determining the amount of payment shall be the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. Establishment of this fee shall not be subject to the requirements of the administrative procedure act. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written" on the prescription as required by section 151.21, subdivision 2.

Notwithstanding the above provisions, implementation of any change in the fixed dispensing fee which has not been subject to the administrative procedure act shall be limited to not more than 180 days, unless, during that time, the commissioner shall have initiated rulemaking through the administrative procedure act.

~~(11)~~ (12) Diagnostic, screening, and preventive services.

~~(12)~~ (13) Health care pre-payment plan premiums and insurance premiums if paid directly to a vendor and supplementary medical insurance

benefits under Title XVIII of the Social Security Act.

~~(13)~~ (14) Abortion services, but only if one of the following conditions is met:

(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;

(b) The pregnancy is the result of criminal sexual conduct as defined in section 609.342, clauses (c), (d), (e)(i), and (f), and the incident is reported within 48 hours after the incident occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or

(c) The pregnancy is the result of incest, but only if the incident and relative are reported to a valid law enforcement agency for investigation prior to the abortion.

~~(14)~~ (15) Transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by non-ambulatory persons in obtaining emergency or non-emergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this clause, a person who is incapable of transport by taxicab or bus shall be considered to be non-ambulatory.

~~(15)~~ (16) To the extent authorized by rule of the state agency, costs of bus or taxicab transportation incurred by any ambulatory eligible person for obtaining non-emergency medical care.

~~(16)~~ (17) *Personal care attendant services provided by an individual, not a relative, who is qualified to provide the services, where the services are prescribed by a physician in accordance with a plan of treatment and are supervised by a registered nurse. Payments to personal care attendants shall be adjusted annually to reflect changes in the cost of living or of providing services by the average annual adjustment granted to vendors such as nursing homes and home health agencies.*

~~(16)~~ (18) Any other medical or remedial care licensed and recognized under state law unless otherwise prohibited by law.

Sec. 11. Minnesota Statutes 1982, section 256B.04, subdivision 14, is amended to read:

Subd. 14. [COMPETITIVE BIDDING.] The commissioner shall utilize volume purchase through competitive bidding under the provisions of chapter 16, to provide the following items:

(1) Eyeglasses;

(2) *Oxygen. The commissioner shall provide for oxygen needed in an emergency situation on a short-term basis, until the vendor can obtain the*

necessary supply from the contract dealer;

(2) (3) Hearing aids and supplies; and

(3) (4) Durable medical equipment, including but not limited to:

(a) hospital beds;

(b) commodes;

(c) glide-about chairs;

(d) patient lift apparatus;

(e) wheelchairs and accessories;

(f) oxygen administration equipment;

(g) respiratory therapy equipment; and

(h) electronic diagnostic, therapeutic and life support systems.

Sec. 12. Minnesota Statutes 1982, section 256B.04, is amended by adding a subdivision to read:

Subd. 16. [UTILIZATION REVIEW.] Establish on a statewide basis a new program to safeguard against unnecessary or inappropriate use of medical assistance services, against excess payments, against unnecessary or inappropriate hospital admissions or lengths of stay, and against underutilization of services in pre-paid health plans, long term care facilities or any health care delivery system subject to fixed rate reimbursement. In implementing the program, the state agency shall utilize both pre-payment and post-payment review systems to determine if utilization is reasonable and necessary. The determination of whether services are reasonable and necessary shall be made by the commissioner in consultation with a professional services advisory group appointed by the commissioner. An aggrieved party may appeal the commissioner's determination pursuant to the contested case procedures of chapter 14.

Sec. 13. Minnesota Statutes 1982, section 256B.041, subdivision 2, is amended to read:

Subd. 2. [ACCOUNT.] An account is established in the state treasury from which medical assistance payments to vendors shall be made. Into ~~such~~ this account there shall be deposited federal funds, state funds, county funds, and other moneys which are available and which may be paid to the state agency for medical assistance payments and reimbursements from counties or others for their share of such payments.

Sec. 14. Minnesota Statutes 1982, section 256B.041, subdivision 5, is amended to read:

Subd. 5. [PAYMENT BY COUNTY TO STATE TREASURER.] If required by federal law or rules promulgated thereunder, or by authorized regulation of the state agency, each county shall pay to the state treasurer the portion of medical assistance paid by the state for which it is responsible. The county's share of cost shall be ten percent of that portion not met by federal funds.

The county shall advance its portion of medical assistance costs, based

upon estimates submitted by the state agency to the county agency, stating the estimated expenditures for the succeeding month. Upon the direction of the county agency, payment shall be made monthly by the county to the state for the estimated expenditures for each month. Adjustment of any overestimate or underestimate based on actual expenditures shall be made by the state agency by adjusting the estimate for any succeeding month.

Sec. 15. Minnesota Statutes 1982, section 256B.06, subdivision 1, is amended to read:

Subdivision 1. Medical assistance may be paid for any person:

(1) Who is a child eligible for or receiving adoption assistance payments under Title IV-E of the Social Security Act, 42 U.S.C. Sections 670 to 676; or

(2) Who is a child eligible for or receiving foster care maintenance payments under Title IV-E of the Social Security Act, 42 U.S.C. Sections 670 to 676; or

(1) Who is a child eligible for or receiving adoption assistance payments under Title IV-E of the Social Security Act, ~~42 U.S.C. Sections 670 to 676~~ *United States Code, title 42, sections 670 to 676*; or

(2) Who is a child eligible for or receiving foster care maintenance payments under Title IV-E of the Social Security Act, ~~42 U.S.C. Sections 670 to 676~~ *United States Code, title 42, sections 670 to 676*; or

(3) Who is eligible for or receiving public assistance, or a woman who is pregnant, as medically verified, and who would be eligible for assistance under the aid to families with dependent children program if the child had been born and living with the woman; or

(4) Who is ~~eligible for or receiving~~ *meets the categorical eligibility requirements of the supplemental security income for the aged, blind and disabled program and the other eligibility requirements of this section*; or

(5) Who except for the amount of income or resources would qualify for supplemental security income for the aged, blind and disabled, or aid to families with dependent children and is in need of medical assistance; or

(6) Who is under 21 years of age and in need of medical care that neither he nor his relatives responsible under sections 256B.01 to 256B.26 are financially able to provide; or

(7) Who is residing in a hospital for treatment of mental disease or tuberculosis and is 65 years of age or older and without means sufficient to pay the per capita hospital charge; and

(8) Who resides in Minnesota, or, if absent from the state, is deemed to be a resident of Minnesota in accordance with the regulations of the state agency; and

(9) Who alone, or together with his spouse, does not own real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant as his dwelling place, together with the land upon which it is situated and an area no greater than two contiguous lots in a platted or laid out city or town or 80 contiguous

acres in unplatted land. Occupancy or exemption shall be determined as provided in chapter 510 and applicable law, including continuing exemption by filing notice under section 510.07. Real estate not used as a home may not be retained unless it produces net income applicable to the family's needs or the family is making a continuing effort to sell it at a fair and reasonable price or unless sale of the real estate would net an insignificant amount of income applicable to the family's needs, or unless the commissioner determines that sale of the real estate would cause undue hardship; and

(10) Who individually does not own more than ~~\$2,000~~ \$3,000 in cash or liquid assets, or if a member of a household with two family members (husband and wife, or parent and child), does not own more than ~~\$4,000~~ \$6,000 in cash or liquid assets, plus \$200 for each additional legal dependent. *Cash and liquid assets may include a prepaid funeral contract and insurance policies with cash surrender value.* The value of the following shall not be included:

(a) the homestead, and (b) one motor vehicle licensed pursuant to chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, subdivision 1e; and

(11) Who has or anticipates receiving an annual income not in excess of \$2,600 for a single person, or \$3,250 for two family members (husband and wife, parent and child, or two siblings), plus \$625 for each additional legal dependent, or who has income in excess of these maxima and in the month of application, or during the three months prior to the month of application, incurs expenses for medical care that total more than one-half of the annual excess income in accordance with the regulations of the state agency. In computing income to determine eligibility of persons who are not residents of long term care facilities, the commissioner shall disregard increases in income of social security or supplementary security income recipients due solely to increases required by sections 215(i) and 1617 of the social security act, and shall disregard income of disabled persons that is also disregarded in determining eligibility for supplemental aid under section 256D.37, subdivision 1, due solely to increases in federal retiree, survivor's, and disability insurance benefits, veterans administration benefits, and railroad retirement benefits in the percentage amount established in the biennial appropriations law unless prohibited by federal law or regulation. If prohibited, the commissioner shall first seek a waiver. In excess income cases, eligibility shall be limited to a period of six months beginning with the first of the month in which these medical obligations are first incurred; and

(12) Who has continuing monthly expenses for medical care that are more than the amount of his excess income, computed on a monthly basis, in which case eligibility may be established before the total income obligation referred to in the preceding paragraph is incurred, and medical assistance payments may be made to cover the monthly unmet medical need. In licensed nursing home and state hospital cases, income over and above that required for justified needs, determined pursuant to a schedule of contributions established by the commissioner of public welfare, is to be applied to the cost of institutional care. The commissioner of public welfare may establish a schedule of contributions to be made by the spouse of a nursing

home resident to the cost of care and shall seek a waiver from federal regulations which establish the amount required to be contributed by either spouse when one spouse is a nursing home resident; and

(13) Who has applied or agrees to apply all proceeds received or receivable by him or his spouse from automobile accident coverage and private health care coverage to the costs of medical care for himself, his spouse, and children. The state agency may require from any applicant or recipient of medical assistance the assignment of any rights accruing under private health care coverage. Any rights or amounts so assigned shall be applied against the cost of medical care paid for under this chapter. Any assignment shall not be effective as to benefits paid or provided under automobile accident coverage and private health care coverage prior to receipt of the assignment by the person or organization providing the benefits.

Sec. 16. Minnesota Statutes 1982, section 256B.061, is amended to read:

256B.061 [ELIGIBILITY.]

If any individual has been determined to be eligible for medical assistance, it will be made available to him for care and services included under the plan and furnished in or after the third month before the month in which he made application for such assistance, if such individual was, or upon application would have been, eligible for medical assistance at the time the care and services were furnished. *The commissioner may limit, restrict, or suspend the eligibility of an individual for up to one year upon that individual's conviction of a criminal offense related to his application for or receipt of medical assistance benefits.*

Sec. 17. Minnesota Statutes 1982, section 256B.064, subdivision 1a, is amended to read:

Subd. 1a. [GROUNDS FOR MONETARY RECOVERY AND SANCTIONS AGAINST VENDORS.] The commissioner may seek monetary recovery and impose sanctions against vendors of medical care for any of the following: fraud, theft, or abuse in connection with the provision of medical care to recipients of public assistance; a pattern of presentment of false or duplicate claims or claims for services not medically necessary; a pattern of making false statements of material facts for the purpose of obtaining greater compensation than that to which the vendor is legally entitled; suspension or termination as a Medicare vendor; and refusal to grant the state agency access during regular business hours to examine all records necessary to disclose the extent of services provided to program recipients. No sanction may be imposed or monetary recovery obtained against any vendor of nursing home or convalescent care for providing services not medically necessary when the services provided were ordered by a licensed health professional not an employee of the vendor. The determination of ~~abuse or~~ services not medically necessary shall be made by the commissioner in consultation with a ~~review organization as defined in section 145.61 or other provider advisory committees as committee~~ appointed by the commissioner on the recommendation of appropriate professional organizations.

Sec. 18. Minnesota Statutes 1982, section 256B.07, is amended to read:

256B.07 [EXCEPTIONS IN DETERMINING RESOURCES.]

A local agency may, within the scope of regulations set by the commis-

sioner of public welfare, waive the requirement of liquidation of excess assets when the liquidation would cause undue hardship. Household goods and furniture in use in the home, wearing apparel, ~~insurance policies with cash surrender value not in excess of \$1,500 per insured person, and personal property used as a regular abode by the applicant or recipient; a prepaid funeral contract not in excess of \$750 per person plus accrued interest of not more than \$200,~~ and a lot in a burial plot shall not be considered as resources available to meet medical needs.

Sec. 19. Minnesota Statutes 1982, section 256B.14, subdivision 2, is amended to read:

Subd. 2. [ACTIONS TO OBTAIN PAYMENT.] The state agency shall promulgate rules to determine the ability of responsible relatives to contribute partial or complete repayment of medical assistance furnished to recipients for whom they are responsible. *In determining the resource contribution of a spouse at the time of the first medical assistance application, all medical assistance exclusions shall be allowed, and a resource limit of \$10,000 for nonexcluded resources shall be implemented. Above these limits, a contribution of one-third of the excess resources shall be required.* These rules shall not require repayment when payment would cause undue hardship to the responsible relative or his or her immediate family. The county agency shall give the responsible relative notice of the amount of the repayment. If the state agency or county agency finds that notice of the payment obligation was given to the responsible relative, but that the relative failed or refused to pay, a cause of action exists against the responsible relative for that portion of medical assistance granted after notice was given to the responsible relative, which the relative was determined to be able to pay.

The action may be brought by the state agency or the county agency in the county where assistance was granted, for the assistance, together with the costs of disbursements incurred due to the action.

In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing contributions by a responsible relative found able to repay the county or state agency. The order shall be effective only for the period of time during which the recipient receives medical assistance from the county or state agency.

Sec. 20. Minnesota Statutes 1982, section 256B.17, subdivision 4, is amended to read:

Subd. 4. [PERIOD OF INELIGIBILITY.] ~~In any case where the uncompensated value of transferred resources exceeds \$12,000, the commissioner shall require a period of ineligibility which exceeds 24 months, provided that the period of ineligibility bears a reasonable relationship to the excess uncompensated value of the transferred asset~~ *For any uncompensated transfer, the period of ineligibility shall be calculated by dividing the transferred amount by the statewide average monthly skilled nursing facility per diem for the previous calendar year to determine the number of months of ineligibility. The individual shall remain ineligible until this fixed ineligibility period has expired, subject to the exclusions contained in section 15.*

Sec. 21. Minnesota Statutes 1982, section 256B.17, is amended by adding a subdivision to read:

Subd. 5. [EXCLUSIONS FOR HOMESTEAD TRANSFERS.] Notwithstanding subdivision 4, an individual shall not be ineligible if the transferred property is a homestead as defined by section 256B.06, subdivision 1, and one of the following conditions applies:

(1) a satisfactory showing is made that the individual can reasonably be expected to return to the homestead as a permanent residence;

(2) title to the home was transferred to the individual's spouse, child who is under age 21, or blind or permanently and totally disabled child as defined in the supplemental security income program;

(3) a satisfactory showing is made that the individual intended to dispose of the home at fair market value or for other valuable consideration; or

(4) the local agency determines that denial of eligibility would cause undue hardship for the individual, based on imminent threat to the individual's health and well-being.

Sec. 22. Minnesota Statutes 1982, section 256B.17, is amended by adding a subdivision to read:

Subd. 6. [EXCEPTION FOR ASSET TRANSFERS.] Notwithstanding the provisions of subdivisions 1 through 5, an institutionalized spouse who applies for medical assistance on or after July 1, 1983, may transfer liquid assets to his or her noninstitutionalized spouse without loss of eligibility if all of the following conditions apply:

(a) The noninstitutionalized spouse is not applying for or receiving assistance;

(b) The noninstitutionalized spouse has less than \$10,000 in liquid assets, including assets singly owned and 50 percent of assets owned jointly with the institutionalized spouse;

(c) The amount transferred, together with the noninstitutionalized spouse's own assets, totals no more than \$10,000 in liquid assets; and

(d) The transfer may be effected only once, at the time of initial medical assistance application.

Sec. 23. Minnesota Statutes 1982, section 256B.17, is amended by adding subdivision to read:

Subd. 7. [CONFORMANCE WITH FEDERAL LAW.] Notwithstanding the other provisions of this section, uncompensated property transfers shall be treated no more restrictively than allowed by federal law.

Sec. 24. Minnesota Statutes 1982, section 256B.17, is amended by adding a subdivision to read:

Subd. 8. [EFFECTIVE DATE.] Subdivisions 5, 6, and 7, and the changes in subdivision 4 made by section 20 apply to transfers made on or after the effective date of sections 20 to 23, regardless of the individual's status in relation to eligibility for medical assistance.

Sec. 25. Minnesota Statutes 1982, section 256B.27, subdivision 3, is amended to read:

Subd. 3. The commissioner of public welfare, with the written consent of

the recipient, *on file with the local welfare agency*, shall be allowed access to all personal medical records of medical assistance recipients solely for the purposes of investigating whether or not: (a) a vendor of medical care has submitted a claim for reimbursement, a cost report or a rate application which the vendor knows to be false in whole or in part; or (b) the medical care was medically necessary. The vendor of medical care shall receive notification from the commissioner at least 24 hours before the commissioner gains access to such records. The determination of ~~abuse or~~ provision of services not medically necessary shall be made by the commissioner in consultation with a ~~review organization as defined in section 145.61 or other~~ an advisory ~~committees~~ committee of vendors as appointed by the commissioner on the recommendation of appropriate professional organizations. Notwithstanding any other law to the contrary, a vendor of medical care shall not be subject to any civil or criminal liability for providing access to medical records to the commissioner of public welfare pursuant to this section.

Sec. 26. Minnesota Statutes 1982, section 256B.27, subdivision 4, is amended to read:

Subd. 4. [AUTHORIZATION OF COMMISSIONER TO EXAMINE RECORDS.] ~~No~~ A person ~~shall determined to~~ be eligible for medical assistance ~~unless he has~~ shall be deemed to have authorized the commissioner of public welfare in writing to examine all personal medical records developed while receiving medical assistance for the purpose of investigating whether or not a vendor has submitted a claim for reimbursement, a cost report or a rate application which the vendor knows to be false in whole or in part, or in order to determine whether or not the medical care provided was medically necessary. ~~A vendor of medical care shall require presentation of this written authorization before the state agency can obtain access to the records unless the vendor already has received written authorization.~~

Sec. 27. [256B.70] [PREPAYMENT DEMONSTRATION PROJECT.]

Subdivision 1. [PURPOSE.] *The commissioner of public welfare shall establish a medical assistance demonstration project to determine whether prepayment combined with better management of health care services is an effective mechanism to ensure that all eligible individuals receive necessary health care in a coordinated fashion while containing costs. For the purposes of this project, waiver of certain statutory provisions is necessary in accordance with this section.*

Subd. 2. [DEFINITIONS.] *For the purposes of this section, the following terms have the meanings given.*

(a) "Commissioner" means the commissioner of public welfare. For the remainder of this section, the commissioner's responsibilities for methods and policies for implementing the project will be proposed by the project advisory committees and approved by the commissioner.

(b) "Demonstration provider" means an individual, agency, organization, or group of these entities that participates in the demonstration project according to criteria, standards, methods, and other requirements established for the project and approved by the commissioner.

(c) "Eligible individuals" means those persons eligible for medical assis-

tance benefits as defined in section 256B.06.

(d) "Limitation of choice" means suspending freedom of choice while allowing eligible individuals to choose among the demonstration providers.

Subd. 3. [GEOGRAPHIC AREA.] The commissioner shall designate the geographic areas in which eligible individuals may be included in the demonstration project. The geographic areas shall include one urban, one suburban, and at least one rural county. In order to encourage the participation of long-term care providers, the project area may be expanded beyond the designated counties for eligible individuals over age 65.

Subd. 4. [LIMITATION OF CHOICE.] The commissioner shall develop criteria to determine when limitation of choice may be implemented in the experimental counties. The criteria shall ensure that all eligible individuals in the county have continuing access to the full range of medical assistance services as specified in subdivision 6. Before limitation of choice is implemented, eligible individuals shall be notified and after notification, shall be allowed to choose only among demonstration providers. After initially choosing a provider, the recipient is allowed to change that choice only at specified times as allowed by the commissioner.

Subd. 5. [PROSPECTIVE PER CAPITA PAYMENT.] The project advisory committees with the commissioner shall establish the method and amount of payments for services. The commissioner shall annually contract with demonstration providers to provide services consistent with these established methods and amounts for payment. Notwithstanding section 62D.02, subdivision 1, payments for services rendered as part of the project may be made to providers that are not licensed health maintenance organizations on a risk-based, prepaid capitation basis.

If allowed by the commissioner, a demonstration provider may contract with an insurer, health care provider, nonprofit health service plan corporation, or the commissioner, to provide insurance or similar protection against the cost of care provided by the demonstration provider or to provide coverage against the risks incurred by demonstration providers under this section. The recipients enrolled with a demonstration provider are a permissible group under group insurance laws and chapter 62C, the Nonprofit Health Service Plan Corporations Act. Under this type of contract, the insurer or corporation may make benefit payments to a demonstration provider for services rendered or to be rendered to a recipient. Any insurer or nonprofit health service plan corporation licensed to do business in this state is authorized to provide this insurance or similar protection.

Payments to providers participating in the project are exempt from the requirements of sections 256.966 and 256B.03, subdivision 2. The commissioner shall complete development of capitation rates for payments before delivery of services under this section is begun.

Subd. 6. [SERVICE DELIVERY.] Each demonstration provider shall be responsible for the health care coordination for eligible individuals. Demonstration providers:

(a) Shall authorize and arrange for the provision of all needed health services including but not limited to the full range of services listed in section 256B.02, subdivision 8, in order to ensure appropriate health care is deliv-

ered to enrollees;

(b) Shall accept the prospective, per capita payment from the commissioner in return for the provision of comprehensive and coordinated health care services for eligible individuals enrolled in the program;

(c) May contract with other health care and social service practitioners to provide services to enrollees; and

(d) Shall institute recipient grievance procedures according to the method established by the project, utilizing applicable requirements of chapter 62D. Disputes not resolved through this process shall be appealable to the commissioner as provided in subdivision 11.

Subd. 7. [ENROLLEE BENEFITS.] All eligible individuals enrolled by demonstration providers shall receive all needed health care services as defined in subdivision 6.

All enrolled individuals have the right to appeal if necessary services are not being authorized as defined in subdivision 11.

Subd. 8. [PREADMISSION SCREENING WAIVER.] Except as applicable to the project's operation, the provisions of section 256B.091 are waived for the purposes of this section for recipients enrolled with demonstration providers.

Subd. 9. [REPORTING.] Each demonstration provider shall submit information as required by the commissioner, including data required for assessing client satisfaction, quality of care, cost, and utilization of services for purposes of project evaluation. Required information shall be specified before the commissioner contracts with a demonstration provider.

Subd. 10. [INFORMATION.] Notwithstanding any law or rule to the contrary, the commissioner may allow disclosure of the recipient's identity solely for the purposes of (a) allowing demonstration providers to provide the information to the recipient regarding services, access to services, and other provider characteristics, and (b) facilitating monitoring of recipient satisfaction and quality of care. The commissioner shall develop and implement measures to protect recipients from invasions of privacy and from harassment.

Subd. 11. [APPEALS.] A recipient may appeal to the commissioner a demonstration provider's delay or refusal to provide services. The commissioner shall appoint a panel of health practitioners, including social service practitioners, as necessary to determine the necessity of services provided or refused to a recipient. The deliberations and decisions of the panel replace the administrative review process otherwise available under chapter 256B. The panel shall follow the time requirements and other provisions of the Code of Federal Regulations, title 42, sections 431.200 to 431.246. The time requirements shall be expedited based on request by the individual who is appealing for emergency services. If a service is determined to be necessary and is included among the benefits for which a recipient is enrolled, the service must be provided by the demonstration provider as specified in subdivision 5. The panel's decision is a final agency action that may be appealed under the contested case provisions of chapter 14.

Sec. 28. [256B.71] [DEMONSTRATION PROJECT WAIVER.]

Each hospital that participates as a provider in a demonstration project, established by the commissioner of public welfare to deliver medical assistance services on a prepaid, capitation basis, is exempt from the prospective payment system for inpatient hospital service during the period of its participation in that project.

Sec. 29. Minnesota Statutes 1982, section 256D.03, subdivision 3, is amended to read:

Subd. 3. [GENERAL ASSISTANCE MEDICAL CARE; ELIGIBILITY.] ~~State aid shall be paid to local agencies or counties for 90 percent of the cost of general assistance medical care paid by the local agency or county pursuant to section 256D.02, subdivision 4a on behalf of persons eligible according to standards established by the commissioner of public welfare in accordance with the rates established by rule of the commissioner. Persons eligible for benefits under sections 256D.01 to 256D.21 and persons not eligible for federal health care benefits whose nonexempt property, as determined according to medical assistance standards, has an equity value no greater than \$1,000 and whose income is not in excess of the medical assistance standards shall be eligible for general assistance medical care and have free choice in the selection of a vendor of the medical care. Any local agency or county may, from its own resources, make payments for medical care for persons not otherwise eligible for the care pursuant to standards established by the commissioner. Persons with excess income and resources may qualify for benefits under this subdivision by spending down. Treatment of income and resources in calculation of the spenddown shall be the same as in the medical assistance program pursuant to chapter 256B.~~

The commissioner of public welfare shall promulgate rules to establish administrative and fiscal procedures for payment of the state share of the medical costs incurred by the counties under section 256D.02, subdivision 4a. The rules may include:

(a) procedures by which state liability for the costs of medical care incurred pursuant to section 256D.02, subdivision 4a may be deducted from county liability to the state under any other public assistance program authorized by law;

(b) procedures for processing claims of counties for reimbursement by the state for expenditures for medical care made by the counties pursuant to section 256D.02, subdivision 4a;

(c) procedures by which the local agencies may contract with the commissioner of public welfare for state administration of general assistance medical care payments;

(d) standards of eligibility, utilization of services and payment levels which shall conform to those of medical assistance pursuant to chapter 256B; and

(e) general criteria and procedures for the identification and prompt investigation of suspected fraud, theft, abuse, presentment of false or duplicate claims, presentment of claims for services not medically necessary, or false statements or representations of material facts by a vendor of general assistance medical care, and for the imposition of sanctions against such vendor of medical care. The rules relating to sanctions shall be consistent with the provisions of section 256B.064, subdivisions 1a to 2.

Sec. 30. Minnesota Statutes 1982, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.] (a) Notwithstanding the provisions of sections 256D.01 to 256D.21 and 261.23, or any other law to the contrary, for the biennium ending June 30, 1983, state aid shall be paid to local agencies or counties for 90 percent of general assistance medical care paid by the local agency or county on behalf of persons eligible for general assistance or persons meeting the income and resource criteria established in the program for aid to families with dependent children. Nothing in this provision shall be construed to modify the spenddown required in appropriate cases for general assistance medical care. Reimbursement for medical care provided under sections 256D.01 to 256D.21 or 261.23 under the general assistance medical care program shall be limited to the following categories of service ~~only~~: inpatient hospital care, outpatient hospital care, services provided by medicare certified rehabilitation agencies, prescription drugs, eyeglasses and eye examinations provided by a physician or optometrist, physician's services, medical transportation, and dental care. In addition, payments of state aid shall be made for day treatment services provided by a mental health center established under sections 245.61 to 245.69, subdivision 1, and funded through chapter 256E and for prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization.

(b) ~~At the option of~~ *In order to contain costs, the county board and shall, with the approval of the commissioner of public welfare, reimbursement for inpatient hospital care, outpatient hospital care, and prescription drugs may be limited to designated select vendors of medical care providers who can provide the most economical care consistent with high medical standards and may contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall encourage county boards to submit proposals for demonstration projects designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these services under section 256B.02, subdivision 8, except that where counties enter into prepaid capitation agreements, payments shall be as provided in section 256.966, subdivision 2.*

(c) The commissioner of public welfare may reduce payments provided under sections 256D.01 to 256D.21 and 261.23 in order to remain within the amount appropriated for general assistance medical care, within the following restrictions. *For the period July 1, 1983 to June 30, 1984, reductions below the cost per service unit allowable under section 256.966, shall be allowed only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 45 percent; payments for all other inpatient hospital care may be reduced no more than 35 percent. Reductions below the payments allowable under section 256.967 for the remaining general assistance medical care services allowable under this provision subdivision may be reduced no more than 25 percent. For the period July 1, 1984 to June 30, 1985, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for*

inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 30 percent; payments for all other inpatient hospital care may be reduced no more than 20 percent. Reductions below the payments allowable under section 256.967 for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than ten percent. There shall be no copayment required of any recipient of benefits for any services provided under this subdivision.

~~(d) If the commissioner or county refuses to pay all or part of the charge for a health service, they shall not be liable for the unpaid portion of the charge.~~ Any county may, from its own resources, provide medical payments for which state payments are not made.

Sec. 31. Minnesota Statutes 1982, section 256D.03, is amended by adding a subdivision to read:

Subd. 5. [CERTAIN LOCAL AGENCIES TO PAY STATE FOR COUNTY SHARE.] The local agencies that contract with the commissioner of public welfare for state administration of general assistance medical care payments shall make payment to the state for the county share of those payments in the manner described for medical assistance advances in section 256B.041, subdivision 5.

Sec. 32. Minnesota Statutes 1982, section 256D.03, is amended by adding a subdivision to read:

Subd. 5. [DIVISION OF COSTS.] The state shall pay 90 percent of the cost of general assistance medical care paid by the local agency or county pursuant to this section. However, for counties who contract with health maintenance organizations or other providers to deliver services under a prepaid capitation agreement, the state shall pay 95 percent of the cost per person enrolled.

Sec. 33. Minnesota Statutes 1982, section 256D.03, is amended by adding a subdivision to read:

Subd. 6. [DUTIES OF THE COMMISSIONER.] The commissioner shall promulgate temporary and permanent rules as necessary to establish:

(a) standards of eligibility, utilization of services, and payment levels;

(b) standards for quality assurance, surveillance, and utilization review procedures that conform to those established for the medical assistance program pursuant to chapter 256B, including general criteria and procedures for the identification and prompt investigation of suspected fraud, theft, abuse, presentment of false or duplicate claims, presentment of claims for services not medically necessary, or false statements or representations of material facts by a vendor of general assistance medical care, and for the imposition of sanctions against such vendor of medical care. The rules relating to sanctions shall be consistent with the provisions of section 256B.064, subdivisions 1a and 2; and

(c) administrative and fiscal procedures for payment of the state share of the medical costs incurred by the counties under section 256D.02, subdivision 4a. Rules promulgated pursuant to this clause may include: (1) procedures by which state liability for the costs of medical care incurred pursuant

to section 256D.02, subdivision 4a may be deducted from county liability to the state under any other public assistance program authorized by law; (2) procedures for processing claims of counties for reimbursement by the state for expenditures for medical care made by the counties pursuant to section 256D.02, subdivision 4a; and (3) procedures by which the local agencies may contract with the commissioner of public welfare for state administration of general assistance medical care payments.

Sec. 34. Minnesota Statutes 1982, section 260.191, subdivision 2, is amended to read:

Subd. 2. [ORDER DURATION.] All orders under this section shall be for a specified length of time set by the court not to exceed one year. However, before the order has expired and upon its own motion or that of any interested party, the court ~~has continuing jurisdiction to renew the order or shall~~, after notice to the parties and a hearing, *renew the order for another year or make some other disposition of the case, until the individual is no longer a minor. Any person to whom legal custody is transferred shall report to the court in writing at such periods as the court may direct.*

Sec. 35. Minnesota Statutes 1982, section 260.242, subdivision 2, is amended to read:

Subd. 2. [GUARDIAN'S RESPONSIBILITIES.] (a) A guardian appointed under the provisions of subdivision 1 has legal custody of his ward unless the court which appoints him gives legal custody to some other person. If the court awards custody to a person other than the guardian, the guardian nonetheless has the right and responsibility of reasonable visitation, except as limited by court order.

(b) The guardian may make major decisions affecting the person of his ward, including but not limited to giving consent (when consent is legally required) to the marriage, enlistment in the armed forces, medical, surgical, or psychiatric treatment, or adoption of the ward. When, pursuant to subdivision 1, clause (a), the commissioner of public welfare is appointed guardian, he may delegate to the welfare board of the county in which, after the appointment, the ward resides, the authority to act for him in decisions affecting the person of his ward, including but not limited to giving consent to the marriage, enlistment in the armed forces, medical, surgical, or psychiatric treatment of the ward.

(c) A guardianship created under the provisions of subdivision 1 shall not of itself include the guardianship of the estate of the ward.

(d) If the ward is in foster care, the court shall, upon its own motion or that of the guardian, conduct a dispositional hearing within 18 months of the foster care placement and once every two years thereafter to determine the future status of the ward including, but not limited to, whether the child should be continued in foster care for a specified period, should be placed for adoption, or should, because of the child's special needs or circumstances, be continued in foster care on a permanent or long-term basis. When the court has determined that the special needs of the ward are met through a permanent or long-term foster care placement, no subsequent dispositional hearings are required.

Sec. 36. Minnesota Statutes 1982, section 261.23, is amended to read:

261.23 [COSTS OF HOSPITALIZATION.]

The costs of hospitalization of such indigent persons exclusive of medical and surgical care and treatment shall not exceed in amount the full rates fixed and charged by the Minnesota general hospital under the provisions of sections 158.01 to 158.11 for the hospitalization of such indigent patients. *For indigent persons hospitalized pursuant to sections 261.21 to 261.232, the state shall pay ninety percent of the cost of the hospitalization of indigent persons under the provisions of sections 261.21 to 261.232 shall be paid by the state and ten percent allowable under the general assistance medical care program and ten percent of the allowable cost of hospitalization shall be paid by the county of the residence of such the indigent persons at such the times as may be provided for in such the contract; and in case of an injury or emergency requiring immediate surgical or medical treatment, for a period not to exceed 72 hours, 90 percent of the cost allowable under the general assistance medical care program shall be paid by the state and ten percent of the cost shall be paid by the county from which such the patient, if indigent, is certified. State payments for services rendered pursuant to this section shall be rateably reduced to the same extent and during the same time period as payments are reduced under section 256D.03, subdivision 4, paragraph (c).* If the county of residence of the patient is not the county in which the patient has legal settlement for the purposes of poor relief, then the county of residence may seek reimbursement from the county in which the patient has settlement for the purposes of poor relief for all costs it has necessarily incurred and paid in connection with the hospitalization of said patient.

Sec. 37. [LEGISLATIVE AUDIT COMMISSION STUDY.]

The legislative audit commission shall consider an evaluation of the feasibility, costs, benefits, and related issues associated with the state assuming the powers, duties and responsibilities of the fiscal intermediary for the medicare program under United States Code, title 42, sections 1395 to 1395xx. The commission shall make any recommendations it deems appropriate to the legislature and the governor no later than January 15, 1984.

Sec. 38. [RULES.]

The commissioner of public welfare may promulgate temporary and permanent rules as necessary to implement sections 5, 6, 8, 29, 30, 32, 33, and 36. The commissioner shall promulgate temporary and permanent rules to establish standards and criteria for deciding which medical assistance services require prior authorization and for deciding whether a second medical opinion is required for an elective surgery. The commissioner shall promulgate permanent and temporary rules as necessary to establish the methods and standards for determining inappropriate utilization of medical assistance services.

The commissioner of public welfare shall adopt temporary rules which meet the requirements of sections 14.29 to 14.36 for the medical assistance demonstration project. Notwithstanding the provisions of section 14.35, the temporary rules promulgated to implement section 27 shall be effective for 360 days and may be continued in effect for an additional 900 days if the commissioner gives notice by publishing a notice in the state register and mailing notice to all persons registered with the commissioner to receive notice of rulemaking proceedings in connection with the project. The tempo-

rary rules shall not be effective beyond December 31, 1986, without meeting the requirements of sections 14.13 to 14.20.

Sec. 39. [APPLICATION; MAXIMUM RATE INCREASE.]

The prospective payment system for inpatient hospital service shall be applied, beginning July 1, 1983, to hospitals with a fiscal year beginning on that date. Each remaining hospital shall continue to be paid on a cost per case basis, limited to a maximum increase of five percent per state fiscal year, until the first date of its first full fiscal year that begins after July 1, 1983; on and after that date it shall be paid through the prospective payment system.

Sec. 40. [REPEALER.]

Sections 27 and 28 are repealed effective July 1, 1985, if the project implementation phase has not begun by that date.

Sec. 41. [EFFECTIVE DATE.]

Sections 1 to 5, 8 to 12, 16, 17, 19 to 28, 34, 35, 37, and 38 are effective the day following final enactment. Sections 29, 32, 33, and 36 are effective October 1, 1983. Sections 13, 14, and 31 are effective July 1, 1984.

ARTICLE 6

JOB TRAINING

Section 1. [268.60] [PURPOSE.]

It is the purpose of sections 1 to 5 to provide financial assistance for comprehensive job training and related services for economically disadvantaged, unemployed, and underemployed individuals through opportunities industrialization centers.

Sec. 2. [268.61] [DEFINITIONS.]

Subdivision 1. [SCOPE.] When used in sections 1 to 5 the terms in this section have the meanings given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of economic security.

Subd. 3. [COUNCIL.] "Council" means the Minnesota state council of the opportunities industrialization centers of America.

Subd. 4. [ECONOMICALLY DISADVANTAGED.] "Economically disadvantaged" means an individual who meets the criteria for an economically disadvantaged person established by rule by the commissioner.

Subd. 5. [UNDEREMPLOYED.] "Underemployed" means an individual:

(a) Working part-time but seeking full-time work; or

(b) Working full-time but receiving wages below the greater of:

(1) the poverty level determined in accordance with criteria established by the department of economic security; or

(2) 70 percent of the lower living standard income level as determined by the United States bureau of labor statistics.

Subd. 6. [UNEMPLOYED.] "Unemployed" means an individual who is

without a job, and who wants and is available for work.

Sec. 3. [268.62] [DISTRIBUTION AND USE OF STATE MONEY.]

The commissioner shall distribute the money appropriated for:

(a) comprehensive job training and related services or job opportunities programs for economically disadvantaged, unemployed, and underemployed individuals, including persons of limited English speaking ability, through opportunities industrialization centers; and

(b) the establishment and operation in Minnesota of these centers.

Comprehensive job training and related services include: recruitment, counseling, remediation, motivational pre-job training, vocational training, job development, job placement, and other appropriate services enabling individuals to secure and retain employment at their maximum capacity.

Sec. 4. [268.63] [CRITERIA FOR DISTRIBUTION OF MONEY.]

The commissioner, with the advice of the council, shall establish criteria for the distribution of state money for the purpose of section 3. The criteria shall include requirements that:

(a) the program receiving state assistance:

(1) involve residents in the area to be served by the program in the planning and operation of the program; and

(2) involve the business community in the area to be served by the program in its development and operation;

(b) the distribution of assistance among areas within the state be equitable, with priority being given to areas with high unemployment or underemployment;

(c) financial assistance under sections 1 to 5 to any program may not exceed 25 percent of the cost of the program including costs of administration; and

(d) a program receiving financial assistance has adequate internal administrative controls, accounting procedures, personnel standards, evaluation procedures, availability of in-service training and technical assistance programs, and other policies necessary to promote the effective use of state money.

The commissioner may make a distribution in excess of the limit prescribed in clause (c) if the commissioner determines that the excess distribution is necessary to further the objectives of sections 1 and 3.

Sec. 5. [268.64] [MONEY DISTRIBUTION.]

The commissioner may make a distribution of money directly to a program, or make a distribution subject to conditions that ensure use consistent with the distribution and utilization of money under federal legislation regarding job training and related services.

ARTICLE 7

EMERGENCY JOBS PROGRAM

Section 1. [268.60] [CITATION.]

Sections 1 to 16 may be cited as the "Minnesota Emergency Employment Development (MEED) Act."

Sec. 2. [268.62] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 1 to 16, the following terms have the meanings given them.

Subd. 2. [COORDINATOR.] "Coordinator" means the Minnesota emergency employment development coordinator appointed under section 4.

Subd. 3. [ELIGIBLE BUSINESS.] "Eligible business" means a for-profit business.

Subd. 4. [ELIGIBLE EMPLOYER.] "Eligible employer" means an eligible government agency, an eligible nonprofit agency, or an eligible business.

Subd. 5. [ELIGIBLE GOVERNMENT AGENCY.] "Eligible government agency" means a county, municipality, school district, or other local governmental subdivision, a state agency, or a federal agency office in Minnesota.

Subd. 6. [ELIGIBLE JOB APPLICANT.] "Eligible job applicant" means a person who: (1) has been a resident of this state for at least one month, (2) is unemployed, (3) is not receiving and is not qualified to receive unemployment compensation or workers' compensation, and (4) is determined by the employment administrator to be likely to be available for employment by an eligible employer for the duration of the job.

Subd. 7. [ELIGIBLE NONPROFIT AGENCY.] "Eligible nonprofit agency" means an organization exempt from taxation under the Internal Revenue Code of 1954, section 501(c)(3), as amended through December 31, 1982.

Subd. 8. [EMPLOYMENT ADMINISTRATOR.] "Employment administrator" means the administrative entity designated by the coordinator to administer the provisions of this act in each service delivery area. The coordinator may designate an administrative entity authorized under the Job Training Partnership Act or its predecessor administrative entity authorized under United States Code, title 29, section 801, et seq., or a job training or placement agency with proven effectiveness.

Subd. 9. [HOUSEHOLD.] "Household" means a group of persons living at the same residence consisting of, at a maximum, spouses and the minor children of each.

Subd. 10. [JOB TRAINING PARTNERSHIP ACT.] "Job Training Partnership Act" means the federal Job Training Partnership Act of 1982 (JTPA), Statutes at Large, volume 92, page 1322.

Subd. 11. [PROGRAM.] "Program" means the Minnesota emergency employment development program created by sections 1 to 16 consisting of temporary work relief projects in the government and nonprofit agencies and new job creation in the private sector.

Subd. 12. [SERVICE DELIVERY AREA.] "Service delivery area" means an area designated as a service delivery area by the coordinator.

Sec. 3. [268.64] [MINNESOTA EMERGENCY EMPLOYMENT DEVELOPMENT COORDINATOR.]

Subdivision 1. [APPOINTMENT.] The governor shall appoint a Minnesota emergency employment development coordinator to administer the provisions of sections 1 to 16. The coordinator shall be within the department of economic security, but shall be responsible directly to the governor. The coordinator shall have the powers necessary to carry out the purposes of the program.

Subd. 2. [RESPONSIBILITIES.] The coordinator shall:

(a) Obtain an inventory of community needs from each local governmental subdivision and compile a statewide inventory of needs within 30 days after his appointment;

(b) Enter into a contract with one or more employment administrators in each service delivery area;

(c) Review the emergency employment development plan submitted by the employment administrator of each service delivery area and approve satisfactory plans. If an employment administrator submits an unsatisfactory plan, the coordinator shall assist the employment administrator in developing a satisfactory one;

(d) Coordinate the program with other state agencies;

(e) Coordinate administration of the program with the general assistance program;

(f) Set policy regarding disbursement of program funds; and

(g) Perform general program marketing and monitoring functions.

Subd. 3. [DEPARTMENT OF ECONOMIC SECURITY.] The coordinator shall administer the program within the department of economic security. The commissioner of economic security shall provide administrative support services to the coordinator for the purposes of the program.

Subd. 4. [ENFORCEMENT.] (a) The coordinator shall ensure that all eligible employers and employment administrators comply with sections 1 to 16 and all other applicable state and federal laws, including those relating to: (1) affirmative action; (2) occupational health and safety standards; (3) environmental standards; and (4) fair labor practices.

(b) The coordinator may:

(1) make public or private investigations within or without this state necessary to determine whether any person has violated or is about to violate sections 1 to 16, a contract entered into under them, or any rule or order adopted under them, or to aid in the enforcement of sections 1 to 16 or in rules and forms adopted under them;

(2) require or permit any person to file a written statement under oath or otherwise, as the commissioner determines, as to all the facts and circumstances concerning the matter being investigated;

(3) publish information contained in any order issued by the coordinator;

(4) hold hearings, upon reasonable notice, on any matter arising out of the

administration of sections 1 to 16; and

(5) conduct investigations and hold hearings for the purpose of compiling information with a view to recommending changes in sections 1 to 16 to the legislature.

(c) The attorney general shall assign from his staff one or more assistant attorneys general to the coordinator and shall conduct all proceedings involving the violation of sections 1 to 16 and all other enforcement proceedings.

(d) Whenever it appears to the coordinator that any person has violated a provision of sections 1 to 16, a contract entered into under them, or a rule or order adopted under them:

(1) He may issue and cause to be served upon the person an order requiring the person to cease and desist from the violation. The order must be calculated to give reasonable notice of the right of the person to request a hearing on it and must state the reasons for the entry of the order. A hearing must be held not later than seven days after a request for the hearing is received by the coordinator, after which and within 20 days of the date of the hearing the coordinator shall issue a further order vacating the cease and desist order or making it permanent as the facts require. If no hearing is requested within 30 days of service of the order, the order becomes final and remains in effect until it is modified or vacated by the coordinator. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person shall be deemed in default, and the proceeding may be determined against him upon consideration of the cease and desist order, the allegations of which may be deemed to be true;

(2) He may bring an action in the district court of the appropriate county to enjoin the violation and to enforce compliance with the provisions of sections 1 to 16, a contract entered into under them, or any rule or order adopted under them, and he may refer the matter to the attorney general. Upon a proper showing, a permanent or temporary injunction, restraining order, or writ of mandamus shall be granted. The court may not require the coordinator to post a bond.

Any injunction proceeding under the provisions of sections 1 to 16 may be brought on for hearing and disposition upon an order to show cause returnable upon not more than eight days notice to the defendant. The case has precedence over other cases upon the court calendar and may not be continued without the consent of the state, except upon good cause shown to the court, and then only for a reasonable length of time necessary in the opinion of the court to protect the rights of the defendant.

Subd. 5. [REPORT TO GOVERNOR AND LEGISLATURE.] The coordinator shall report to the legislative advisory commission and the governor on a quarterly basis: (1) the number of persons employed; (2) the number and type of employers under the program; (3) the amount of money spent in each service delivery area for wages for each type of employment and each type of other expense; (4) the number of persons who have completed participation in the program and their current employment, educational, or training status; and (5) any other information requested by the commission or the governor or deemed pertinent by the coordinator.

Subd. 6. [RULES.] The commissioner of economic security may adopt rules necessary to implement this article. These rules are not subject to chapter 14, the Administrative Procedure Act.

Sec. 4. [268.65] [MINNESOTA EMERGENCY EMPLOYMENT DEVELOPMENT TASK FORCE.]

Subdivision 1. [CREATION.] There is created a Minnesota emergency employment development task force to advise the coordinator in the administration of sections 1 to 16.

Subd. 2. [MEMBERSHIP.] The task force shall consist of nine members as follows: the coordinator, the commissioner of economic security, the commissioner of energy and economic development, the commissioner of labor and industry, the commissioner of public welfare, a representative of labor, a representative of business, a representative of nonprofit employers, and an employment administrator. The coordinator shall be the chairman and shall appoint the noncommissioner members.

Subd. 3. [TERMS; COMPENSATION; REMOVAL.] The terms, compensation, and removal of the noncommissioner members are governed by section 15.059.

Subd. 4. [MEETINGS.] The task force shall meet at the call of the coordinator.

Sec. 5. [268.66] [ALLOCATION OF FUNDS AMONG SERVICE DELIVERY AREAS.]

(a) Ninety percent of the funds available for allocation to employment administrators for the program must be allocated among service delivery areas as follows: each service delivery area shall be eligible to receive that proportion of the funds available which equals the number of unemployed persons in the service delivery area divided by the total number of unemployed persons in the state for the 12-month period ending the most recent March 31.

(b) Ten percent of the funds available for allocation to employment administrators under the program must be allocated at the discretion of the coordinator to employment administrators:

(1) who will maximize the use of the funds through coordination with other programs and state, local, and federal agencies, through the use of matching funds or through the involvement of low-income constituent groups;

(2) who have demonstrated need beyond the allocation available under clause (1); or

(3) who have demonstrated outstanding performance in job creation.

Sec. 6. [268.67] [ALLOCATION WITHIN SERVICE DELIVERY AREAS; PRIORITIES.]

Subdivision 1. [AMONG JOB APPLICANTS.] Allocation of funds among eligible job applicants within a service delivery area shall be determined by the employment administrator in each service delivery area. The employment administrator shall give priority to:

(1) applicants living in households with no other income source; and

(2) applicants who would otherwise be eligible to receive general assistance under Minnesota Statutes 1980, section 256D.05.

Subd. 2. [AMONG EMPLOYERS.] Allocation of funds among eligible employers within a service area shall be determined by the employment administrator within each service delivery area according to the priorities in sections 10 and 11. The employment administrator shall give priority to funding private sector jobs to the extent that eligible businesses apply for funds. If possible, no more than 60 percent of the funds may be allocated for jobs with eligible government and nonprofit agencies during the biennium.

Subd. 3. [AMONG EMPLOYMENT ADMINISTRATORS.] If the coordinator designates more than one employment administrator in a service delivery, the coordinator shall determine the allocation of funds to be distributed by each employment administrator in the service delivery area.

Sec. 7. [268.68] [USE OF FUNDS.]

Funds appropriated for the purposes of sections 1 to 16 may be used as follows:

(a) To provide a state contribution for wages and fringe benefits for eligible job applicants for a maximum of 1,040 hours over a maximum period of 26 weeks per job applicant. For eligible job applicants participating in a job training program, the state contribution for wages may be used for a maximum period of 52 weeks per job applicant. The state contribution for wages shall be up to \$4 per hour for each eligible job applicant employed. The state contribution for fringe benefits may be up to \$1 per hour for each eligible job applicant employed. However, the employer may use funds from other sources to provide increased wages to the applicants it employs. At least 75 percent of the funds appropriated for the program must be used to pay wages for eligible job applicants;

(b) To reimburse the commissioner of economic security in an amount not to exceed one percent of the funds appropriated for the actual cost of administering sections 1 to 16, and to reimburse the employment administrators in an amount not to exceed 4-1/2 percent of the funds appropriated for their actual cost of administering sections 1 to 16. The commissioner of economic security and the employment administrators shall reallocate funds from other sources to cover the administrative costs of this program whenever possible;

(c) To provide child care services or subsidies to applicants employed under sections 1 to 16;

(d) To provide workers' compensation coverage to applicants employed by government or nonprofit agencies under sections 1 to 16;

(e) To provide job search assistance, labor market orientation, job seeking skills, and referral for other services;

(f) To purchase supplies and materials for projects creating permanent improvements to public property in an amount not to exceed one percent of the funds appropriated.

The employment administrator of each service delivery area shall submit to the coordinator a spending plan establishing that funds allocated to the service delivery area will be used by October 1, 1984, in the manner required by

sections 1 to 16. Any funds allocated to the service delivery area for which there is no spending plan approved by the coordinator shall cancel back to the Minnesota emergency employment development account and may be reallocated by the coordinator to other employment administrators.

Sec. 8. [268.69] [EMPLOYMENT ADMINISTRATORS; POWERS AND DUTIES.]

Subdivision 1. [IN GENERAL.] The employment administrator for each service delivery area has the powers and duties given in this section and any additional duties given by the coordinator.

Subd. 2. [EMPLOYMENT PLAN.] Each employment administrator shall develop an emergency employment development plan for his service delivery area under guidelines developed by the coordinator and submit it to the coordinator within the period allowed by the coordinator. To the extent feasible, the employment administrator shall seek input from potential eligible employers and the public.

Subd. 3. [OUTREACH.] Each employment administrator shall publicize the program within his service delivery area to seek maximum participation by eligible job applicants and employers.

Subd. 4. [CONTRACTS.] Each employment administrator shall enter into contracts with eligible employers setting forth the terms of their participation in the program as required by sections 1 to 16.

Subd. 5. [SCREENING AND COORDINATION.] Each employment administrator shall screen job applicants and employers to achieve the best possible placement of eligible job applicants with eligible employers.

Subd. 6. [ELIGIBLE JOB APPLICANT PRIORITY LISTS.] Each employment administrator shall maintain a list of eligible job applicants unable to secure employment under the program at the time of application. The list shall prioritize eligible job applicants and shall be used to fill jobs with eligible employers as they become available.

Subd. 7. [COORDINATION OF EDUCATION AND TRAINING PROGRAMS.] Each employment administrator shall cooperate with local educational and training institutions to coordinate and publicize the availability of their resources to assure that applicants may receive training needed before or while employed in jobs which are available under the program.

Subd. 8. [MATERIALS.] Each employment administrator may disburse funds not to exceed one percent of the amount allocated to his service delivery area for the purchase of supplies and materials for projects creating permanent improvements to public property.

Sec. 9. [268.70] [DUTIES OF OTHER AGENCIES.]

Subdivision 1. [ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY.] The energy and economic development authority shall publicize the Minnesota emergency employment development program and shall provide staff assistance as requested by employment administrators in the screening of businesses and the collection of data to the extent feasible under its existing budget and staff complement.

Subd. 2. [EDUCATION AGENCIES.] The state board for vocational edu-

cation shall review its policies for post-secondary vocational education to ensure that the programs serve the training needs of economically disadvantaged persons. Education programs shall attempt to provide training that will help individuals to obtain and retain employment. The training may include customized short-term training, basic skills training, programs to develop work habits, and other services designed for eligible job applicants and persons employed under sections 1 to 16. Examples of education programs include, but are not limited to adult vocational programs, adult basic or continuing education, area vocational-technical institutes, colleges, secondary education programs, and private and proprietary schools.

Subd. 3. [DEPARTMENT OF PUBLIC WELFARE.] The commissioner of public welfare shall provide to each employment administrator lists of currently licensed local day care facilities, updated quarterly, to be available to all persons employed under sections 1 to 16.

Sec. 10. [268.71] [ELIGIBLE GOVERNMENT AND NONPROFIT AGENCY EMPLOYMENT.]

A government or nonprofit agency is an eligible employer with respect to temporary work relief projects that are determined by the employment administrator to have long-term benefit to or are needed by the community including, but not limited to, jobs in permanent public improvement projects, residential or public building weatherization projects, reforestation projects, mineland reclamation projects, planting or tree trimming projects, soil conservation projects, natural resource development projects, and community social service programs such as child care and home health care.

Sec. 11. [268.72] [BUSINESS EMPLOYMENT.]

Subdivision 1. [ELIGIBLE BUSINESSES.] A business employer is an eligible employer if it enters into a written contract, signed and subscribed to under oath, with the employment administrator in its service delivery area, containing assurances that:

(a) funds received by a business shall be used only as permitted under sections 1 to 16;

(b) the business has submitted a plan to the employment administrator (1) describing the duties and proposed compensation of each employee proposed to be hired under the program; and (2) demonstrating that, with the funds provided under sections 1 to 16, the business is likely to succeed and continue to employ persons hired under the program;

(c) the business will use funds exclusively for compensation and fringe benefits of eligible job applicants and will provide employees hired with these funds with fringe benefits and other terms and conditions of employment comparable to those provided to other employees of the business who do comparable work;

(d) the funds are necessary to allow the business to begin, or to employ additional people, but not to fill positions which would be filled even in the absence of funds from this program;

(e) the business will cooperate with the coordinator and the employment administrator in collecting data to assess the result of the program; and

(f) the business is in compliance with all applicable affirmative action, fair

labor, health, safety, and environmental standards.

Subd. 2. [PRIORITIES.] In allocating funds among eligible businesses, the employment administrator shall give priority to businesses which best satisfy the following criteria:

- (a) have a high potential for growth and long term job creation;*
- (b) are labor intensive;*
- (c) meet the definition of a small business as defined in section 645.445;*
- (d) make high use of local and Minnesota resources;*
- (e) are under ownership of women and minorities;*
- (f) make high use of new technology;*
- (g) produce energy conserving materials or services or are involved in development of renewable sources of energy; and*
- (h) have their primary place of business in Minnesota.*

Subd. 3. [PAYBACK.] A business receiving funds under this program shall repay 70 percent of the amount initially received for each eligible job applicant employed, if the employee does not continue in the employment of the business beyond the six-month subsidized period. If the employee continues in the employment of the business for one year or longer after the six-month subsidized period, the business need not repay any of the funds received for that employee's wages. If the employee continues in the employment of the business for a period of less than one year after the expiration of the six-month subsidized period, the business shall receive a proportional reduction in the amount it must repay. If an employer dismisses an employee for good cause and works in good faith with the program administrator to employ and train another person referred by the employment administrator, the payback formula shall apply as if the original person had continued in employment.

A repayment schedule shall be negotiated and agreed to by the employment administrator and the business prior to the disbursement of the funds and is subject to renegotiation. The employment administrator shall forward payments received under this subdivision to the coordinator on a monthly basis. The coordinator shall deposit these payments in the Minnesota emergency employment development account created by subdivision 4.

Subd. 4. [MINNESOTA EMERGENCY EMPLOYMENT DEVELOPMENT ACCOUNT.] The Minnesota emergency employment development account is created in the state treasury. All payments from businesses pursuant to subdivision 3 shall be deposited in this account, and all funds in the account are appropriated to the commissioner of economic security for the purpose of making disbursements pursuant to section 5.

Sec. 12. [268.73] [WORKER DISPLACEMENT PROHIBITED.]

Subdivision 1. [LAYOFFS; WORK REDUCTIONS.] An eligible employer may not terminate, lay off, or reduce the working hours of an employee for the purpose of hiring an individual with funds available under sections 1 to 16.

Subd. 2. [HIRING DURING LAYOFFS.] An eligible employer may not

hire an individual with funds available under sections 1 to 16 if any other person is on layoff from the same or a substantially equivalent job.

Subd. 3. [EMPLOYER CERTIFICATION.] In order to qualify as an eligible employer, a government or nonprofit agency or business must certify to the employment administrator that each job created and funded under sections 1 to 16:

(a) will result in an increase in employment opportunities over those which would otherwise be available;

(b) will not result in the displacement of currently employed workers, including partial displacement such as reduction in hours of nonovertime work, wages, or employment benefits; and

(c) will not impair existing contracts for service or result in the substitution of program funds for other funds in connection with work that would otherwise be performed.

Sec. 13. [268.74] [WORK INCENTIVE DEMONSTRATION PROJECT.]

Subdivision 1. [AVAILABILITY OF PROGRAM.] In order to maximize the opportunity for recipients of aid to families with dependent children to take full advantage of the jobs created by sections 1 to 16, the commissioner of public welfare shall inform each applicant or recipient of the availability of this program.

Subd. 2. [CHANGES IN STATE PLAN AND RULES; WAIVERS.] The commissioner shall make changes in the state plan and rules, or seek any waivers or demonstration authority necessary to minimize the barriers to participation in the programs or to employment. Changes shall be sought in the following areas, including but not limited to: allowances, child care, work expenses, the amount and duration of earning incentives, medical care coverage, limitations on the hours of employment, and the diversion of payments to wage subsidies. The commissioner shall implement each change as soon as possible.

Subd. 3. [REFERRALS.] Persons required to register for the work incentive program under section 256.736 or to register with job services shall be referred to the program for the required orientation, appraisal, and job search activities.

Subd. 4. [MEDICAL ASSISTANCE.] Participants shall receive medical assistance and other benefits provided under the aid to families with dependent children program according to the applicable standards and any authority granted by the department of health and human services.

Subd. 5. [RULES.] The commissioner of public welfare may adopt rules, including temporary rules, for the implementation of this section.

Sec. 14. [268.75] [WORK INCENTIVE FUNDS.]

Funds made available to the commissioner of economic security for purposes of administration of the jobs program may be used in part, at the discretion of the commissioner, to ensure that persons eligible for or receiving income maintenance grants have access to work and training programs.

Sec. 15. [268.76] [TERMINATION; NOTIFICATION.]

The commissioner of economic security shall immediately terminate the Minnesota emergency employment development program if and when none of the money appropriated under article 1, section 3 remains. The commissioner of economic security shall immediately notify the commissioner of public welfare of the program's termination. The commissioner of public welfare shall immediately notify each local agency referring recipients under article 8, section 11 of the program's termination and require the local agency to cease transferring recipients.

On the date the program is terminated, any balance remaining in the Minnesota emergency employment development account established under section 11, subdivision 4 shall cancel to the general fund. Any payments received under section 11, subdivisions 3 and 4 on or after that date shall be deposited in the general fund.

Sec. 16. [268.77] [SUNSET.]

Sections 1 to 18 are repealed June 30, 1985.

Sec. 17. Minnesota Statutes 1982, section 15.61, is amended to read:

15.61 [UNEMPLOYED AND UNDEREMPLOYED; EMPLOYMENT BY STATE AND OTHER GOVERNMENTAL UNITS.]

Subdivision 1. The state of Minnesota, its departments, agencies and instrumentalities, and any county, city, town, school district or other body corporate and politic, may employ unemployed and underemployed persons as defined in the federal Emergency Employment Act of 1971, as amended, ~~and~~ Comprehensive Employment and Training Act of 1973, as amended, *and eligible job applicants under sections 1 to 16 pursuant to the terms of those acts.*

Subd. 2. The provisions of Minnesota Statutes 1969, Sections 197.455 to 197.48 and 43A.11 and any other law or ordinance relating to preference in employment and promotion of persons having served in the armed services, the provisions of any law, rule or regulation, the provisions of any city charter or any ordinance or resolution, or the provisions of any other law or statute in conflict with the provisions of the federal Emergency Employment Act of 1971, as amended, ~~and~~ Comprehensive Employment and Training Act of 1973, as amended, *and eligible job applicants under sections 1 to 16 shall not be applicable to the employment of the persons specified in subdivision 1.*

Sec. 18. [SEVERABILITY.]

If the durational residency requirement authorized by section 2, subdivision 6 is found to be unconstitutional and void, the remaining provisions of the law shall remain valid.

Sec. 19. [EFFECTIVE DATE.]

Sections 1 to 18 are effective the day after final enactment.

ARTICLE 8

GENERAL ASSISTANCE: GRANTS AND ALLOWANCES

Section 1. Minnesota Statutes 1982, section 13.46, subdivision 2, is amended to read:

Subd. 2. [GENERAL.] Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

(a) Pursuant to section 13.05;

(b) Pursuant to a valid court order;

(c) Pursuant to a statute specifically authorizing access to the private data;

(d) To an agent of the welfare system, including appropriate law enforcement personnel, who are acting in the investigation, prosecution, criminal or civil proceeding relating to the administration of a program;

(e) To personnel of the welfare system who require the data to determine eligibility, amount of assistance, and the need to provide services of additional programs to the individual;

(f) To administer federal funds or programs; ~~or~~

(g) Between personnel of the welfare system working in the same program;
or

(h) To the Minnesota department of economic security for the purpose of monitoring the eligibility of the data subject for unemployment compensation or for any employment or training program administered by that agency, whether alone or in conjunction with the welfare system.

Sec. 2. Minnesota Statutes 1982, section 268.12, subdivision 12, is amended to read:

Subd. 12. [INFORMATION.] Except as hereinafter otherwise provided, data gathered from any employing unit, employer or individual pursuant to the administration of sections 268.03 to 268.24, and from any determination as to the benefit rights of any individual shall be private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12 and shall not be disclosed except pursuant to this subdivision or pursuant to a valid court order. This private data may be disseminated to and used by the following agencies without the consent of the subject of the data:

(a) State and federal agencies specifically authorized access to the data by state or federal law;

(b) Any agency of this or any other state; or any federal agency charged with the administration of an employment security law or the maintenance of a system of public employment offices;

(c) Local human rights groups within the state which have enforcement powers;

(d) The Minnesota department of revenue on an interchangeable basis with the department of economic security subject to the following restrictions and notwithstanding any law to the contrary:

(1) The department of revenue may have access to department of economic security data on individuals and employing units only to the extent necessary for proper enforcement of tax laws; and

(2) The department of economic security may have access to department of revenue data pertaining only to individuals who have claimed benefits under sections 268.03 to 268.24 and only if the individuals are the subject of investigations based on other information available to the department of economic security. The data provided by the department of revenue shall be limited to the amount of gross income earned by an individual, the total amount of earnings from each employer and the employers' names. Upon receipt of the data, the department of economic security may not disseminate the data to any individual or agency except in connection with a prosecution for violation of the provisions of sections 268.03 to 268.24. This clause shall not be construed to be a restriction on the exchange of information pertaining to corporations or other employing units to the extent necessary for the proper enforcement of this chapter;

(e) Public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;

(f) The department of labor and industry for the purpose of determining the eligibility of the data subject;

(g) Local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, *or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department of economic security;* and

(h) Local, state and federal law enforcement agencies for the sole purpose of ascertaining the last known address and employment location of the data subject, provided the data subject is the subject of a criminal investigation.

Data on individuals, employers, and employing units which are collected, maintained, or used by the department in an investigation pursuant to section 268.18, subdivision 3 are confidential as to data on individuals and protected nonpublic data as defined in section 13.02, subdivisions 3 and 13 as to nonindividual employers and employing units, and shall not be disclosed except pursuant to statute or valid court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

Data on individuals, employers, and employing units which are collected, maintained, or used by the department in the adjudication of a separation or eligibility issue pursuant to the administration of section 268.10, subdivision 2 are confidential as to data on individuals and protected nonpublic data as to nonindividual employers and employing units as defined in section 13.02, subdivisions 3 and 13 and shall not be disclosed except pursuant to the administration of section 268.10, subdivisions 3 to 8 or pursuant to a valid court order.

Aggregate data about employers compiled from individual job orders placed with the department of economic security are nonpublic data as defined in section 13.02, subdivision 9 if the commissioner determines that divulging the data would result in disclosure of the identity of the employer. The general aptitude test battery and the nonverbal aptitude test battery as administered by the department are also classified as nonpublic data.

Data on individuals collected, maintained or created because an individ-

ual applies for benefits or services provided by the energy assistance and weatherization programs administered by the department of economic security is private data on individuals and shall not be disseminated except pursuant to section 13.05, subdivisions 3 and 4.

Data gathered by the department pursuant to the administration of sections 268.03 to 268.24 shall not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

Sec. 3. Minnesota Statutes 1982, section 256D.01, subdivision 1, is amended to read:

Subdivision 1. [POLICY; STANDARDS OF ASSISTANCE.] The objectives of sections 256D.01 to 256D.21 are to provide a sound administrative structure for public assistance programs; to maximize the use of federal funds money for public assistance purposes; and to provide an integrated public assistance program for those all persons in the state meeting the eligibility criteria contained in this chapter without adequate income or resources to maintain a subsistence reasonably compatible with decency and health.

It is hereby declared to be the policy of this state that persons unable to provide for themselves and not otherwise provided for by law and who meet the eligibility requirements of sections 256D.01 to 256D.21 shall be are entitled to receive such grants of general assistance; within the time limits set forth in this chapter as may be necessary to maintain a subsistence reasonably compatible with decency and health. The furnishing of such Providing this assistance and services is a matter of public concern and a necessity in promoting the public health and welfare.

A principal objective in providing general assistance shall be is to provide for persons ineligible for federal programs who are unable to provide for themselves. To achieve these aims, the commissioner shall establish minimum standards of assistance for general assistance. The minimum standard for cash payments to recipients shall be: as to shelter and utilities, 100 percent of the actual need or state standards therefor, subject to the maximum established for shelter in the aid to the blind, aid to the disabled, and old age assistance programs in December, 1973; and as to other budgetary items, 50 percent, of those established for said items in the aid to the blind, aid to the disabled, and old age assistance programs in December, 1973 of assistance determines the total amount of the general assistance grant without separate standards for shelter, utilities, or other needs and shall not be less than the combined total of the minimum standards of assistance for shelter and basic needs in effect on February 1, 1983. The standards of assistance shall not be lower for a recipient sharing a residence with another person unless that person is a responsible relative of the recipient who is also eligible for general assistance. The minimum standards of assistance shall authorize the payment of rates negotiated by local agencies for recipients living in a room and board arrangement. In order to maximize the use of federal funds, the commissioner shall promulgate regulations adopt rules, to the extent permitted by federal law for eligibility for the emergency assistance program under aid to families with dependent children, and under the terms of sections 256D.01 to 256D.21 for general assistance, to require the use of the emergency program under aid to families with dependent children as the

primary financial resource when available. The commissioner shall provide by ~~regulation rule~~ for the eligibility for general assistance of persons with seasonal income, and may attribute seasonal income to other periods not in excess of one year from receipt by an applicant or recipient.

Sec. 4. Minnesota Statutes 1982, section 256D.02, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE.] "General assistance" means cash payments to persons unable to provide themselves with a reasonable subsistence compatible with decency and health and who are not otherwise provided for under the laws of this state or the United States. ~~It shall include cash payments for goods, shelter, fuel, food, clothing, light, necessary household supplies, and personal need items.~~ General assistance shall not include payments for foster care, child welfare services, or other social services. Vendor payments ~~and vouchers~~ may be ~~made issued~~ only as provided for in section 256D.09.

Sec. 5. Minnesota Statutes 1982, section 256D.02, is amended by adding a subdivision to read:

Subd. 8a. [JOBS PROGRAM ALLOWANCE.] An allowance received pursuant to section 13 is unearned income under subdivision 8.

Sec. 6. Minnesota Statutes 1982, section 256D.05, subdivision 1a, is amended to read:

Subd. 1a. [TEMPORARY STANDARDS.] Notwithstanding the provisions of subdivision 1, from March 24, 1982 ~~until June 30~~ *to September 30*, 1983, each person or family whose income and resources are less than the standard of assistance established by the commissioner, and who is not eligible for the federally aided assistance programs of emergency assistance or aid to families with dependent children, or any successor to those programs, shall be eligible for and entitled to general assistance if the person or family is:

(a) A person who is suffering from a permanent or temporary illness, injury, or incapacity which is both medically certified and prevents the person from engaging in suitable employment, and who, if the medical certification establishes that the illness, injury, or incapacity is temporary and recommends a reasonable plan for rehabilitation, is following the plan;

(b) A person whose presence in the home on a substantially continuous basis is required because of the certified illness or incapacity of another member of the household;

(c) A person who has been placed in a licensed or certified facility for purposes of physical or mental health or rehabilitation, if the placement is based on illness or incapacity, and is pursuant to a plan developed or approved by the local agency through its director or designated representative;

(d) A person who resides in a shelter facility described in subdivision 3;

(e) A person who is or may be eligible for displaced homemaker services, programs, or assistance under section 4.40. In determining eligibility of the person for general assistance, income received as a stipend shall be disre-

garded as provided in section 4.40;

(f) A person who is unable to secure suitable employment due to inability to communicate in the English language, and who, if assigned to a language skills program by the local agency, is participating in that program;

(g) A person not described in clause (a) or (c) who is diagnosed by a licensed physician or licensed consulting psychologist as mentally ill or mentally retarded;

(h) A person who is unable to secure suitable employment due to a lack of marketable skills and who, if assigned to a vocational counseling, vocational rehabilitation, or work training program by the local agency, is participating in that program. Eligibility for general assistance under clause (h) is limited to five weeks per calendar year;

(i) A person who has an application pending for the program of supplemental security income for the aged, blind and disabled or has been terminated from that program and has an appeal from that termination pending, and who has executed an interim assistance authorization agreement pursuant to the provisions of section 256D.06, subdivision 5; or

(j) A person who is unable to secure suitable employment because his advanced age significantly affects his ability to engage in substantial work. ~~This clause is effective January 1, 1983.~~

The commissioner is authorized to adopt temporary rules as necessary to implement this subdivision.

This subdivision is repealed ~~July~~ October 1, 1983.

Sec. 7. Minnesota Statutes 1982, section 256D.06, subdivision 5, is amended to read:

Subd. 5. Any applicant, otherwise eligible for general assistance and possibly eligible for maintenance benefits from any other source shall be ~~obligated to~~ (a) make application for those benefits within 30 days of the general assistance application; and (b) execute an interim assistance authorization agreement on a form as directed by the commissioner. If found eligible for benefits from other sources, and a payment received from another source relates to the period during which general assistance was also being received, the recipient shall be required to reimburse the local agency for the interim assistance paid. Reimbursement shall not exceed the amount of general assistance paid during the time period to which the other maintenance benefits apply and shall not exceed the state standard applicable to that time period. *The commissioner shall adopt rules, and may adopt temporary rules, authorizing local agencies to retain from the amount recovered under an interim assistance agreement 25 percent plus actual reasonable fees, costs, and disbursements of appeals and litigation, of providing special assistance to the recipient in processing the recipient's claim for maintenance benefits from another source. The money retained under this section shall be from the state share of the recovery. The local agency may contract with qualified persons to provide the special assistance. The rules adopted by the commissioner shall include the methods by which local agencies shall identify, refer, and assist recipients who may be eligible for benefits under federal programs for the disabled. This ~~provision~~ subdivision ~~shall~~ does not*

require repayment of per diem payments made to shelters for battered women pursuant to section 256D.05, subdivision 3.

Sec. 8. Minnesota Statutes 1982, section 256D.09, subdivision 2, is amended to read:

Subd. 2. Notwithstanding the provisions of subdivision 1, the commissioner shall provide by rule ~~and regulation~~, and may adopt temporary rules, for situations in which vouchers or vendor payments may be ~~made~~ issued by local agencies because of the inability of the recipient to manage his general assistance grant for his own or family's benefit.

Sec. 9. Minnesota Statutes 1982, section 256D.09, is amended by adding a subdivision to read:

Subd. 3. [EMPLOYMENT PAYMENTS BY GRANT DIVERSION.] Notwithstanding the provisions of subdivision 1, the commissioner may establish by rule or temporary rule a grant diversion program for payment of all or a part of a recipient's grant to a private, non-profit, or public employer who agrees to employ the recipient. The commissioner shall design the program to provide, to the extent possible, employment or employment-related training that will enable recipients to become self-supporting. A recipient shall be eligible for general assistance medical care during the term of the grant diversion contract to the extent that medical care coverage is not provided by the employer. Any rule adopted by the commissioner:

(a) Shall require the local agencies to administer the grant diversion program directly or to delegate administration of the program to another unit of government;

(b) Shall require that grants paid to employers be paid pursuant to a written grant diversion contract;

(c) Shall determine the amount of the grant to be paid to the employer and the term of the grant diversion contract;

(d) Shall establish standards to ensure that recipients hired pursuant to grant diversion contracts do not displace other workers;

(e) Shall provide for the amount of the wage to be paid to the recipient, which shall not be less than the minimum wage for jobs with non-profit and public employers and the usual and customary wage for jobs with private employers;

(f) Shall provide for the minimum number of hours per month the recipient must work, which shall be sufficient to provide a net monthly wage equal to or exceeding the difference between the amount of the grant retained by the recipient and 150 percent of the recipient's monthly grant; and

(g) May establish other terms and conditions for the operation of the grant diversion program.

Sec. 10. [256D.111] [REGISTRATION FOR WORK; DISQUALIFICATION.]

Subdivision 1. [REGISTRATION REQUIREMENT.] Unless exempt in accordance with the provisions of subdivision 2, an adult who is a recipient of general assistance and who is not employed is required to register for

employment services with the department of economic security, be available for work and comply with reasonable reporting and job search requirements as established by the commissioner of economic security in permanent or temporary rule, and accept any offer of suitable employment.

Subd. 2. [EXEMPTIONS.] A recipient is not required to register for employment services with the department of economic security and comply with the other requirements of subdivision 1 if he is:

(a) a person who is suffering from a permanent or temporary illness, injury, or incapacity which is medically certified and which prevents the person from obtaining or retaining employment;

(b) a person whose presence in the home on a substantially continuous basis is required because of the certified illness, injury, incapacity, or the age of another member of the household;

(c) a person who has been placed in a licensed or certified facility for purposes of physical or mental health or rehabilitation, or in an approved chemical dependency domiciliary facility, if the placement is based on illness or incapacity and is pursuant to a plan developed or approved by the local agency through its director or designated representative;

(d) a person who resides in a shelter facility described in section 256D.05, subdivision 3;

(e) a person who is or may be eligible for displaced homemaker services, programs, or assistance under section 4.40, but only if that person is enrolled as a full-time student;

(f) a person not described in clause (a) or (c) who is diagnosed by a licensed physician or licensed consulting psychologist as mentally retarded or mentally ill, and that condition prevents the person from obtaining or retaining employment;

(g) a person who has an application pending for the social security disability program or the program of supplemental security income for the aged, blind and disabled, or who has been terminated from either program and has an appeal from that termination pending;

(h) a person who is unable to obtain or retain employment because his advanced age significantly affects his ability to seek or engage in substantial work;

(i) a person who has been referred to, has applied for, or is in a work training, work experience, vocational rehabilitation, or other employment related educational program; but the period of time the person is exempted pursuant to this clause, while awaiting acceptance into the program, shall not exceed two months;

(j) an adult member of a household with children in which another adult is employed full time or has registered for employment services with the department of economic security or been accepted in a work training program; or

(k) a person who has been certified as unemployable by the commissioner of economic security.

Subd. 3. [RIGHT TO HEARING.] Any person required by the local agency

to register in accordance with the provisions of subdivision 1 is entitled, prior to grant reduction, suspension, or termination, to a hearing pursuant to the provisions of section 256D.10 on the issue of whether the person comes within the exemptions contained in subdivision 2.

Subd. 4. [NOTICE OF NONCOMPLIANCE.] No notice of grant reduction, suspension, or termination on the ground that a recipient has failed to comply with the requirements of subdivision 1 shall be given by the local agency pursuant to section 256D.10 until the commissioner of economic security certifies in writing to the local agency that the recipient has been finally determined, in accordance with the notice, hearing, and appeal rights and procedures applicable to the work incentive program, as prescribed in section 256.736, subdivision 4, clause (4), to have failed to comply with the requirements of subdivision 1. A final determination, if made in accordance with these procedures, shall be binding upon the local agency and the recipient.

Subd. 5. [RULEMAKING.] The commissioner shall adopt rules and is authorized to adopt temporary rules:

(a) providing for a reasonable period of disqualification from the receipt of general assistance for a recipient who is not exempt pursuant to subdivision 2 and who has been finally determined pursuant to the procedure prescribed in subdivision 4 to have failed to comply with the requirements of subdivision 1, provided that the period of disqualification for the first failure to comply shall not exceed one month;

(b) providing for the use of vouchers or vendor payments with respect to the family of a recipient described in clause (a); and

(c) providing that at the time of the approval of an application for general assistance, the local agency gives to the recipient a written notice in plain and easily understood language describing the recipient's job registration, search, and acceptance obligations under this section, and the period of disqualification that will be imposed for a failure to comply with those obligations.

Sec. 11. [256D.112] [TEMPORARY AUTHORITY TO REFER CERTAIN RECIPIENTS TO COMMISSIONER OF ECONOMIC SECURITY.]

The local agency shall refer a recipient to the commissioner of economic security for services under the Minnesota Emergency Employment Development Act jobs program upon the payment to the recipient of a one-month grant. A referral shall be in writing; shall describe the jobs program for which the referral is being made; shall state the address of the office to which the recipient is being referred; and shall state that if the recipient is not accepted for participation in the jobs program, the recipient should return to the local agency. Notwithstanding the provisions of section 10, subdivision 3, and section 256D.10, assistance to a general assistance recipient referred to the commissioner of economic security pursuant to this section shall be suspended at the time of the referral for a period of 30 days following the period for which a grant has been issued. If the recipient does not return to the local agency within the 30-day period, assistance shall be terminated. This section does not apply:

(1) to persons that the commissioner of economic security has determined,

pursuant to section 12, are not eligible for the Minnesota Emergency Employment Development jobs program; are not likely to secure a job through the jobs program; or are not able to successfully perform a job available through the jobs program;

(2) to persons who are recipients of general assistance on October 1, 1983; and

(3) to persons whom the local agency has substantial reason to believe are covered by section 10, subdivision 2.

Nothing in this section shall be construed as prohibiting any recipient who has not been referred by the local agency from applying to the commissioner of economic security for services under the Minnesota emergency employment development jobs program. The local agency shall provide to all recipients a written description of the Minnesota emergency employment development jobs program.

Upon receipt of notice from the commissioner of public welfare that the Minnesota emergency employment development jobs program is terminated, this section is ineffective and the local agency shall not refer any recipient to the commissioner of economic security under this section.

Sec. 12. [268.80] [APPLICATION PROCESS; DETERMINATIONS.]

Any person may apply to the commissioner for services under the Minnesota emergency employment development jobs program. Upon receiving an application, the commissioner shall promptly determine the person's eligibility for services under the program; the person's ability to successfully perform a job available through the program; and, within three business days, the person's eligibility for an allowance pursuant to section 13. In determining the eligibility of a person for the allowance, the commissioner shall apply the eligibility standards set forth in sections 256D.01 to 256D.21. A person referred by a local agency pursuant to the provisions of section 11 shall be deemed to be eligible for the allowance. If the commissioner finds at any time that a person is not eligible for services under the jobs program, or if the commissioner determines after a three-month period that the person is unlikely to secure a job through the jobs program, then the commissioner shall issue a written determination stating the findings and provide the person with a written referral to the appropriate local agency. If the commissioner finds at any time, pursuant to standards established by the commissioner by rule or temporary rule, that a person is not able to successfully perform a job available through the jobs program, the commissioner shall issue a written determination stating the findings and explaining the person's right to appeal pursuant to section 14, and shall provide the person with a written referral to the appropriate local agency. If the commissioner finds that a person is not eligible for an allowance pursuant to section 13, the commissioner shall advise the person in writing that the person may make an application for general assistance with the appropriate local agency.

Sec. 13. [268.81] [PAYMENT OF ALLOWANCE.]

A person accepted pursuant to section 12 for participation in the Minnesota emergency employment development jobs program and determined by the commissioner to satisfy the eligibility standards set forth in sections 256D.01 to 256D.21, shall be paid a cash allowance by the commissioner in

an amount which is not less than the amount of the general assistance grant that the person would otherwise receive pursuant to sections 256D.01 to 256D.21. The commissioner shall adopt a permanent or temporary rule establishing the amounts of allowances to be paid pursuant to this section. The initial allowance shall be paid to the person as soon as administratively feasible. A person referred by a local agency pursuant to section 11 shall be paid the initial allowance upon the expiration of the period covered by the one-month grant received from the local agency. Thereafter, the allowance shall be paid at intervals as the commissioner shall prescribe by rule or temporary rule. Until June 30, 1985, a person receiving an allowance when the Minnesota emergency employment development jobs program is terminated under article 8, section 11, shall continue to be paid an allowance under this section if he continues to meet the eligibility standards set forth in sections 256D.01 to 256D.21.

Sec. 14. [268.82] [APPEAL PROCEDURE.]

A person aggrieved by a determination issued pursuant to section 12 that the person is not able to successfully perform a job available through the Minnesota emergency employment development jobs program may appeal that determination, in accordance with the time limits and procedures applicable to the work incentive program, as prescribed in section 256.736, subdivision 4, clause (4). If otherwise eligible under section 13, the person shall receive the allowance prescribed by section 13 until a final decision on the appeal is rendered.

Sec. 15. [268.83] [SUITABLE EMPLOYMENT FOR PURPOSES OF GENERAL ASSISTANCE.]

For purposes of eligibility for general assistance pursuant to sections 256D.01 to 256D.21, a job provided through the Minnesota emergency employment development jobs program is "suitable employment," as that term is defined in section 256D.02, subdivision 13.

Sec. 16. [TRANSFER OF FUNDS.]

If the utilization of the Minnesota emergency employment development jobs program, the allowances program, and the general assistance program is significantly different from the projected utilization, then the commissioners of economic security and public welfare may, upon approval by the legislative advisory commission and the governor according to section 3.30, transfer money from the Minnesota emergency employment development (MEED) account to either (1) the special account established for the purpose of funding allowances paid pursuant to section 13; or (2) the general assistance account. Money may also be transferred pursuant to this section between the department of economic security special allowances account and the general assistance account in the department of public welfare.

Sec. 17. [REPEALER.]

Minnesota Statutes 1982, sections 256D.02, subdivision 14; and 256D.06, subdivision 1a, are repealed. Minnesota Statutes 1982, section 256D.05, subdivision 1a is repealed effective October 1, 1983.

Sec. 18. [268.84] [SUNSET PROVISION.]

Sections 5 and 11 to 16 of this article are repealed June 30, 1985.

Sec. 19. [EFFECTIVE DATE.]

Sections 6 to 9, 17, and 18 of this article are effective the day following final enactment. Sections 1 to 5, and 10 to 16 of this article are effective October 1, 1983.

ARTICLE 9

SERVICES FOR THE MENTALLY RETARDED

Section 1. Minnesota Statutes 1982, section 252.24, subdivision 1, is amended to read:

Subdivision 1. [SELECTION OF DEVELOPMENTAL ACHIEVEMENT CENTERS.] The county board shall administer developmental achievement services, *including training and habilitation services provided by licensed developmental achievement centers to residents of intermediate care facilities for the mentally retarded.* The county board shall ensure that transportation is provided for persons who fulfill the eligibility requirements of section 252.23, clause (1), utilizing the most efficient and reasonable means available. The county board may contract for developmental achievement services and transportation from a center which is licensed under the provisions of sections 245.781 to 245.813, 252.28, and 257.175, and in the board's opinion, best provides daytime developmental achievement services for mentally retarded and cerebral palsied persons within the appropriation *and medical assistance resources* made available for this purpose. Daytime developmental achievement services administered by the county board shall comply with standards established by the commissioner pursuant to subdivision 2 *and applicable federal regulations.*

Sec. 2. Minnesota Statutes 1982, section 252.28, is amended to read:

252.28 [COMMISSIONER OF PUBLIC WELFARE; DUTIES.]

Subdivision 1. [DETERMINATIONS; BIENNIAL REDETERMINATIONS.] The commissioner of public welfare ~~may~~ *shall* determine, *and shall redetermine biennially,* the need, location, *size,* and program of public and private residential and day care facilities and services for mentally retarded children and adults.

Subd. 2. [RULES; PROGRAM STANDARDS; LICENSES.] The commissioner of public welfare shall:

(1) Establish uniform rules, regulations and program standards for each type of residential and day facility or service for ~~more than four~~ *mentally* retarded persons, including state institutions under control of the commissioner and serving mentally retarded persons, *and excluding mentally retarded persons residing with their families.*

(2) Grant licenses according to the provisions of Laws 1976, chapter 243, sections 2 to 13.

Subd. 3. [LICENSING DETERMINATIONS.] (1) No new license shall be granted pursuant to this section when the issuance of the license would substantially contribute to an excessive concentration of community residential facilities within any town, municipality or county of the state.

(2) In determining whether a license shall be issued pursuant to this sub-

division, the commissioner of public welfare shall specifically consider the population, size, land use plan, availability of community services and the number and size of existing public and private community residential facilities in the town, municipality or county in which a licensee seeks to operate a residence. Under no circumstances may the commissioner newly license any facility pursuant to this section except as provided in section 245.812. The commissioner of public welfare shall establish uniform rules and regulations to implement the provisions of this subdivision.

(3) Licenses for community facilities and services shall be issued pursuant to section 245.821.

Subd. 4. [RULES; DECERTIFICATION OF BEDS.] The commissioner shall promulgate in rule criteria for decertification of beds in intermediate care facilities for the mentally retarded, and shall encourage providers in voluntary decertification efforts. The commissioner shall not recommend to the commissioner of health the involuntary decertification of an intermediate care facility for beds for the mentally retarded prior to the availability of appropriate services for those residents affected by the decertification. The commissioner of health shall decertify those intermediate care beds determined to be not needed by the commissioner of welfare.

Sec. 3. [252.291] [LIMITATION ON DETERMINATION OF NEED.]

Subdivision 1. [MORATORIUM.] Notwithstanding section 252.28, subdivision 1, or any other law or rule to the contrary, the commissioner of public welfare shall deny any request for a determination of need and refuse to grant a license pursuant to section 245.782 for any new intermediate care facility for mentally retarded persons or for an increase in the licensed capacity of an existing facility except as provided in subdivision 2. In no event shall the total of certified intermediate care beds for mentally retarded persons in community facilities and state hospitals exceed 7,500 beds as of July 1, 1983, and 7,000 beds as of July 1, 1986. "Certified bed" means an intermediate care bed for the mentally retarded certified by the commissioner of health for the purposes of the medical assistance program under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982.

Subd. 2. [EXCEPTIONS.] The commissioner of public welfare in coordination with the commissioner of health may approve a new intermediate care facility for mentally retarded persons only in the following circumstances:

(a) when the facility is developed in accordance with a request for proposal system established pursuant to subdivision 3, clause (b);

(b) when the facility is necessary to serve the needs of identifiable mentally retarded persons who are seriously behaviorally disordered or who are physically or sensorily impaired; or

(c) to license beds in new facilities where need was determined by the commissioner prior to the effective date of this section.

Subd. 3. [DUTIES OF COMMISSIONER OF PUBLIC WELFARE.] The commissioner shall:

(a) establish standard admission criteria for state hospitals and county utilization targets to limit and reduce the number of intermediate care beds in

state hospitals and community facilities in accordance with approved waivers under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982, to assure that appropriate services are provided in the least restrictive setting;

(b) provide technical assistance so that county boards may establish a request for proposal system for meeting individual service plan objectives through home and community-based services; alternative community services; or, if no other alternative will meet the needs of identifiable individuals for whom the county is financially responsible, a new intermediate care facility for mentally retarded persons; and

(c) establish a client tracking and evaluation system as required under applicable federal waiver regulations, Code of Federal Regulations, title 42, sections 431, 435, 440, and 441, as amended through December 31, 1982.

(d) develop a state plan for the delivery and funding of residential day and support services to the mentally retarded in Minnesota and submit that plan to the clerk of each house of the Minnesota legislature on or before the 15th of January of each biennium beginning January 15, 1985. The biennial mental retardation plan shall include but not be limited to:

- (1) county by county maximum intermediate care bed utilization quotas;*
- (2) plans for the development of the number and types of services alternative to intermediate care beds;*
- (3) procedures for the administration and management of the plan;*
- (4) procedures for the evaluation of the implementation of the plan; and*
- (5) the number, type, and location of intermediate care beds targeted for decertification.*

The commissioner shall modify the plan to ensure conformance with the medical assistance home and community-based services waiver.

Subd. 4. [MONITORING.] The commissioner of public welfare, in coordination with the commissioner of health, shall implement mechanisms to monitor and analyze the effect of the bed moratorium in the different geographic areas of the state. The commissioner of public welfare shall submit to the legislature annually beginning January 15, 1984, an assessment of the impact of the moratorium by geographic areas.

Subd. 5. [RULEMAKING.] The commissioner of public welfare shall promulgate temporary and permanent rules pursuant to chapter 14, the Administrative Procedure Act, to implement this section.

Sec. 4. Minnesota Statutes 1982, section 256B.02, subdivision 8, is amended to read:

Subd. 8. [MEDICAL ASSISTANCE; MEDICAL CARE.] "Medical assistance" or "medical care" means payment of part or all of the cost of the following care and services for eligible individuals whose income and resources are insufficient to meet all of such this cost:

- (1) inpatient hospital services-;*
- (2) skilled nursing home services and services of intermediate care facili-*

ties-, including training and habilitation services, as defined in section 256B.50, subdivision 1, for mentally retarded individuals residing in intermediate care facilities for the mentally retarded;

- (3) physicians' services-;
- (4) outpatient hospital or clinic services-;
- (5) home health care services-;
- (6) private duty nursing services-;
- (7) physical therapy and related services-;
- (8) dental services, excluding cast metal restorations-;
- (9) laboratory and x-ray services-;

(10) the following if prescribed by a licensed practitioner: drugs, eye-glasses, dentures, and prosthetic devices. The commissioner shall designate a formulary committee which shall advise the commissioner on the names of drugs for which payment shall be made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of public welfare, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of public welfare, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two year terms and shall serve without compensation. The commissioner may establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. The formulary shall not include: drugs for which there is no federal funding; over the counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, prenatal vitamins, and vitamins for children under the age of seven; nutritional products; anorectics; and drugs for which medical value has not been established. Payment to drug vendors shall not be modified before the formulary is established. The commissioner may promulgate conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

The basis for determining the amount of payment shall be the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. Establishment of this fee shall not be subject to the requirements of the administrative procedure act. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written" on the prescription as required by section 151.21, subdivision 2.

Notwithstanding the above provisions, implementation of any change in the fixed dispensing fee which has not been subject to the administrative procedure act shall be limited to not more than 180 days, unless, during that time, the commissioner shall have initiated rulemaking through the administrative procedure act-;

(11) diagnostic, screening, and preventive services-;

(12) health care pre-payment plan premiums and insurance premiums if paid directly to a vendor and supplementary medical insurance benefits under Title XVIII of the Social Security Act-;

(13) abortion services, but only if one of the following conditions is met:

(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;

(b) The pregnancy is the result of criminal sexual conduct as defined in section 609.342, clauses (c), (d), (e)(i), and (f), and the incident is reported within 48 hours after the incident occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or

(c) The pregnancy is the result of incest, but only if the incident and relative are reported to a valid law enforcement agency for investigation prior to the abortion-;

(14) transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by non-ambulatory persons in obtaining emergency or non-emergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this clause, a person who is incapable of transport by taxicab or bus shall be considered to be non-ambulatory-;

(15) to the extent authorized by rule of the state agency, costs of bus or taxicab transportation incurred by any ambulatory eligible person for obtaining non-emergency medical care-; and

(16) any other medical or remedial care licensed and recognized under state law unless otherwise prohibited by law.

Sec. 5. [256B.092] [CASE MANAGEMENT OF MENTALLY RETARDED PERSONS.]

Subdivision 1. [COUNTY OF FINANCIAL RESPONSIBILITY; DUTIES.] *Before any services shall be rendered to mentally retarded persons in need of social service and medical assistance, the county of financial responsibility shall conduct a diagnostic evaluation in order to determine whether the person is or may be mentally retarded. If a client is diagnosed mentally retarded, that county must conduct a needs assessment, develop an*

individual service plan, and authorize placement for services. If the county of financial responsibility places a client in another county for services, the placement shall be made in cooperation with the host county of service, and arrangements shall be made between the two counties for ongoing social service, including annual reviews of the client's individual service plan. The host county may not make changes in the service plan without approval by the county of financial responsibility.

Subd. 2. [MEDICAL ASSISTANCE.] To assure quality case management to those county clients who are eligible for medical assistance, the commissioner shall: (a) provide consultation on the case management process; (b) assist county agencies in the screening and annual reviews of clients to assure that appropriate levels of service are provided; (c) provide consultation on service planning and development of services with appropriate options; (d) provide training and technical assistance to county case managers; and (e) authorize payment for medical assistance services.

Subd. 3. [TERMINATION OF SERVICES.] County agency case managers, under rules of the commissioner, shall authorize and terminate services of community and state hospital providers in accordance with individual service plans. Medical assistance services not needed shall not be authorized by county agencies nor funded by the commissioner.

Subd. 4. [ALTERNATIVE HOME AND COMMUNITY BASED SERVICES.] The commissioner shall make payments to county boards participating in the medical assistance program to pay costs of providing alternative home and community based services to medical assistance eligible mentally retarded persons screened under subdivision 7. Payment is available under this subdivision only for persons who, if not provided these services, would require the level of care provided in an intermediate care facility for mentally retarded persons.

Subd. 5. [FEDERAL WAIVERS.] The commissioner shall apply for any federal waivers necessary to secure, to the extent allowed by law, federal financial participation under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982, for the provision of services to persons who, in the absence of the services, would need the level of care provided in a state hospital or a community intermediate care facility for mentally retarded persons. The commissioner may seek amendments to the waivers or apply for additional waivers under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982, to contain costs. The commissioner shall ensure that payment for the cost of providing home and community based alternative services under the federal waiver plan shall not exceed the cost of intermediate care services that would have been provided without the waived services.

Subd. 6. [RULES.] The commissioner shall adopt temporary and permanent rules to establish required controls, documentation, and reporting of services provided in order to assure proper administration of the approved waiver plan.

Subd. 7. [SCREENING TEAMS ESTABLISHED.] Each county agency shall establish a screening team which, under the direction of the county case manager, shall make an evaluation of need for home and community based services of persons who are entitled to the level of care provided by an

intermediate care facility for mentally retarded persons or for whom there is a reasonable indication that they might need the services in the near future. The screening team shall make an evaluation of need within 15 working days of the request for service and within five working days of an emergency admission of an individual to an intermediate care facility for mentally retarded persons. The screening team shall consist of the case manager, the client, a parent or guardian, a qualified mental retardation professional, as defined in the Code of Federal Regulations, title 42, section 442.401, as amended through December 31, 1982, assigned by the commissioner. The case manager shall consult with the client's physician or other persons as necessary to make this evaluation. Other persons may be invited to attend meetings of the screening team. No member of the screening team shall have any direct or indirect service provider interest in the case.

Subd. 8. [SCREENING TEAM DUTIES.] The screening team shall:

(a) review diagnostic data;

(b) review health, social, and developmental assessment data using a uniform screening tool specified by the commissioner;

(c) identify the level of services needed to maintain the person in the most normal and least restrictive setting that is consistent with treatment needs;

(d) identify other noninstitutional public assistance or social service that may prevent or delay long-term residential placement;

(e) determine whether a client is in serious need of long-term residential care;

(f) make recommendations to the county agency regarding placement and payment for: (1) social service or public assistance support to maintain a client in the client's own home or other place of residence; (2) training and habilitation service, vocational rehabilitation, and employment training activities; (3) community residential placement; (4) state hospital placement; or (5) a home and community based alternative to community residential placement or state hospital placement;

(g) make recommendations to a court as may be needed to assist the court in making commitments of mentally retarded persons; and

(h) inform clients that appeal may be made to the commissioner pursuant to section 256.045.

Subd. 9. [REIMBURSEMENT.] Payment shall not be provided to a service provider for any recipient placed in an intermediate care facility for the mentally retarded prior to the recipient being screened by the screening team. The commissioner shall not deny reimbursement for: (a) an individual admitted to an intermediate care facility for mentally retarded who is assessed to need long-term supportive services, if long-term supportive services other than intermediate care are not available in that community; (b) any individual admitted to an intermediate care facility for the mentally retarded under emergency circumstances; (c) any eligible individual placed in the intermediate care facility for the mentally retarded pending an appeal of the screening team's decision; or (d) any medical assistance recipient when, after full discussion of all appropriate alternatives including those that are expected to be less costly than intermediate care for mentally retarded, the

individual or the individual's legal representative insists on intermediate care placement. The screening team shall provide documentation that the most cost effective alternatives available were offered to this individual or the individual's legal representative.

Sec. 6. Minnesota Statutes 1982, section 256B.19, is amended by adding a subdivision to read:

Subd. 3. [STUDY OF MEDICAL ASSISTANCE FINANCIAL PARTICIPATION.] The commissioner shall study the feasibility and outcomes of implementing a variable medical assistance county financial participation rate for long-term care services to mentally retarded persons in order to encourage the utilization of alternative services to long-term intermediate care for the mentally retarded. The commissioner shall submit his findings and recommendations to the legislature by January 20, 1984.

Sec. 7. [256B.50] [RATES FOR COMMUNITY-BASED SERVICES FOR THE MENTALLY RETARDED.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meaning given them.

(a) "Commissioner" means the commissioner of public welfare.

(b) "Facility" means a facility licensed as a mental retardation residential facility under section 252.28, licensed as a supervised living facility under chapter 144, and certified as an intermediate care facility for the mentally retarded.

(c) "Waivered service" means home or community-based service authorized under United States Code, title 42, section 1396n(c), as amended through December 31, 1982, and defined in the Minnesota state plan for the provision of medical assistance services. Waivered services include, at a minimum, case management, family training and support, developmental training homes, supervised living arrangements, semi-independent living services, respite care, and training and habilitation services.

(d) "Training and habilitation services" are those health and social services needed to ensure optimal functioning of persons who are mentally retarded or have related conditions. Training and habilitation services shall be provided to a client away from the residence unless medically contraindicated by an organization which does not have a direct or indirect financial interest in the organization which provides the person's residential services. This requirement shall not apply to any developmental achievement center which has applied for licensure prior to April 15, 1983.

Subd. 2. [AUTHORITY.] The commissioner shall establish procedures and rules for determining rates for care of residents of intermediate care facilities for the mentally retarded which qualify as vendors of medical assistance, waivered services, and for provision of training and habilitation services. Approved rates shall be established on the basis of methods and standards that the commissioner finds adequate to provide for the costs that must be incurred for the quality care of residents in efficiently and economically operated facilities and services. The procedures shall specify the costs that are allowable for payment through medical assistance. The commissioner may use experts from outside the department in the establishment of

the procedures.

Subd. 3. [RATES FOR INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED.] The commissioner shall establish, by rule, procedures for determining rates for care of residents of intermediate care facilities for the mentally retarded. The procedures shall be based on methods and standards that the commissioner finds are adequate to provide for the costs that must be incurred for the care of residents in efficiently and economically operated facilities. In developing the procedures, the commissioner shall include:

(a) cost containment measures that assure efficient and prudent management of capital assets and operating cost increases which do not exceed increases in other sections of the economy;

(b) limits on the amounts of reimbursement for property, general and administration, and new facilities;

(c) requirements to ensure that the accounting practices of the facilities conform to generally accepted accounting principles; and

(d) incentives to reward accumulation of equity.

In establishing rules and procedures for setting rates for care of residents in intermediate care facilities for mentally retarded persons, the commissioner shall consider the recommendations contained in the February 11, 1983, Report of the Legislative Auditor on Community Residential Programs for the Mentally Retarded and the recommendations contained in the 1982 Report of the Department of Public Welfare Rule 52 Task Force. Rates paid to supervised living facilities for rate years beginning during the fiscal biennium ending June 30, 1985, shall not exceed the final rate allowed the facility for the previous rate year by more than five percent.

Subd. 4. [WAIVERED SERVICES.] In establishing rates for waived services the commissioner shall consider the need for flexibility in the provision of those services to meet individual needs identified by the screening team.

Subd. 5. [TRAINING AND HABILITATION SERVICES.] (a) Except as provided in subdivision 6, rates for reimbursement under medical assistance for training and habilitation services provided by a developmental achievement center either as a waived service or to residents of an intermediate care facility for mentally retarded persons shall be established and paid in accordance with this subdivision effective January 1, 1984.

(b) Prior to August 1, 1983, the county board shall submit to the commissioner its contractual per diem rate and its maximum per client annual payment limitations, if any, for each developmental achievement center it administers pursuant to section 252.24, subdivision 1, for the period from July 1, 1983, through December 31, 1983, which shall be the medical assistance reimbursement rate established for that developmental achievement center for 1983. If the county rate is based on average daily attendance which is less than 93 percent of the developmental achievement center's average enrollment for the period from July 1, 1983, to December 31, 1983, the commissioner shall adjust that rate based on 93 percent average daily attendance.

(c) The base per diem reimbursement rate established for 1983 may be

increased by the commissioner in 1984 in an amount up to the projected percentage change in the average value of the consumer price index (all urban) for 1984 over 1983. In subsequent years, the increase in the per diem rate shall not exceed the projected percentage change in the average annual value of the consumer price index (all urban) for the same time period.

(d) The county board in which an intermediate care facility for mentally retarded persons is located shall contract annually with that facility and with the appropriate developmental achievement center or training and habilitation service provider for provision of training and habilitation services for each resident of the facility for whom the services are required by the resident's individual service plan. This contract shall specify the county payment rate or the medical assistance reimbursement rate, as appropriate; the training and habilitation services to be provided; and the performance standards for program provision and evaluation. A similar contract shall be entered into between the county and the developmental achievement center for persons receiving training and habilitation services from that center as a waived service.

(e) The commissioner shall reimburse under medical assistance up to 210 days of training and habilitation services at developmental achievement centers for those centers which provided less than or equal to 210 days of training and habilitation services in calendar year 1982. For developmental achievement centers providing more than 210 days of services in 1982, the commissioner shall not reimburse under medical assistance in excess of the number of days provided by those programs in 1982.

(f) Medical assistance payments for training and habilitation services shall be made directly to the training and habilitation provider after submission of invoices to the medical assistance program following procedures established by the medical assistance program.

(g) Nothing in this subdivision shall prohibit county boards from contracting for rates for services not reimbursed under medical assistance.

Subd. 6. [NEW DEVELOPMENTAL ACHIEVEMENT PROGRAMS; RATES.] The commissioner, upon the recommendation of the local county board, shall determine the medical assistance reimbursement rate for new developmental achievement programs. The payment rate shall not exceed 125 percent of the average payment rate in the region.

Subd. 7. [ALTERNATIVE RATES FOR TRAINING AND HABILITATION SERVICES.] Alternative methods may be proposed by the counties or the commissioner for provision of training and habilitation services during daytime hours apart from a residential facility to persons for whom needs identified in their individual service plan are not met by the training and habilitation services provided at a developmental achievement center. The commissioner shall establish procedures for approval of the proposals and for medical assistance payment of rates which shall not exceed the average rate allowed in that county for training and habilitation services pursuant to subdivision 5. Nothing in this subdivision prohibits a county from contracting with a developmental achievement center for those purposes.

Subd. 8. [PAYMENT FOR PERSONS WITH SPECIAL NEEDS.] The commissioner shall establish by December 31, 1983, procedures to be fol-

lowed by the counties to seek authorization from the commissioner for medical assistance reimbursement for waived services or training and habilitation services for very dependent persons with special needs in an amount in excess of the rates allowed pursuant to subdivisions 2, 4, 5, and 6, and procedures to be followed for rate limitation exemptions for intermediate care facilities for mentally retarded persons. No excess payment or limitation exemption shall be authorized unless the need for the service is documented in the individual service plan of the person or persons to be served, the type and duration of the services needed are stated, and there is a basis for estimated cost of the services.

The commissioner shall evaluate the services provided pursuant to this subdivision through program and fiscal audits.

Subd. 9. [REPORTING REQUIREMENTS.] The developmental achievement center shall submit to the county and the commissioner no later than March 1 of each year an annual report which includes the actual program revenues and expenditures, client information, and program information. The information shall be submitted on forms prescribed by the commissioner.

Subd. 10. [RULES.] To implement this section, the commissioner shall promulgate temporary and permanent rules in accordance with chapter 14. To implement subdivision 3, the commissioner shall promulgate temporary rules by October 1, 1983, and permanent rules in accordance with sections 14.01 to 14.38. Notwithstanding the provisions of section 14.35, the temporary rule promulgated to implement subdivision 3 shall be effective for up to 720 days.

Sec. 8. [RULES.]

To implement sections 1 to 7, the commissioner shall promulgate temporary and permanent rules in accordance with sections 14.01 to 14.38.

Sec. 9. Minnesota Statutes 1982, section 256E.06, is amended by adding a subdivision to read:

Subd. 2a. [STATE TRANSFER OF FUNDS.] Notwithstanding subdivisions 1 and 2, for the purpose of funding training and habilitation services provided to residents of intermediate care facilities for mentally retarded persons as required under federal regulation, the commissioner is authorized to transfer on a quarterly basis to the medical assistance state account from each county's Community Social Services Act allocation an amount equal to the state share of medical assistance reimbursement for such services provided to clients for whom the county is financially responsible. Upon federal approval and state implementation of the state medical assistance plan, county boards will not be responsible for the funding of training and habilitation services as a social service to residents of intermediate care facilities for the mentally retarded. County board responsibility for training and habilitation services shall be assumed under section 256B.20. County boards continue to be responsible for funding developmental achievement center services not covered under the medical assistance program established by United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1982, and shall develop contractual agreements for these services under the authority of chapter 256E.

Sec. 10. [IMPLEMENTATION; USE OF APPROPRIATION.]

(a) *Up to 15 line item positions are authorized for the implementation of provisions of the case management plan, the home and community based services waiver program, assisting county agencies in screening clients for medical assistance services, technical assistance in developing community-based alternatives, and management of the mental retardation medical assistance program.*

(b) *The contingent appropriation for development and implementation of this project shall be expended with the approval of the governor after consulting with the legislative advisory commission as provided in section 3.30. Release of these funds shall also be contingent upon submission of a plan prepared by the commissioner. The plan shall describe the following:*

(1) *the organization, development, and responsibilities of requested staff;*

(2) *specification of all the administrative costs associated with the program;*

(3) *how the information system will be integrated into the community services information system, the medicaid management information system, and any other data processing operations of the department;*

(4) *the methods for implementing the system; and*

(5) *the projected costs for the maintenance and operation of the system.*

The plan shall be submitted to the chairmen of the house appropriations and senate finance committees.

Sec. 11. [REPEALER.]

The provisions of sections 2, 3, 5, 7, subdivisions 1, 4, and 10 are repealed effective June 30, 1984, if a home and community based waiver under United States Code, title 42, section 1396n(c), as amended through December 31, 1982, is not approved by June 30, 1984.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 11 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines commission, corrections ombudsman, and health related boards; providing an entitlement to certain child care services; increasing marriage license and dissolution fees; providing for distribution of federal maternal and child health block grant money; requiring cost increase limits and other cost containment measures in medical care programs; amending eligibility standards; changing general assistance to allow employment through grant diversion and work registration requirements, and federal benefit application incentives; providing for job training for certain persons; allowing for certain changes in the services for the mentally retarded; amending Minnesota Statutes 1982, sections 13.46, subdivision 2; 15.61; 129A.03; 144.653, subdivision 2; 144A.04, subdivision 5; 144A.10, subdivision 2; 145.881; 145.882; 145.921, subdivision 1; 245.62; 245.66; 245.83;

245.84, subdivisions 1, 2, and 5; 245.85; 245.86; 245.87; 246.57, by adding a subdivision; 251.011, subdivision 6; 252.24, subdivision 1; 252.28; 256.01, subdivision 2; 256.045, subdivision 3; 256.82, by adding a subdivision; 256.966, subdivision 1; 256.967; 256.968; 256B.02, subdivision 8; 256B.04, subdivision 14, and by adding a subdivision; 256B.041, subdivisions 2 and 5; 256B.06, subdivision 1; 256B.061; 256B.064, subdivision 1a; 256B.07; 256B.14, subdivision 2; 256B.17, subdivision 4, and by adding subdivisions; 256B.19, by adding a subdivision; 256B.27, subdivisions 3 and 4; 256D.01, subdivision 1; 256D.02, subdivision 4, and by adding a subdivision; 256D.03, subdivisions 3, 4, and by adding subdivisions; 256D.05, subdivision 1a; 256D.06, subdivision 5; 256D.09, subdivision 2, and by adding a subdivision; 256E.06, subdivision 2, and by adding a subdivision; 260.191, subdivision 2; 260.242, subdivision 2; 261.23; 268.12, subdivision 12; 357.021, subdivisions 2 and 2a; 401.14, by adding a subdivision; 401.15, subdivision 1; 517.08, subdivisions 1b and 1c; Laws 1982, chapter 614, section 13; proposing new law coded in Minnesota Statutes, chapters 145; 252; 256; 256B; 256D; and 268; repealing Minnesota Statutes 1982, sections 256D.02, subdivision 14; 256D.05, subdivision 1a; 256D.06, subdivision 1a; Laws 1981, chapter 323, section 4; chapter 360, article II, section 54, as amended; and the section proposed to be coded as section 471.365 contained in a bill styled as H.F. No. 1290 during the 1983 regular legislative session."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Don B. Samuelson, Dean E. Johnson, Allan H. Spear, Ronald R. Dicklich

House Conferees: (Signed) Ann Wynia, Lee Greenfield, Mary Murphy, Randolph W. Staten, Doug St. Onge

Mr. Samuelson moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1234 be now adopted, and that the bill be repassed as amended by the Conference Committee.

CALL OF THE SENATE

Mr. Samuelson imposed a call of the Senate for the proceedings on S.F. No. 1234. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the motion of Mr. Samuelson to adopt the Conference Committee Report. The motion prevailed.

So the recommendations and Conference Committee Report were adopted.

S.F. No. 1234 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 45 and nays 19, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Lantry	Peterson, C. C.	Schmitz
Berglin	Frederickson	Lessard	Peterson, D. C.	Sieloff
Bertram	Freeman	Luther	Peterson, R. W.	Solon
Chmielewski	Hughes	Merriam	Petty	Spear
Dahl	Johnson, D. E.	Moe, D. M.	Pogemiller	Stumpf
Davis	Johnson, D. J.	Moe, R. D.	Purfeerst	Vega
DeCramer	Jude	Nelson	Reichgott	Waldorf
Dicklich	Kroening	Novak	Renneke	Wegscheid
Diessner	Langseth	Pehler	Samuelson	Willet

Those who voted in the negative were:

Anderson	Brataas	Knaak	McQuaid	Storm
Belanger	Frank	Knutson	Olson	Taylor
Benson	Isackson	Kronebusch	Peterson, D. L.	Ulland
Bernhagen	Kamrath	Laidig	Ramstad	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 132 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 132

A bill for an act relating to state government; providing for chiropractic positions in state government civil service; providing for the provision of chiropractic services; proposing new law coded in Minnesota Statutes, chapters 43A and 148.

May 22, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 132, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 132 be further amended as follows:

Page 1, delete lines 14 to 16 and insert:

“Whenever a Minnesota law or rule requires the provision of health services within the scope of chiropractic practice, the recipient of those services shall have the option to elect to have a chiropractor provide the service if the service has been determined to be necessary for the recipient. The services shall be provided only to the extent of available appropriations for state institutions or under state funded programs.

Sec. 3. [EFFECTIVE DATE.]

This act is effective August 1, 1983. Section 2 shall not, however, apply to state institutions or state funded programs until after June 30, 1985.”

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Carl W. Kroening, Conrad M. Vega

House Conferees: (Signed) Frank J. Rodriguez, James Metzger

Mr. Kroening moved that the foregoing recommendations and Conference Committee Report on S.F. No. 132 be now adopted and that the bill be repassed as amended by the Conference Committee. The motion did not prevail.

SPECIAL ORDER

H.F. No. 242: A bill for an act relating to labor; providing for occupational safety and health; defining "hazardous substance" and "harmful physical agent"; requiring manufacturers of hazardous substances or harmful physical agents to provide certain information; creating a right to refuse to work under conditions violating the state occupational safety and health act; creating a right to refuse to work with a hazardous substance or harmful physical agent under certain conditions; requiring employers using hazardous substances and harmful physical agents to provide employees with certain training and information; creating a presumption that hazardous substances and harmful physical agents must be labeled under certain circumstances; prohibiting waiver of any employee rights under the state occupational safety and health act; clarifying relation of bargaining agreements to safety laws; providing protection for trade secrets; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 182.651, by adding subdivisions; 182.653, by adding subdivisions; 182.654, subdivision 7, and by adding subdivisions; 182.655, subdivisions 4, 10, 11, and by adding a subdivision; 182.658; 182.66, subdivision 1; 182.663, subdivision 3; 182.666, by adding a subdivision; and 182.668; proposing new law coded in Minnesota Statutes, chapter 182.

SUSPENSION OF RULES

Mr. Dicklich moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 242 and that the rules of the Senate be so far suspended as to give H.F. No. 242, now on Special Orders, its third reading and place it on its final passage.

Mr. Dicklich moved to amend H.F. No. 242, as amended pursuant to Rule 49, adopted by the Senate May 21, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 183.)

Page 2, line 19, after the period begin a new paragraph

Page 2, line 20, delete "this" and after "clause" insert "(b)"

Page 2, line 21, delete "(b)" and insert "(c)"

Page 2, line 24, delete "Z129.1-1976" and insert "Z129.1-1982"

Page 2, line 34, after "care" delete "clinic" and insert "facility"

Page 2, line 35, after the period, insert "This exemption applies only to technically qualified individuals and not to persons working in the same work area who are not technically qualified individuals."

Page 3, line 12, after “*care*” delete “*clinic*” and insert “*facility*”

Page 3, line 16, after the period insert “*This exemption applies only to technically qualified individuals and not to persons working in the same work area who are not technically qualified individuals.*”

Page 3, line 20, after “*of*” insert “*professional or technical*” and after “*training*” delete the comma

Page 3, line 21, after “*understands*” insert “, *at the time of exposure,*” and after “*risks*” insert “*and the necessary safety precautions*”

Page 3, line 22, after “*substance*” delete “*or*” and insert a comma and after “*agent*” insert “, *infectious agent*”

Page 3, line 23, after “*person*” delete the remaining language

Page 3, line 24, delete everything before the period

Page 3, after line 24, insert:

“The commissioner shall by rule adopt a standard which specifies the criteria to be considered in determining whether or not a person is a technically qualified individual.”

Page 4, delete lines 28 to 30

Page 4, line 31, delete “*(b)*” and insert “*(a)*”

Page 4, line 33, delete “*(c)*” and insert “*(b)*”

Page 4, line 36, after the semicolon insert “*or*”

Page 5, line 1, delete “*(d)*” and insert “*(c)*”

Page 5, line 4, delete “; *or*”

Page 5, delete line 5

Page 5, delete “*4.9216*”

Page 6, line 14, after the period, begin a new paragraph

Page 7, after line 5, insert:

“Employees who have been routinely exposed to a hazardous substance prior to the effective date of this act and who continue to be routinely exposed to that hazardous substance after the effective date of this act, shall be trained with respect to that hazardous substance within six months of the effective date of this act.

Refresher training to update and review the information required to be provided under this subdivision shall be repeated at intervals no greater than one year.”

Page 7, after line 8, insert:

“This subdivision does not apply to any employer engaged in a farming operation.”

Page 8, after line 1, insert:

“Employees who have been routinely exposed to a harmful physical agent prior to the effective date of this act and who continue to be routinely exposed to that harmful physical agent after the effective date of this act, shall be

trained with respect to that harmful physical agent within six months of the effective date of this act.

Refresher training to update and review the information required to be provided under this subdivision shall be repeated at intervals no greater than one year."

Page 8, after line 4, insert:

"This subdivision does not apply to any employer engaged in a farming operation."

Page 8, line 25, after the period, insert *"Refresher courses reviewing the information of the training program shall be given to employees at intervals no greater than one year."*

Page 8, after line 25, insert:

"Sec. 12. Minnesota Statutes 1982, section 182.653, is amended by adding a subdivision to read:

Subd. 4e. Each employer who is engaged in a farming operation and employs more than ten employees or maintains a temporary labor camp shall comply with a training program, developed by the commissioner, concerning the hazardous substances and harmful physical agents to which the employees are routinely exposed. The commissioner shall develop this training program in consultation with experts in agricultural work environment hazards and an advisory task force appointed by the commissioner, consisting of three representatives of agricultural employers and three representatives of agricultural employees. The program shall be designed to fulfill the same purposes as training under subdivisions 4b and 4c of this section, but take into account factors unique to farming operations. These factors shall include but not be limited to the fact that many agricultural employees' primary language is Spanish and the fact that many chemicals used by agricultural employers are labeled under the Federal Insecticide, Fungicide, and Rodenticide Act. The commissioner shall complete implementation of this program within one and a half years after the effective date of this act.

Every employer shall have the right to request that their employees sign statements that they have received appropriate training under this subdivision, once such training has been completed.

Sec. 13. Minnesota Statutes 1982, section 182.653, is amended by adding a subdivision to read:

Subd. 4f. Each employer who operates a hospital or clinic shall provide training according to a program developed by the commissioner by rule with approval of the commissioner of health to its employees who are routinely exposed to an infectious agent. The training shall include the information required by the rule for that agent as developed by the commissioner and shall include, if known, names of infectious agents to which the employee is routinely exposed, proper techniques for the employee to avoid self-contamination, and symptoms and effects of contamination. Training shall be provided upon the initial assignment of the employee to a job where that person will be routinely exposed to an infectious agent. Existing in-service, hospital licensure or certification programs which the commissioner determines substantially comply with the rules adopted pursuant to this subdivision may be

certified by the commissioner to satisfy all or a part of the rules. "Infectious agent" means a communicable bacterium, virus, or fungus determined by the commissioner by rule, with approval of the commissioner of health, which according to documented medical or scientific evidence causes substantial acute or chronic illness or permanent disability as a foreseeable and direct result of any routine exposure to the infectious agent. Infectious agent does not include an agent in or on the body of a patient before diagnosis.

Infectious agent does not include an agent being developed or regularly utilized by a technically qualified individual in a research, medical research, or medical diagnostic laboratory. The exemption in this clause does not include an infectious agent utilized in a laboratory that primarily provides a quality control analysis for a manufacturing process.

Employees who have been routinely exposed to an infectious agent prior to the effective date of this act and who continue to be routinely exposed to that infectious agent after the effective date of this act, shall be trained with respect to that infectious agent within six months of the effective date of this act.

Refresher training to update and review the information required to be provided under this subdivision shall be repeated at intervals no greater than one year."

Page 8, line 36, after "employee" insert ", except an employee employed in a farming operation with ten or fewer employees and no temporary labor camp,"

Page 9, line 4, delete "or" and insert a comma and after "10" insert ", 11 or 12"

Page 9, after line 10, insert:

"Every employee employed in a farming operation with ten or fewer employees and no temporary labor camp, and any agricultural employee association or union representing that employee, shall have the right, upon request, to receive from their employer, within a reasonable period of time, any information on a label that is required by any federal or state health and safety law to be on the container of any substance or chemical to which the employee is routinely exposed."

Page 9, line 20, delete "or" and insert a comma and after "agent" insert "or infectious agent"

Page 9, line 23, after the second comma delete "or" and insert "section 11, section 12, and after "13" insert ", or section 15"

Page 10, line 3, delete "or" and insert a comma

Page 10, line 4, after "10" insert ", 11, or 12"

Page 10, line 7, delete "or 10" and insert ", 10, 11 or 12"

Page 11, line 20, after "providing" insert "substantially"

Page 11, line 21, delete "or 10" and insert ", 10 or 12"

Page 11, line 23, delete "or 10" and insert ", 10 or 12"

Page 12, line 13, delete "to the commissioner and"

Page 14, line 14, delete "11" and insert "19"

Page 14, line 21, before "A" insert "*Subject to the restrictions on the withholding of information pursuant to 8 M.C.A.R. section 1.7001,*"

Page 14, line 23, delete "or 10" and insert ", 10 or 12"

Page 15, line 33, after the third comma, insert "12,"

Page 16, line 15, delete ", absent a provision in"

Page 16, line 16, delete everything before "pursue"

Page 16, after line 36, insert:

"The department of labor and industry is directed to seek federal match from the occupational safety and health administration."

Page 17, line 5, after "25" insert ", 26, 27" and after "and" delete "27" and insert "29"

Page 17, line 6, delete "14" and insert "16" and delete "26" and insert "28"

Renumber the sections in sequence

Correct internal cross references

Amend the title as follows:

Page 1, line 13, delete "creating a"

Page 1, line 14, delete "presumption" and insert "requiring"

Page 1, line 15, delete "must"

Page 1, line 16, after the semicolon insert "requiring training of hospital employees;"

The motion prevailed. So the amendment was adopted.

Mr. Dicklich then moved to amend the Dicklich amendment to H.F. No. 242, adopted by the Senate May 23, 1983, as follows:

Page 2, line 17, delete "Refresher" and delete "and review"

Page 2, line 30, delete "Refresher" and delete "and review"

Page 4, line 22, delete "or" and delete "laboratory" and insert "*or medical educational laboratory or in a health care facility or in a clinic associated with a laboratory or health care facility, or in a pharmacy registered and licensed under chapter 151*"

Page 4, line 32, delete "Refresher" and delete "and review"

Page 4, after line 34, insert:

"Sec. 14. Minnesota Statutes 1982, section 182.653, is amended by adding a subdivision to read:

Subd. 4g. Every employer shall have the right to request that their employees sign statements that they have received appropriate training under this subdivision, once training has been completed."

The motion prevailed. So the amendment was adopted.

Mr. Lessard moved to amend H.F. No. 242, as amended pursuant to Rule

49, adopted by the Senate May 21, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 183.)

Page 7, after line 8, insert:

“This subdivision does not apply to any small business.”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 33 and nays 28, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Jude	McQuaid	Solon
Anderson	Davis	Kamrath	Olson	Storm
Benson	DeCramer	Knaak	Peterson, D.L.	Stumpf
Berg	Frederick	Knutson	Ramstad	Taylor
Bernhagen	Frederickson	Kronebusch	Renneke	Wegscheid
Bertram	Isackson	Laidig	Schmitz	
Brataas	Johnson, D.E.	Lessard	Sieloff	

Those who voted in the negative were:

Belanger	Frank	Lantry	Novak	Spear
Berglin	Freeman	Luther	Pehler	Vega
Dahl	Hughes	Merriam	Peterson, D.C.	Waldorf
Dicklich	Johnson, D.J.	Moe, D. M.	Petty	Willet
Diessner	Kroening	Moe, R. D.	Purfeerst	
Dieterich	Langseth	Nelson	Reichgott	

The motion prevailed. So the amendment was adopted.

The question recurred on the motion of Mr. Dicklich on rules suspension for third reading. The motion prevailed.

H.F. No. 242 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 50 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Laidig	Olson	Schmitz
Berglin	Freeman	Lantry	Pehler	Solon
Brataas	Hughes	Lessard	Peterson, C.C.	Spear
Chmielewski	Johnson, D.E.	Luther	Peterson, D.C.	Stumpf
Dahl	Johnson, D.J.	McQuaid	Petty	Taylor
Davis	Jude	Merriam	Pogemiller	Ulland
DeCramer	Knaak	Moe, D. M.	Purfeerst	Vega
Dicklich	Knutson	Moe, R. D.	Ramstad	Waldorf
Diessner	Kroening	Nelson	Reichgott	Wegscheid
Dieterich	Kronebusch	Novak	Renneke	Willet

Those who voted in the negative were:

Anderson	Bernhagen	Frederickson	Kamrath	Sieloff
Benson	Bertram	Isackson	Peterson, D.L.	Storm
Berg	Frederick			

So the bill, as amended, passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. DeCramer moved that H.F. No. 1081 be taken from the table. The

motion prevailed.

H.F. No. 1081: A resolution memorializing the President and Congress of the United States to provide service-connected disability compensation for former members of the military forces who were exposed in Vietnam to toxic herbicides, chemicals, medications, and other environmental hazards and conditions.

SUSPENSION OF RULES

Mr. DeCramer moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1081 and that the rules of the Senate be so far suspended as to give H.F. No. 1081 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1081 was read the second time.

H.F. No. 1081 was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Knutson	Olson	Solon
Anderson	Frank	Kroening	Pehler	Spear
Benson	Frederick	Kronebusch	Peterson, D.C.	Storm
Berg	Frederickson	Laidig	Peterson, D.L.	Stumpf
Berglin	Freeman	Lantry	Petty	Taylor
Bernhagen	Hughes	Lessard	Pogemiller	Ulland
Bertram	Isackson	Luther	Purfeerst	Vega
Chmielewski	Johnson, D.E.	McQuaid	Ramstad	Waldorf
Dahl	Johnson, D.J.	Merriam	Reichgott	Wegscheid
Davis	Jude	Moe, R. D.	Renneke	Willet
DeCramer	Kamrath	Nelson	Schmitz	
Diessner	Knaak	Novak	Sieloff	

So the resolution passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Davis moved that H.F. No. 1269 be taken from the table. The motion prevailed.

H.F. No. 1269: A resolution memorializing the governments of the United States and the Republic of China that the State of Minnesota adopts the Province of Taiwan as a sister state.

SUSPENSION OF RULES

Mr. Davis moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1269 and that the rules of the Senate be so far suspended as to give H.F. No. 1269 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1269 was read the second time.

H.F. No. 1269 was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 49 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Moe, R. D.	Renneke
Anderson	Diessner	Knutson	Nelson	Schmitz
Berg	Frank	Kronebusch	Novak	Solon
Bernhagen	Frederick	Laidig	Olson	Storm
Bertram	Frederickson	Langseth	Pehler	Stumpf
Brataas	Freeman	Lantry	Peterson, D.C.	Ulland
Chmielewski	Hughes	Lessard	Peterson, R.W.	Vega
Dahl	Isackson	Luther	Petty	Wegscheid
Davis	Johnson, D.E.	McQuaid	Purfeerst	Willet
DeCramer	Jude	Merriam	Ramstad	

Those who voted in the negative were:

Benson	Dieterich	Pogemiller	Sieloff	Spear
Berglin	Knaak			

So the resolution passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H.F. No. 995 be taken from the table. The motion prevailed.

H.F. No. 995: A bill for an act relating to intoxicating liquor; authorizing Clearwater County to issue an off-sale license in Itasca Township; authorizing St. Louis County to issue an off-sale license in Angora Township; authorizing the city of St. Paul to permit the sale of liquor at certain park club houses.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 995 and that the rules of the Senate be so far suspended as to give H.F. No. 995 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 995 was read the second time.

Mr. Moe, R.D. moved to amend H.F. No. 995 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 995, and insert the language after the enacting clause, and the title, of S.F. No. 886, as introduced.

The motion prevailed. So the amendment was adopted.

Mr. Moe, R.D. moved to amend H.F. No. 995, as amended by the Senate May 23, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 886.)

Page 1, line 9, delete "an" and insert "one additional"

Page 1, line 9, delete "to an"

Page 1, delete line 10

Page 1, line 11, delete "*Club Northway*,"

The motion prevailed. So the amendment was adopted.

Ms. Peterson, D.C. moved to amend H.F. No. 995, as amended by the Senate May 23, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 886.)

Page 1, after line 16, insert:

"Sec. 2. [HENNEPIN COUNTY; SHORT-TERM LIQUOR LICENSE.]

Notwithstanding any law to the contrary, Hennepin County, by resolution of its county board, may issue, with or without fee, to a nonprofit organization or corporation, one-day on-sale licenses for the sale and serving of intoxicating liquor in the Hennepin County Government Center in connection with any convention, banquet, conference, meeting, or social event conducted by the nonprofit organization. The licensee may dispense intoxicating liquor only to persons attending the event. The licensee's authority shall expire upon termination of the event. All dispensing of intoxicating liquor shall be in accordance with the terms and conditions prescribed by resolution of the county board."

Renumber the remaining section

Page 1, line 18, delete "*This act*" and insert "*Section 1*"

Page 1, line 20, after the period insert "*Section 2 is effective upon approval by the Hennepin County board and compliance with Minnesota Statutes, section 645.021.*"

Amend the title as follows:

Page 1, line 4, before the period insert "; authorizing Hennepin County to issue one-day on-sale liquor licenses for events at the Government Center"

The motion prevailed. So the amendment was adopted.

Mr. Dicklich moved to amend H.F. No. 995, as amended by the Senate May 23, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 886.)

Page 1, after line 16, insert:

"Sec. 3. [ST. LOUIS COUNTY OFF-SALE LICENSE.]

Notwithstanding any law to the contrary, the county board of St. Louis County may issue an off-sale liquor license to an establishment located within Angora Township, with the approval of the commissioner of public safety. The fee for the license shall be fixed by the county board in an amount not to exceed \$500. A license issued pursuant to this section shall otherwise be governed by Minnesota Statutes, chapter 340."

Page 1, line 18, delete "*This act*" and insert "*Section 1*"

Page 1, line 20, after the period, insert "*Section 3 is effective upon approval by the St. Louis County board and compliance with Minnesota Statutes, section 645.021.*"

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Nelson moved to amend H.F. No. 995, as amended by the Senate May 23, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 886.)

Page 1, after line 16, insert:

“Sec. 4. Minnesota Statutes 1982, section 37.19, is amended to read:

37.19 [CONTRACTS.]

The society may contract in its own name, and through its duly appointed officers and agents without the necessity of advertising for, or publicly requesting bids, and the provisions of this chapter, and all ordinances, bylaws, and rules adopted by its governing board are a part of every contract entered into with any exhibitor, privilege holder, lessee, licensee, or other person. The society may contract for the purchase of services from any business, municipality, county, state agency or department. The society may purchase, sell, lease, or otherwise engage in transactions respecting real property in its own name, and with terms and conditions acceptable to its board of managers. The provisions of section 37.01 shall apply to the specific properties described therein, excepting space rental contracts and ground leases for a term of one year or less. The society shall submit to the executive council of the state of Minnesota, as provided by chapter 9, all its transactions involving real properties for the approval of the executive council, and no transaction involving real property shall be final until approved by the executive council. All transactions involving real property heretofore made by the society are ratified, confirmed and approved. *A contract between the society and an entertainer shall not prohibit the entertainer from performing at a location more than 80 miles from the state fairgrounds during the state fair or within 30 days before or after the state fair.*”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, before the semicolon, insert “and certain entertainers’ contracts”

Page 1, line 4, before the period, insert “; regulating contracts between the state agricultural society and entertainers performing at the state fair; amending Minnesota Statutes 1982, section 37.19”

The motion prevailed. So the amendment was adopted.

H.F. No. 995 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 47 and nays 13, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Lessard	Peterson, R. W.	Stumpf
Berg	Dieterich	Luther	Petty	Taylor
Berglin	Frank	Moe, D. M.	Pogemiller	Ulland
Bernhagen	Frederickson	Moe, R. D.	Purfeerst	Vega
Bertram	Freeman	Nelson	Reichgott	Waldorf
Brataas	Hughes	Novak	Schmitz	Wegscheid
Dahl	Johnson, D. J.	Pehler	Sieloff	Willet
Davis	Jude	Peterson, C. C.	Solon	
DeCramer	Langseth	Peterson, D. C.	Spear	
Dicklich	Lantry	Peterson, D. L.	Storm	

Those who voted in the negative were:

Anderson	Chmielewski	Kamrath	Laidig	Renneke
Belanger	Isackson	Knaak	McQuaid	
Benson	Johnson, D. E.	Kronebusch	Merriam	

So the bill, as amended, passed and its title was agreed to.

Mr. Moe, R.D. moved that S.F. No. 886, No. 13 on Special Orders, be stricken and laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 950 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 950

A bill for an act relating to agriculture; requiring pseudorabies testing and imposing quarantine and restricted movement requirements for swine; appropriating money; proposing new law coded in Minnesota Statutes 1982, chapter 35.

May 21, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 950, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 950 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [35.255] [PSEUDORABIES PROGRAM; RULES.] *The board of animal health shall adopt rules to implement a program to control pseudorabies in swine, including pseudorabies testing of breeding swine and restricted movement of feeder pigs.*

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.”

Amend the title as follows:

Page 1, line 2, after “requiring” insert “the board of animal health to

adopt rules for”

Page 1, line 3, delete “imposing quarantine and”

Page 1, line 4, delete “requirements for” and insert “of” and delete “appropriating money;”

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Charles R. Davis, Dennis R. Frederickson, Gary M. DeCramer

House Conferees: (Signed) Jerry Schoenfeld, Henry J. Kalis, Wendell O. Erickson

Mr. Davis moved that the foregoing recommendations and Conference Committee Report on S.F. No. 950 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 950 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dicklich	Kamrath	Novak	Schmitz
Belanger	Diessner	Knaak	Pehler	Sieloff
Benson	Dieterich	Kroening	Peterson.C.C.	Solon
Berg	Frank	Kronebusch	Peterson.D.C.	Spear
Berglin	Frederick	Laidig	Peterson.D.L.	Stumpf
Bernhagen	Frederickson	Langseth	Peterson.R.W.	Taylor
Bertram	Freeman	Lantry	Petty	Ulland
Brataas	Hughes	Luther	Pogemiller	Vega
Chmielewski	Isackson	McQuaid	Purfeerst	Waldorf
Dahl	Johnson, D.E.	Merriam	Ramstad	Wegscheid
Davis	Johnson, D.J.	Moe, D. M.	Reichgott	Willet
DeCramer	Jude	Moe, R. D.	Renneke	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 320 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 320

A bill for an act relating to agriculture; making certain changes in the law relating to a fertilizer inspection fund; prescribing penalties; amending Minnesota Statutes 1982, sections 17.713, subdivision 7; 17.714, subdivision 1; 17.715, subdivision 1; 17.717, subdivision 1; 17.718, subdivision 1; 17.725, subdivisions 1 and 2; and 17.728, subdivision 4; repealing Minnesota Statutes 1982, section 17.717, subdivisions 3, 4, and 5.

May 22, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 320, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 320 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 17.713, subdivision 7, is amended to read:

Subd. 7. [GRADE.] “Grade” means the percentage of total nitrogen, available phosphorus or phosphoric acid, and soluble potassium or soluble potash stated in whole numbers in the same terms, order and percentages as in the guaranteed analysis; provided, however, that fertilizer materials, bone meals, manures, and similar raw materials may be guaranteed in fractional units, *and specialty fertilizers may be guaranteed in fractional units of less than one percent of total nitrogen, available phosphorus or phosphoric acid, and soluble potassium or soluble potash.*

Sec. 2. Minnesota Statutes 1982, section 17.714, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION FEE; CERTAIN ITEMS.] Fertilizer brands and grades sold only as small package items or represented and labeled as specialty fertilizer; and soil and plant amendments sold with recommendations for commercial agricultural use, shall be registered ~~at the fee set forth in and a fee paid pursuant to section 17.717; subdivisions 3 and 4.~~ Fees paid for registration made in this manner shall be in lieu of any other license or tonnage fees.

Sec. 3. Minnesota Statutes 1982, section 17.715, subdivision 1, is amended to read:

Subdivision 1. [LICENSED PERSONS.] A person who manufactures, blends, mixes, or otherwise manipulates commercial fertilizer material *and a person who stores or distributes bulk fertilizer for resale* shall obtain a license from the commissioner for each fixed location within the state where these operations are performed.

Sec. 4. Minnesota Statutes 1982, section 17.718, subdivision 1, is amended to read:

Subdivision 1. [SEMIANNUAL STATEMENT.] Each licensed distributor of commercial fertilizer ~~under section 17.717, subdivision 1,~~ and each registrant of a commercial fertilizer, soil amendment, or plant amendment ~~under section 17.717, subdivisions 3 and 4,~~ shall file with the commissioner on forms furnished by the commissioner, a semiannual statement for the periods ending December 31 and June 30 setting forth the number of net tons of each grade of commercial fertilizer, soil amendment, or plant amendment distributed in this state during the reporting period. The report ~~shall be~~ is due on or before the 30th of the month following the close of each reporting period of each calendar year. The inspection fee at the rate stated

in section 17.717, subdivision 5 shall accompany the statement. For the tonnage report that is not filed or the payment of inspection fees that is not made within 30 days after the end of the reporting period, a penalty of ten percent of the amount due, with a minimum penalty of \$10, shall be assessed against the licensee or registrant, and the total amount of fees due, plus penalty, shall constitute a debt and may be recovered in a civil action against the licensee or registrant. The assessment of this penalty shall not prevent the department from taking other actions as provided in this chapter. The commissioner may by regulation require additional reports for the purpose of gathering statistical data relating to fertilizer, soil amendments, and plant amendments distribution in the state.

Sec. 5. Minnesota Statutes 1982, section 17.725, subdivision 1, is amended to read:

Subdivision 1. [FOR ADMINISTRATION.] The commissioner may ~~pre-
scribe and, after public hearing following due public notice, adopt temporary
or permanent rules relating to the manufacture, sale, distribution, tonnage
reporting, labeling, storage, and handling of commercial fertilizers and soil
amendments and plant amendments or other soil additives necessary to carry
into effect the full intent and meaning of sections 17.711 to 17.729.~~

Sec. 6. Minnesota Statutes 1982, section 17.725, subdivision 2, is amended to read:

Subd. 2. [LIMING MATERIALS.] The commissioner may ~~make and pub-
lish adopt~~ rules governing the labeling, registration, and distribution of lim-
ing materials ~~as are~~ sold for agricultural purposes, including: limestone (car-
bonates), sulfates, slags (silicates), burned lime (oxides), and hydrated lime
(hydroxides). Such products shall not, ~~however, be deemed fertilizers, soil
amendments or plant amendments~~ be subject to the registration and any ton-
nage fees ~~stated in sections 17.711 to 17.729~~ under section 17.717, subdivi-
sion 4. *No registration fee may be imposed on any distributor who sells
liming materials only at retail to customers.*

Sec. 7. Minnesota Statutes 1982, section 17.728, subdivision 4, is amended to read:

Subd. 4. [PENALTY.] Any person convicted of violating a provision of sections 17.711 to 17.729 or any rule adopted under section 17.725, is guilty of a misdemeanor. *Any person convicted of another violation of the same provision or rule upon a subsequent prosecution within one year of the original conviction is guilty of a gross misdemeanor.*

Delete the title and insert:

“A bill for an act relating to agriculture; making certain changes in the law relating to fertilizer inspection, registration, and labeling; prescribing penalties; amending Minnesota Statutes 1982, sections 17.713, subdivision 7; 17.714, subdivision 1; 17.715, subdivision 1; 17.718, subdivision 1; 17.725, subdivisions 1 and 2; and 17.728, subdivision 4.”

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Darril Wegscheid, LeRoy A. Stumpf, John Bernhagen

House Conferees: (Signed) Wally Sparby, Henry J. Kalis, Stephen G.

Wenzel

Mr. Wegscheid moved that the foregoing recommendations and Conference Committee Report on S.F. No. 320 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 320 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kroening	Pehler	Solon
Anderson	Dieterich	Kronebusch	Peterson, C.C.	Spear
Belanger	Frank	Laidig	Peterson, D.C.	Stumpf
Benson	Frederick	Langseth	Peterson, D.L.	Taylor
Berglin	Frederickson	Lantry	Peterson, R.W.	Ulland
Bernhagen	Freeman	Lessard	Petty	Vega
Bertram	Hughes	Luther	Pogemiller	Waldorf
Brataas	Isackson	McQuaid	Purfeerst	Wegscheid
Chmielewski	Johnson, D.E.	Merriam	Ramstad	Willet
Dahl	Johnson, D.J.	Moe, D. M.	Reichgott	
Davis	Jude	Moe, R. D.	Renneke	
DeCramer	Kamrath	Nelson	Schmitz	
Dicklich	Knaak	Novak	Sieloff	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 61 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 61

A bill for an act relating to crimes; requiring operators of certain vehicles to provide insurance information to peace officers; providing penalties; increasing penalties for failure to stop at the scene of certain accidents; amending Minnesota Statutes 1982, sections 65B.67, by adding a subdivision; and 169.09, subdivisions 1, 3, 6, 7, and 14.

May 23, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 61, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and S. F. No. 61 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 65B.44, subdivision 3, is amended to read:

Subd. 3. [DISABILITY AND INCOME LOSS BENEFITS.] Disability and income loss benefits shall provide compensation for 85 percent of the injured person's loss of present and future gross income from inability to work proximately caused by the nonfatal injury subject to a maximum of \$200 per week. Loss of income includes the costs incurred by a self-employed person to hire substitute employees to perform tasks which are necessary to maintain his income, which he normally performs himself, and which he cannot perform because of his injury.

If the injured person is unemployed at the time of injury and is receiving or is eligible to receive unemployment benefits under chapter 268, but the injured person loses his eligibility for those benefits because of inability to work caused by the injury, disability and income loss benefits shall provide compensation for the lost benefits in an amount equal to the unemployment benefits which otherwise would have been payable, subject to a maximum of \$200 per week.

Compensation under this subdivision shall be reduced by any income from substitute work actually performed by the injured person or by income the injured person would have earned in available appropriate substitute work which he was capable of performing but unreasonably failed to undertake.

For the purposes of this section “inability to work” means disability which prevents the injured person from engaging in any substantial gainful occupation or employment on a regular basis, for wage or profit, for which he is or may by training become reasonably qualified. If the injured person returns to his employment and is unable by reason of his injury to work continuously, compensation for lost income shall be reduced by the income received while he is actually able to work. *The weekly maximums may not be prorated to arrive at a daily maximum, even if the injured person does not incur loss of income for a full week.*

Sec. 2. Minnesota Statutes 1982, section 169.09, subdivision 1, is amended to read:

Subdivision 1. [DRIVER TO STOP.] The driver of any vehicle involved in an accident resulting in *bodily* injury to or death of any person shall immediately stop the vehicle at the scene of the accident, or as close ~~thereto~~ to the scene as possible, but shall then return to and in every event, shall remain at, the scene of the accident until he has fulfilled the requirements of this chapter as to the giving of information. The stop shall be made without unnecessarily obstructing traffic.

Sec. 3. Minnesota Statutes 1982, section 169.09, subdivision 3, is amended to read:

Subd. 3. [DRIVER TO GIVE INFORMATION.] (a) The driver of any vehicle involved in an accident resulting in *bodily* injury to or death of any person, or damage to any vehicle which is driven or attended by any person, shall stop and give his name, address, date of birth and the registration number of the vehicle he is driving, and shall, upon request and if available, exhibit his driver's license or permit to drive to the person struck or the driver or occupant of or person attending any vehicle collided with, ~~and~~. *The*

driver also shall give ~~such~~ the information and upon request exhibit ~~such~~ the license or permit to any police officer at the scene of the accident or who is investigating the accident, ~~and~~. The driver shall render reasonable assistance to any person injured in ~~such~~ the accident.

(b) If not given at the scene of the accident, the driver, within 72 hours thereafter, shall give upon request to any person involved in the accident or to a peace officer investigating the accident the name and address of the insurer providing automobile liability insurance coverage, and the local insurance agent for the insurer. ~~A driver who fails to provide the information requested pursuant to this clause is guilty of a petty misdemeanor.~~

Sec. 4. Minnesota Statutes 1982, section 169.09, subdivision 6, is amended to read:

Subd. 6. [NOTIFY POLICE OF PERSONAL INJURY.] The driver of a vehicle involved in an accident resulting in *bodily* injury to or death of any person shall, after compliance with the provisions of this section, by the quickest means of communication, give notice of ~~such~~ the accident to the local police department, if the accident occurs within a municipality, or to a state patrol officer if the accident occurs on a trunk highway, or to the office of the sheriff of the county.

Sec. 5. Minnesota Statutes 1982, section 169.09, subdivision 7, is amended to read:

Subd. 7. [ACCIDENT REPORT TO COMMISSIONER.] The driver of a vehicle involved in an accident resulting in *bodily* injury to or death of any person or total property damage to an apparent extent of \$500 or more, shall forward a written report of the accident to the commissioner of public safety within ten days thereof. If, in the opinion of the commissioner of public safety, the original report of any driver of a vehicle involved in an accident of which report must be made as provided in this section is insufficient he may require the driver to file supplementary reports.

Sec. 6. Minnesota Statutes 1982, section 169.09, subdivision 14, is amended to read:

Subd. 14. [PENALTY PENALTIES.] ~~Except as provided in subdivision 3, clause (b), any person failing to comply with any of the requirements of this section, under the circumstances specified, shall be guilty of a misdemeanor.~~

(a) The driver of any vehicle who violates subdivision 1 or 6 and who caused the accident is punishable as follows:

(1) If the accident results in the death of any person, the driver is guilty of a felony and may be sentenced to imprisonment for not more than five years, or to payment of a fine of not more than \$5,000, or both; or

(2) If the accident results in substantial *bodily* injury to any person, as defined in section 609.02, subdivision 8, the driver is guilty of a felony and may be sentenced to imprisonment for not more than three years, or to payment of a fine of not more than \$3,000, or both.

(b) The driver of any vehicle who violates subdivision 1 or 6 and who did not cause the accident or who violates subdivision 2 is guilty of a gross misdemeanor, and may be sentenced to imprisonment for not more than one

year, or to payment of a fine of not more than \$1,000, or both.

(c) Any person who violates subdivision 3, clause (b) is guilty of a petty misdemeanor.

(d) Any person who violates subdivision 3, clause (a), or subdivision 4, 5, 7, 8, 10, 11, or 12 is guilty of a misdemeanor.

The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section shall also be responsible for prosecution of gross misdemeanor violations of this section.

Sec. 7. Minnesota Statutes 1982, section 169.09, is amended by adding a subdivision to read:

Subd. 15. [DEFENSE.] It is an affirmative defense to prosecution under subdivisions 1, 2, and 6 that the driver left the scene of the accident to take any person suffering substantial bodily injury in the accident to receive emergency medical care if the driver of the involved vehicle gives notice to a law enforcement agency as required by subdivision 6 as soon as reasonably feasible after the emergency medical care has been undertaken.

Sec. 8. Minnesota Statutes 1982, section 169.974, subdivision 5, is amended to read:

Subd. 5. [DRIVING RULES.] (a) An operator of a motorcycle shall ride only upon a permanent and regular seat which is attached to the vehicle for ~~such~~ that purpose. No other person shall ride on a motorcycle; except that passengers may ride upon a permanent and regular operator's seat if designed for two persons, or upon additional seats attached to the vehicle to the rear of the operator's seat, or in a sidecar attached to the vehicle; provided, however, that the operator of a motorcycle shall not carry passengers in a number in excess of the designed capacity of the motorcycle or sidecar attached to it. No passenger shall be carried in a position that will interfere with the safe operation of the motorcycle or the view of the operator.

(b) No person shall ride upon ~~any~~ a motorcycle as a passenger unless, when sitting astride ~~his~~ the seat, ~~he~~ the person can reach the foot rests with both feet.

(c) No person, except passengers of sidecars or drivers and passengers of three-wheeled motorcycles, shall operate or ride upon a motorcycle except while sitting astride the seat, facing forward, with one leg on either side of the motorcycle.

(d) No person shall operate a motorcycle while carrying *animals*, packages, bundles, or ~~articles~~ other cargo which prevent ~~him~~ the person from keeping both hands on the handlebars.

(e) No person shall operate a motorcycle between lanes of moving or stationary vehicles headed in the same direction, nor shall any person drive a motorcycle abreast of or overtake or pass another vehicle within the same traffic lane, except that motorcycles may, with the consent of both drivers, be operated not more than two abreast in a single traffic lane.

(f) ~~All~~ Motor vehicles including motorcycles are entitled to the full use of a traffic lane and no motor vehicle ~~shall~~ may be driven or operated in ~~such~~ a

manner so as to deprive ~~any~~ a motorcycle of the full use of a traffic lane.

(g) ~~Every~~ A person operating a motorcycle upon a roadway ~~shall~~ *must* be granted ~~all of the rights and shall be~~ *is* subject to ~~all of the duties~~ applicable to a motor vehicle as provided by law, except as to those provisions which by their nature can have no application.

(h) Clause (e) of this subdivision ~~shall~~ *does* not apply to police officers in the performance of their official duties.

(i) No person shall operate a motorcycle on a street or highway unless the headlight or headlights are lighted at all times the motorcycle is so operated.

Sec. 9. Minnesota Statutes 1982, section 388.051, as amended by Laws 1983, chapter 177, section 5, is amended to read:

388.051 [DUTIES.]

Subdivision 1. [GENERAL PROVISIONS.] The county attorney shall:

(a) Appear in all cases in which the county is a party;

(b) Give opinions and advice, upon the request of the county board or any county officer, upon all matters in which the county is or may be interested, or in relation to the official duties of the board or officer;

(c) Prosecute felonies, including the drawing of indictments found by the grand jury, and, to the extent prescribed by law, gross misdemeanors, misdemeanors, petty misdemeanors, and violations of municipal ordinances, charter provisions and rules or regulations;

(d) Attend before the grand jury, give them legal advice and examine witnesses in their presence;

(e) Request the clerk of court to issue subpoenas to bring witnesses before the grand jury or any judge or judicial officer before whom he is conducting a criminal hearing;

(f) Attend any inquest at the request of the coroner; and

(g) Appear, when requested by the attorney general, for the state in any case instituted by the attorney general in his county or before the United States land office in case of application to preempt or locate any public lands claimed by the state and assist in the preparation and trial.

Subd. 2. [SPECIAL PROVISION; GROSS MISDEMEANORS.] *In Anoka, Carver, Dakota, Hennepin, Scott, and Washington counties, the county attorney shall only prosecute gross misdemeanor violations of sections 290.53, subdivisions 4 and 8; 290.92, subdivision 15; 290A.11, subdivision 2; 297A.08; 297A.39, subdivisions 4 and 8; 297B.10; 609.255, subdivision 3; 609.377; 609.378; and 609.41.*

Sec. 10. Minnesota Statutes 1982, section 388.18, subdivision 5, as amended by Laws 1983, chapter 177, section 7, is amended to read:

Subd. 5. [BUDGET FOR OFFICE.] The county board by resolution shall provide the budget for (1) the salary of the county attorney, any assistant county attorneys and employees in the county attorney's office; (2) the salary or other fees of any attorneys or firms of attorneys employed or engaged to prosecute misdemeanors, petty misdemeanors, *gross misdemeanors*,

municipal ordinance violations, or municipal charter, rule or regulation violations, if any; (3) other expenses necessary in the performance of the duties of the office; and (4) the payment of premiums of any bonds required of the county attorney and any assistant county attorney or employee in the county attorney's office. The board is authorized to appropriate funds for those purposes.

Sec. 11. Minnesota Statutes 1982, section 487.25, subdivision 10, as amended by Laws 1983, chapter 177, section 9, is amended to read:

Subd. 10. [PROSECUTING ATTORNEYS.] Except as otherwise provided by law, violations of state law which are petty misdemeanors, misdemeanors, or violations of a municipal ordinance, charter provision, rule or regulation shall be prosecuted by the attorney of the municipality where the violation is alleged to have occurred. The municipality may enter into an agreement with the county board and the county attorney to provide prosecution services for any criminal offense. All other offenses shall be prosecuted by the county attorney of the county in which the alleged violation occurred.

In the counties of Anoka, Carver, Dakota, Scott, and Washington, violations of state law which are petty misdemeanors, misdemeanors, or gross misdemeanors *except as provided in section 388.051, subdivision 2*, or violations of a municipal ordinance, charter provision, rule, or regulation shall be prosecuted by the attorney of the municipality where the violation is alleged to have occurred. The municipality may enter into an agreement with the county board and the county attorney to provide prosecution services for any criminal offense. All other offenses shall be prosecuted by the county attorney of the county in which the alleged violation occurred.

Sec. 12. Minnesota Statutes 1982, section 488A.10, subdivision 11, as amended by Laws 1983, chapter 177, section 14, is amended to read:

Subd. 11. [PROSECUTING ATTORNEYS.] Except as otherwise provided in this subdivision *and section 388.051, subdivision 2*, the attorney of the municipality in which the violation is alleged to have occurred has charge of the prosecution of all violations of the state laws, including violations which are gross misdemeanors, and municipal charter provisions, ordinances, rules and regulations triable in the municipal court and shall prepare complaints for the violations. The county attorney has charge of the prosecution of a violation triable in municipal court and shall prepare a complaint for the violation:

(a) if he is specifically designated by law as the prosecutor for the particular violation charged; or

(b) if the alleged violation is of state law and is alleged to have occurred in a municipality or other subdivision of government whose population according to the most recent federal census is less than 2500 and whose governing body, or the town board in the case of a town, has accepted this paragraph by majority vote, and if the defendant is cited or arrested by a member of the staff of the sheriff of Hennepin county or by a member of the state patrol.

Paragraph (b) shall not apply to a municipality or other subdivision of government whose population according to the most recent federal decen-

nial census is 2500 or more, regardless of whether or not it has previously accepted the paragraph.

Sec. 13. Minnesota Statutes 1982, section 626.556, subdivision 1, is amended to read:

Subdivision 1. [PUBLIC POLICY.] The legislature hereby declares that the public policy of this state is to protect children whose health or welfare may be jeopardized through physical abuse, neglect or sexual abuse; to strengthen the family and make the home, school, and community safe for children ~~through improvement of parental and guardian capacity for~~ *by promoting* responsible child care *in all settings*; and to provide, *when necessary*, a safe temporary or permanent home environment for physically or sexually abused children.

In addition, it is the policy of this state to require the reporting of suspected neglect, physical or sexual abuse of children *in the home, school, and community settings*; to provide for the voluntary reporting of abuse or neglect of children; to require the investigation of ~~such~~ *the* reports; and to provide protective and counseling services in appropriate cases.

Sec. 14. Minnesota Statutes 1982, section 626.556, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms have the meanings given them unless the specific content indicates otherwise:

(a) "Sexual abuse" means the subjection by ~~the child's parents, guardian,~~ or a person responsible for the child's care, to any act which constitutes a violation of sections 609.342, 609.343, 609.344, or 609.345, or sections 609.364 to 609.3644. Sexual abuse also includes any act which involves a minor which constitutes a violation of sections 609.321 to 609.324 or 617.246.

(b) "*Person responsible for the child's care*" means a parent, guardian, teacher, school administrator, or other lawful custodian of a child having either full-time or short-term care responsibilities including, but not limited to, day care, baby sitting, counseling, teaching, and coaching.

~~(b)~~ (c) "Neglect" means failure by a ~~parent, guardian or other~~ person responsible for a child's care to supply a child with necessary food, clothing, shelter or medical care when reasonably able to do so or failure to protect a child from conditions or actions which imminently and seriously endanger the child's physical or mental health when reasonably able to do so. Nothing in this section shall be construed to (i) mean that a child is neglected solely because the child's parent, guardian or other person responsible for his care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, or (ii) impose upon persons, *not otherwise legally responsible for providing a child with necessary food, clothing, shelter or medical care, a duty to provide that care.*

~~(e)~~ (d) "Physical abuse" means:

(i) Any physical injury inflicted by a ~~parent, guardian or other~~ person responsible for the child's care on a child other than by accidental means; or

(ii) Any physical injury that cannot reasonably be explained by the *child's*

history of injuries ~~provided by a parent, guardian or other person responsible for the child's care.~~

(d) (e) "Report" means any report received by the local welfare agency, police department or county sheriff pursuant to this section.

(e) (f) "Facility" means a day care facility ~~or a~~, residential facility ~~as defined in section 245.782~~, agency, hospital, sanitorium, or other facility or institution required to be licensed pursuant to sections 144.50 to 144.58, 241.021, or 245.781 to 245.812.

(f) (g) "Operator" means an operator or agency as defined in section 245.782.

(h) "*Commissioner*" means the commissioner of public welfare.

Sec. 15. Minnesota Statutes 1982, section 626.556, subdivision 4, is amended to read:

Subd. 4. [IMMUNITY FROM LIABILITY.] Any person, including those voluntarily making reports and those required to make reports under subdivision 3, participating in good faith and exercising due care in the making of a report pursuant to this section ~~shall have~~ has immunity from any liability, civil or criminal, that otherwise might result by reason of his action.

Any public or private school, facility as defined in subdivision 2, or the employee of any public or private school or facility who permits access by a local welfare agency and assists in good faith in an investigation pursuant to subdivision 10 has immunity from any liability, civil or criminal, that otherwise might result by reason of that action.

This subdivision does not provide immunity to any person for failure to make a required report or for committing neglect, physical abuse, or sexual abuse of a child.

Sec. 16. Minnesota Statutes 1982, section 626.556, subdivision 7, is amended to read:

Subd. 7. [REPORT.] An oral report shall be made immediately by telephone or otherwise. An oral report made by a person required under subdivision 3 to report shall be followed as soon as possible by a report in writing to the appropriate police department, the county sheriff or local welfare agency. Any report shall be of sufficient content to identify the child, ~~the parent, guardian, or other~~ any person believed to be responsible for ~~his care~~ the abuse or neglect of the child if the person is known, the nature and extent of the ~~child's injuries~~ abuse or neglect and the name and address of the reporter. Written reports received by a police department or the county sheriff shall be forwarded immediately to the local welfare agency. The police department or the county sheriff may keep copies of reports received by them. Copies of written reports received by a local welfare department shall be forwarded immediately to the local police department or the county sheriff.

A written copy of a report maintained by personnel of agencies, other than welfare or law enforcement agencies, which are subject to chapter 13 shall

be confidential. An individual subject of the report may obtain access to the original report as provided by subdivision 11.

Sec. 17. Minnesota Statutes 1982, section 626.556, subdivision 10, is amended to read:

Subd. 10. [DUTIES OF LOCAL WELFARE AGENCY UPON RECEIPT OF A REPORT.] *(a) If the report alleges neglect, physical abuse, or sexual abuse by a parent, guardian, or individual functioning within the family unit as a person responsible for the child's care, the local welfare agency shall immediately investigate and offer protective social services for purposes of preventing further abuses, safeguarding and enhancing the welfare of the abused or neglected minor, and preserving family life whenever possible. When necessary the local welfare agency shall seek authority to remove the child from the custody of his parent, guardian or adult with whom he is living. In performing any of these duties, the local welfare agency shall maintain appropriate records.*

(b) Authority of the local welfare agency responsible for investigating the child abuse report includes, but is not limited to, authority to interview, without parental consent, the alleged victim and any other minors who currently reside with or who have resided with the alleged perpetrator. The interview may take place at school or any facility or other place where the alleged victim or other minors might be found and may take place outside the presence of the perpetrator or parent, legal custodian, or guardian. Except as provided in this clause, the parent, legal custodian, or guardian shall be notified, no later than the conclusion of the investigation, that this interview has occurred. Notwithstanding rule 49.02 of the Minnesota Rules of Procedure for Juvenile Courts, the juvenile court may, after hearing on an ex parte motion by the local welfare agency, order that, where reasonable cause exists, notification of this interview be withheld from the parent, legal custodian, or guardian.

(c) When the local welfare agency determines that an interview should take place on school property, written notification must be received by school officials prior to the interview. The notification shall include the name of the child to be interviewed, the purpose of the interview, and a reference to the statutory authority to conduct an interview on school property. The notification shall be signed by the chairman of the county welfare board or his designee. The time, place, and manner of the interview on school premises shall be within the discretion of school officials. The conditions as to time, place, and manner of the interview set by the school officials shall be reasonable and the interview shall be conducted not more than 24 hours after the receipt of the notification unless another time is deemed necessary by agreement between the school officials and the local welfare agency. School officials shall not disclose to the parent, legal custodian, guardian, or perpetrator that a request to interview the child has been made until after the abuse investigation has been concluded. Every effort shall be made to reduce the disruption of the educational program of the child, other students, or school staff when an interview is conducted on school premises.

(d) Where the perpetrator or a person responsible for the care of the alleged victim or other minor prevents access to the victim or other minor by the local welfare agency, the juvenile court may order the parents, legal

custodian, or guardian to produce the alleged victim or other minor for questioning by the local welfare agency outside the presence of the perpetrator or any person responsible for the child's care at reasonable places and times as specified by court order.

(e) Before making an order under paragraph (d), the court shall issue an order to show cause, either upon its own motion or upon a verified petition, specifying the basis for the requested interviews and fixing the time and place of the hearing. The order to show cause shall be served personally and shall be heard in the same manner as provided in other cases in the juvenile court. The court shall consider the need for appointment of a guardian ad litem to protect the best interests of the child. If a guardian ad litem is appointed, he shall be present at the hearing on the order to show cause.

(f) The commissioner and the local welfare agencies responsible for investigating reports have the right to enter facilities as defined in subdivision 2 and to inspect and copy the facility's records as part of the investigation. Notwithstanding the provisions of chapter 13, they also have the right to inform the facility under investigation that they are conducting an investigation, to disclose to the facility the names of the individuals under investigation for abusing or neglecting a child, and to provide the facility with a copy of the report and the investigative findings.

Sec. 18. Minnesota Statutes 1982, section 626.556, is amended by adding a subdivision to read:

Subd. 10a. [ABUSE OUTSIDE THE FAMILY UNIT.] If the report alleges neglect, physical abuse, or sexual abuse by a person responsible for the child's care functioning outside the family unit in a setting other than a facility as defined in subdivision 2, the local welfare agency shall immediately notify the appropriate law enforcement agency and shall offer appropriate social services for the purpose of safeguarding and enhancing the welfare of the abused or neglected minor.

Sec. 19. Minnesota Statutes 1982, section 626.556, is amended by adding a subdivision to read:

Subd. 10b. [DUTIES OF COMMISSIONER; NEGLECT OR ABUSE IN A FACILITY.] If the report alleges that a child in the care of a facility as defined in subdivision 2 is neglected, physically abused, or sexually abused by an individual in that facility, the commissioner shall immediately investigate. The commissioner shall arrange for the transmittal to him of reports received by local agencies and may delegate to a local welfare agency the duty to investigate reports. In conducting an investigation under this section, the commissioner has the powers and duties specified for local welfare agencies under this section.

Sec. 20. [EFFECTIVE DATE.]

Section 1 is effective upon final enactment. Sections 9 to 12 are effective January 1, 1984. Sections 2 to 8 are effective August 1, 1983, and apply to violations committed on or after that date. The remaining sections of this act are effective August 1, 1983."

Delete the title and insert:

"A bill for an act relating to public safety and welfare; prohibiting repara-

tion obligors from prorating the disability and income loss benefits on a daily basis; prohibiting unsafe operation of motorcycles; increasing penalties for failure to stop at the scene of certain accidents; defining persons responsible for a child's care under the child abuse reporting law; clarifying investigative authority of welfare agencies in making mandated investigations of physical or sexual abuse and neglect; changing the definition of facility; clarifying the prosecutorial responsibility for certain crimes; amending Minnesota Statutes 1982, sections 65B.44, subdivision 3; 169.09, subdivisions 1, 3, 6, 7, and 14, and by adding a subdivision; 169.974, subdivision 5; 388.051, as amended; 388.18, subdivision 5, as amended; 487.25, subdivision 10, as amended; 488A.10, subdivision 11, as amended; and 626.556, subdivisions 1, 2, 4, 7, and 10, and by adding subdivisions."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) William P. Luther, Lawrence J. Pogemiller, Fritz Knaak

House Conferees: (Signed) John E. Brandl, Robert E. Vanasek, David T. Bishop

Mr. Luther moved that the foregoing recommendations and Conference Committee Report on S.F. No. 61 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 61 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 55 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Novak	Reichgott
Anderson	Diessner	Kronebusch	Olson	Renneke
Belanger	Dieterich	Laidig	Pehler	Schmitz
Berglin	Frank	Langseth	Peterson, C.C.	Sieloff
Bernhagen	Frederickson	Lantry	Peterson, D.C.	Solon
Bertram	Freeman	Lessard	Peterson, D.L.	Spear
Brataas	Hughes	Luther	Peterson, R.W.	Stumpf
Chmielewski	Isackson	McQuaid	Petty	Taylor
Dahl	Johnson, D.E.	Merriam	Pogemiller	Vega
Davis	Johnson, D.J.	Moe, R. D.	Purfeerst	Waldorf
DeCramer	Jude	Nelson	Ramstad	Willet

Mr. Benson voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 911 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 911

A bill for an act relating to utilities; specifying the commission's authority

over the availability of submetering; amending Minnesota Statutes 1982, section 216B.02, subdivision 4, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 216B.

May 23, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 911, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 911 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 216B.02, subdivision 4, is amended to read:

Subd. 4. “Public utility” means persons, corporations or other legal entities, their lessees, trustees, and receivers, now or hereafter operating, maintaining, or controlling in this state equipment or facilities for furnishing at retail natural, manufactured or mixed gas or electric service to or for the public or engaged in the production and retail sale thereof but does not include a municipality or a cooperative electric association, organized under the provisions of chapter 308 producing or furnishing natural, manufactured or mixed gas or electric service. Except as otherwise provided, the provisions of this chapter shall not be applicable to any sale of natural, manufactured or mixed gas or electricity by a public utility to another public utility for resale. In addition, the provisions of this chapter shall not apply to a public utility whose total natural gas business consists of supplying natural, manufactured or mixed gas to not more than 650 customers within a city pursuant to a franchise granted by the city, provided a resolution of the city council requesting exemption from regulation is filed with the commission. The city council may rescind the resolution requesting exemption at any time, and, upon the filing of the rescinding resolution with the commission, the provisions of this chapter shall apply to the public utility. No person shall be deemed to be a public utility if it ~~presently~~ furnishes its services only to tenants or cooperative or condominium owners in buildings owned, leased or operated by such person. No person shall be deemed to be a public utility if it ~~presently~~ furnishes service to occupants of a manufactured home or trailer park owned, leased, or operated by such person. No person shall be deemed to be a public utility if it ~~presently~~ produces or furnishes service to less than 25 persons.

Sec. 2. Minnesota Statutes 1982, section 216B.02, is amended by adding a subdivision to read:

Subd. 6a. “Submetering” means measuring, by a building’s owner, through mechanical or electronic devices, the use of electricity by occupants in multiple-unit residential or commercial buildings to fairly apportion the entire electrical costs for the building among its occupants.

Sec. 3. [216B.022] [SUBMETERING.]

Nothing in this chapter grants the commission or a public utility the authority to limit the availability of submetering to a building occupant when the building is served by a public utility's master meter which measures the total electric energy delivered to the building."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Don Frank, Ronald R. Dicklich, Phyllis W. McQuaid

House Conferees: (Signed) Rich O'Connor, Joel Jacobs, Elton R. Redalen

Mr. Frank moved that the foregoing recommendations and Conference Committee Report on S.F. No. 911 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 911 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Moe, R. D.	Ramstad
Anderson	Diessner	Knaak	Nelson	Reichgott
Belanger	Dieterich	Kroening	Novak	Renneke
Benson	Frank	Kronebusch	Olson	Schmitz
Berglin	Frederick	Laidig	Pehler	Sieloff
Bernhagen	Frederickson	Langseth	Peterson.C.C.	Spear
Bertram	Freeman	Lantry	Peterson.D.C.	Stumpf
Brataas	Hughes	Lessard	Peterson.D.L.	Taylor
Chmielewski	Isackson	Luther	Peterson.R.W.	Ulland
Dahl	Johnson, D.E.	McQuaid	Petty	Vega
Davis	Johnson, D.J.	Merriam	Pogemiller	Wegscheid
DeCramer	Jude	Moe, D. M.	Purfeerst	Willet

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 851, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 851 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 23, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 851

A bill for an act relating to agriculture; making certain changes in the family farm security loan program; amending Minnesota Statutes 1982, sections 15.38, by adding a subdivision; 16.02, subdivision 14; 41.52, by adding a subdivision; 41.53, subdivision 2; 41.54, subdivision 2; 41.55; 41.56, subdivisions 4, 5, and by adding subdivisions; 41.57, subdivision 2; 41.58, subdivision 1; 41.59, subdivisions 1, 2, and 3; 41.61, subdivision 1; and 48.19, by adding a subdivision.

May 23, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 851, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 851 be further amended as follows:

Page 5, line 9, delete "10" and insert "8"

Page 10, delete section 17

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, delete "; and 48.19, by adding a subdivision"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Jerry Graba, Henry J. Kalis, Merlyn O. Valan

Senate Conferees: (Signed) Joe Bertram, Charles R. Davis, Charles A. Berg

Mr. Bertram moved that the foregoing recommendations and Conference Committee Report on H.F. No. 851 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 851: A bill for an act relating to agriculture; making certain changes in the family farm security loan program; amending Minnesota Statutes 1982, sections 15.38, by adding a subdivision; 16.02, subdivision 14; 41.52, by adding a subdivision; 41.53, subdivision 2; 41.54, subdivision 2; 41.55; 41.56, subdivisions 4, 5, and by adding subdivisions; 41.57, subdivision 2; 41.58, subdivision 1; 41.59, subdivisions 1, 2, and 3; 41.61, subdivision 1.

Was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knutson	Novak	Schmitz
Anderson	Dieterich	Kroening	Olson	Sieloff
Belanger	Frank	Kronebusch	Pehler	Spear
Benson	Frederick	Laidig	Peterson, C. C.	Stumpf
Berg	Frederickson	Langseth	Peterson, D. C.	Taylor
Berglin	Freeman	Lantry	Peterson, D. L.	Ulland
Bertram	Hughes	Lessard	Peterson, R. W.	Vega
Brataas	Isackson	Luther	Petty	Waldorf
Chmielewski	Johnson, D. E.	McQuaid	Pogemiller	Wegscheid
Dahl	Johnson, D. J.	Merriam	Purfeerst	Willet
Davis	Jude	Moe, D. M.	Ramstad	
DeCramer	Kamrath	Moe, R. D.	Reichgott	
Dicklich	Knaak	Nelson	Renneke	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 409, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 409 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 23, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 409

A bill for an act relating to liquor; restrictions upon joint purchases and volume discounts at wholesale; amending Minnesota Statutes 1982, sections 340.408; and 340.983.

May 18, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 409, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 409 be amended as follows:

Page 1, after line 6, insert:

“Section 1. Minnesota Statutes 1982, section 340.11, subdivision 21, is amended to read:

Subd. 21. [LIABILITY INSURANCE.] Every person licensed to sell at retail intoxicating liquor or non-intoxicating malt liquor at on-sale or off-sale shall, after ~~March~~ ^{March} + August 1, 1983, demonstrate proof of financial

responsibility with regard to liability imposed by section 340.95, to the ~~commissioner of public safety authority issuing the license~~ as a condition of the issuance or renewal of his license, provided this subdivision does not apply to licensees who by affidavit establish that they are on-sale non-intoxicating malt liquor licensees with sales of less than \$10,000 of non-intoxicating malt liquor ~~per~~ for the preceding year, or off-sale non-intoxicating malt liquor licensees with sales of less than \$20,000 of non-intoxicating malt liquor for the preceding year, ~~nor to~~ or holders of on-sale wine licenses under subdivision 20, with sales of less than \$10,000 of wine ~~per~~ for the preceding year. The issuing authority must submit to the commissioner the proof of financial responsibility or exemption affidavit submitted by the license applicant. Proof of financial responsibility may be given by filing:

(a) A certificate that there is in effect for the period covered by the license an insurance policy or pool providing the following minimum coverages;

(1) \$50,000 because of bodily injury to any one person in any one occurrence, and, subject to the limit for one person, in the amount of \$100,000 because of bodily injury to two or more persons in any one occurrence, and in the amount of \$10,000 because of injury to or destruction of property of others in any one occurrence.

(2) \$50,000 for loss of means of support of any one person in any one occurrence, and, subject to the limit for one person, \$100,000 for loss of means of support of two or more persons in any one occurrence; or

(b) A bond of a surety company with minimum coverages as provided in clause (a), or

(c) A certificate of the state treasurer that the licensee has deposited with him \$100,000 in cash or securities which may legally be purchased by savings banks or for trust funds having a market value of \$100,000.

This subdivision does not prohibit a local governing unit from requiring higher insurance or bond coverages, or a larger deposit of cash or securities than is required hereunder, as a condition of issuance or renewal of a retail intoxicating liquor or non-intoxicating malt liquor on-sale or off-sale license.

The commissioner of insurance shall advise licensees and municipalities subject to the financial responsibility requirements of this subdivision of those persons offering insurance coverage. The commissioner of insurance ~~may, if necessary, shall establish an assigned risk pool by rule adopted under the administrative procedure act, sections 14.01 to 14.70;~~ a program to assist licensees in obtaining insurance coverage. The program shall include a committee appointed by the commissioner of insurance of a representative group of insurance carriers and producers. The commissioner of insurance shall serve as an ex officio member of the committee. The committee shall review and act upon all properly executed applications requesting liquor liability market assistance. The market assistance program shall be established by the commissioner of insurance by August 1, 1983, and shall continue to function so long as its services are deemed by the commissioner of insurance to be necessary to relieve perceived availability problems in the liquor liability insurance market. If the committee finds that it cannot assist in securing insurance coverage it shall notify the applicant in writing with a

full explanation and recommendation for enhancing its ability to secure insurance. The commissioner of insurance shall, if necessary, establish an assigned risk plan pursuant to subdivision 22.

Sec. 2. Minnesota Statutes 1982, section 340.11, is amended by adding a subdivision to read:

Subd. 22. [ASSIGNED RISK PLAN.] (1) The purpose of the assigned risk plan is to provide coverage required by subdivision 21 to persons rejected pursuant to this subdivision.

(2) An insurer that refuses to write the coverage required by subdivision 21 shall furnish the applicant with a written notice of refusal. The rejected applicant shall file a copy of the notice of refusal with the commissioner of public safety and with the assigned risk plan at the time of application for coverage under the plan.

(3) The commissioner of insurance may enter into service contracts as necessary or beneficial to accomplish the purposes of the assigned risk plan including servicing of policies or contracts of coverage, data management, and assessment collections. Services related to the administration of policies or contracts of coverages shall be performed by one or more qualified insurance companies licensed pursuant to section 60A.06, subdivision 1, clause (13) or a qualified vendor of risk management services. A qualified insurer or vendor of risk management services shall possess sufficient financial, professional, administrative, and personnel resources to provide the services required for operation of the plan. The cost of all services contracted for shall be an obligation of the assigned risk plan.

(4) The commissioner of insurance may assess all insurers licensed pursuant to section 60A.06, subdivision 1, clause (13) an amount sufficient to fully fund the obligations of the assigned risk plan, if the commissioner of insurance determines that the assets of the assigned risk plan are insufficient to meet its obligations. The assessment of each insurer shall be in a proportion equal to the proportion which the amount of insurance written as reported on page 14 of the annual statement under line 5, commercial multi-peril, and line 17, other liability, during the preceding calendar year by that insurer bears to the total written by all such carriers for such lines.

(5) Policies and contracts of coverage issued pursuant to this subdivision shall contain the usual and customary provisions of liability insurance policies, and shall contain the minimum coverage required by subdivision 21 or the local governing unit.

(6) Assigned risk policies and contracts of coverage shall be subject to premium tax pursuant to section 60A.15.

(7) Insureds served by the assigned risk plan shall be charged premiums based upon a rating plan approved by the commissioner of insurance. Assigned risk premiums shall not be lower than rates generally charged by insurers for the business. The commissioner of insurance shall fix the compensation received by the agent of record.

(8) The commissioner of insurance shall adopt rules, including temporary rules, as may be necessary to implement this subdivision. The rules may include:

(a) appeal procedures from actions of the assigned risk plan;

(b) formation of an advisory committee composed of insurers, vendors of risk management services and licensees, to advise the commissioner of insurance regarding operation of the plan; and

(c) applicable rating plans and rating standards.

Sec. 3. Minnesota Statutes 1982, section 340.353, subdivision 8, is amended to read:

Subd. 8. [FINANCIAL RESPONSIBILITY.] Every municipal liquor store operated pursuant to subdivision 1 shall, prior to commencement or continuation of operation after ~~March~~ + August 1, 1983, demonstrate proof of financial responsibility by compliance with the requirements of section 340.11, subdivision 21."

Renumber the remaining sections

Page 2, after line 18, insert:

"Sec. 6. Laws 1982, chapter 528, section 9, is amended to read:

Sec. 9. [EFFECTIVE DATE.]

Sections 2 to 4 are effective ~~March~~ + August 1, 1983. Sections 1, 5, 6, 7 and 8 are effective the day following final enactment and apply to all causes of action arising on and after that day, except that any changes in notice requirements in section 8 are not effective until 30 days following final enactment.

Sec. 7. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 3, after the semicolon insert "extending the date for requiring dram shop insurance; requiring an assigned risk plan and specifying rule making authority of the commissioner of insurance in regard thereto;"

Page 1, line 4, after "sections" insert "340.11, subdivision 21, and by adding a subdivision; 340.353, subdivision 8;"

Page 1, line 4, after "340.983" insert "; and Laws 1982, chapter 528, section 9"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Joel Jacobs, Doug St. Onge, Terry Dempsey

Senate Conferees: (Signed) Clarence M. Purfeerst, Joe Bertram, Don A. Anderson

Mr. Purfeerst moved that the foregoing recommendations and Conference Committee Report on H.F. No. 409 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 409: A bill for an act relating to liquor; restrictions upon joint purchases and volume discounts at wholesale; extending the date for requiring dram shop insurance; requiring an assigned risk plan and specifying rulemaking authority of the commissioner of insurance in regard thereto; amending Minnesota Statutes 1982, sections 340.11, subdivision 21, and by

adding a subdivision; 340.353, subdivision 8; 340.408; and 340.983; and Laws 1982, chapter 528, section 9.

Was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 55 and nays 6, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	McQuaid	Purfeerst
Anderson	DeCramer	Johnson, D.J.	Merriam	Ramstad
Belanger	Dicklich	Jude	Moe, D. M.	Reichgott
Benson	Diessner	Kamrath	Moe, R. D.	Sieloff
Berg	Dieterich	Knaak	Nelson	Spear
Berglin	Frank	Knutson	Novak	Stumpf
Bernhagen	Frederick	Kronebusch	Olson	Taylor
Bertram	Frederickson	Langseth	Pehler	Ulland
Brataas	Freeman	Lantry	Peterson, D.C.	Waldorf
Chmielewski	Hughes	Lessard	Petty	Wegscheid
Dahl	Isackson	Luther	Pogemiller	Willet

Those who voted in the negative were:

Kroening	Peterson, C.C.	Peterson, R.W.	Renneke	Vega
Laidig				

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 657, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 657 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 23, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 657

A bill for an act relating to transportation; authorizing the commissioner to expend money for railroad acquisition by a regional railroad authority; modifying requirements for compliance with standards for zoning ordinances for municipal airports; modifying the regional railroad authority act to allow municipalities to form regional railroad authorities; allowing the expenditure of certain state funds for railroad improvement and acquisition; providing an aircraft base price for taxation purposes; amending Minnesota Statutes 1982, sections 222.50, subdivision 7; 360.063, subdivisions 3, 4, and 6; 360.065, subdivision 2; 360.066, subdivision 1; 360.067, subdivision 1; 360.531, subdivision 4; 398A.02; 398A.03; 398A.04, subdivisions

8 and 9; 398A.07, subdivision 2; and Laws 1980, chapter 610, section 1, as amended.

May 23, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 657, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 657 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 161.125, subdivision 1, is amended to read:

Subdivision 1. The commissioner of transportation shall, in accordance with the department's program, implement sound abatement measures within or along the perimeter of any interstate or trunk highway within incorporated areas located within the metropolitan area or any municipality whenever the noise level attributable to vehicular traffic at the abutting residential property line is in excess of the federal noise standards. The commissioner shall utilize federal matching funds available for constructing and maintaining sound abatement measures. No standard adopted by any state agency for limiting levels of noise in terms of sound pressure in the outdoor atmosphere shall apply to any interstate highway, *or to any trunk highway segment constructed or reconstructed with federal interstate substitution funds, provided that all reasonable mitigating measures are used to abate noise.*

Sec. 2. Minnesota Statutes 1982, section 222.50, subdivision 7, is amended to read:

Subd. 7. The commissioner may expend money from the rail service improvement account for the following purposes:

(a) To pay interest adjustments on loans guaranteed under the state rail user loan guarantee program;

(b) To pay a portion of the costs of capital improvement projects designed to improve rail service including construction or improvement of short segments of rail line such as side track, team track and connections between existing lines, and construction and improvement of loading, unloading, storage and transfer facilities of a rail user;

(c) To acquire, maintain, manage and dispose of railroad right-of-way pursuant to subdivision 8 and the state rail bank program;

(d) To provide for aerial photography survey of proposed and abandoned railroad tracks for the purpose of recording and reestablishing by analytical triangulation the existing alignment of the in-place track;

(e) To pay a portion of the costs of acquiring a rail line by a regional

railroad authority established pursuant to chapter 398A.

All money derived by the commissioner from the disposition of railroad right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 shall be deposited in the ~~state rail bank service~~ improvement account.

Sec. 3. Minnesota Statutes 1982, section 296.02, subdivision 2, is amended to read:

Subd. 2. [GASOLINE TAX IMPOSED FOR AVIATION USE.] Subject to the provisions of section 296.18, subdivision 4, there is hereby imposed an excise tax, at the ~~same rate per gallon as the gasoline excise tax, of five cents per gallon~~ on all aviation gasoline received, sold, stored, or withdrawn from storage in this state. This tax shall be payable at the times, in the manner, and by persons specified in sections 296.01 to 296.27.

Sec. 4. Minnesota Statutes 1982, section 360.063, subdivision 3, is amended to read:

Subd. 3. [JOINT AIRPORT ZONING BOARD.] (1) Where an airport is owned or controlled by a municipality and ~~any~~ an airport hazard area appertaining to ~~such~~ the airport is located within the territorial limits of another county or municipality, the municipality owning or controlling the airport may request ~~any~~ a county or municipality in which an airport hazard area is located:

(a) To adopt and enforce airport zoning regulations for the area in question that conform to ~~minimum~~ standards prescribed by the commissioner pursuant to subdivision 4; or

(b) To join in creating a joint airport zoning board pursuant to clause (2). The owning or controlling municipality shall determine which of these actions it shall request, except as provided in clause (5) for the metropolitan airports commission. The request shall be made by certified mail to the governing body of each county and municipality in which an airport hazard area is located.

(2) Where an airport is owned or controlled by a municipality and ~~any~~ an airport hazard area appertaining to ~~such~~ the airport is located within the territorial limits of another county or municipality, the municipality owning or controlling the airport and the county or other municipality within which the airport hazard area is located may, by ordinance or resolution duly adopted, create a joint airport zoning board, which board shall have the same power to adopt, administer, and enforce airport zoning regulations applicable to the airport hazard area in question as that vested by subdivision 1 in the municipality within which ~~such~~ the area is located. ~~Each such~~ A joint board shall have as members two representatives appointed by the municipality owning or controlling the airport and two from the county or municipality, or in case more than one county or municipality is involved two from each county or municipality, in which the airport hazard is located, and in addition a chairman elected by a majority of the members so appointed. All members shall serve at the pleasure of their respective appointing authority. Notwithstanding any other provision of law to the contrary, if the owning and controlling municipality is a city of the first class it shall appoint four members to the board, and the chairman of the board shall be

elected from the membership of the board.

(3) If ~~any~~ a county or municipality, within 60 days of receiving a request from an owning or controlling municipality pursuant to clause (1), fails to adopt, or thereafter fails to enforce, ~~such~~ the zoning regulations or fails to join in creating a joint airport zoning board, the owning or controlling municipality, or a joint airport zoning board created without participation by the subdivisions which fail to join the board, may itself adopt, administer, and enforce airport zoning regulations for the airport hazard area in question. In the event of conflict between ~~such~~ the regulations and ~~any~~ airport zoning regulations adopted by the county or municipality within which the airport hazard area is located, ~~the regulations of the municipality owning or controlling the airport or the joint zoning board shall govern and prevail~~ section 360.064, subdivision 2, applies.

(4) "Owning or controlling municipality," as used in this subdivision, includes:

(a) A joint airport operating board created pursuant to section 360.042 that has been granted all the powers of a municipality in zoning matters under the agreement creating the board;

(b) A joint airport operating board created pursuant to section 360.042 that has not been granted zoning powers under the agreement creating the board, provided that ~~such~~ a the board shall not itself adopt zoning regulations nor shall ~~any~~ a joint airport zoning board created at its request adopt zoning regulations unless all municipalities that created the joint operating board join to create the joint zoning board; and

(c) The metropolitan airports commission established and operated pursuant to chapter 473.

(5) The metropolitan airports commission shall request creation of one joint airport zoning board for each airport operated under its authority.

Sec. 5. Minnesota Statutes 1982, section 360.063, subdivision 4, is amended to read:

Subd. 4. [AIRPORT APPROACH.] The commissioner may recommend an airport approach plan for each publicly owned airport in the state and for each privately owned airport of the publicly owned class and from time to time recommend revisions of ~~any~~ ~~such~~ the plan. ~~Each~~ ~~such~~ A plan shall indicate the circumstances in which structures or trees are or would be airport hazards, the airport hazard area, and what measures should be taken to eliminate airport hazards. ~~He~~ ~~The commissioner~~ shall prescribe ~~minimum~~ airport approach and turning standards for airports of various classes, and ~~all~~ airport zoning regulations adopted by ~~any~~ a municipality, county, or joint airport zoning board shall conform to ~~such~~ ~~minimum~~ the standards, *except as provided in sections 360.065 and 360.066.*

Sec. 6. Minnesota Statutes 1982, section 360.063, subdivision 6, is amended to read:

Subd. 6. [PROCEDURE WHEN ZONING BOARD FAILS TO ACT.] If ~~any~~ a municipality, county, or joint airport zoning board fails to adopt within a reasonable time airport zoning regulations in accordance with the provisions of sections 360.011 to 360.076, or adopts regulations or amend-

ments which do not conform to the ~~minimum~~ standard prescribed by the commissioner, ~~he the commissioner~~ may, for the protection of the public safety, adopt or supplement and from time to time as may be necessary amend, supplement, or repeal ~~such the~~ regulations for ~~such the~~ municipality or county until airport zoning regulations provided for in sections 360.011 to 360.076, are adopted by ~~such the~~ municipality, county, or joint airport zoning board. ~~He The commissioner~~ shall have the same powers with reference to ~~such the~~ airport zoning regulations as are granted in sections 360.011 to 360.076, to municipalities, administrative boards, and boards of adjustment. ~~Any~~ An action of the commissioner taken under this subdivision ~~shall be~~ is subject to review by the courts as provided in section 360.072.

Sec. 7. Minnesota Statutes 1982, section 360.065, subdivision 2, is amended to read:

Subd. 2. [REGULATIONS SUBMITTED TO COMMISSIONER.] Prior to adopting ~~any~~ zoning regulations for ~~any an~~ airport hazard area under sections 360.011 to 360.076, the municipality, county, or joint airport zoning board which is to adopt the regulations shall submit its proposed regulations to the commissioner in order that ~~he the commissioner~~ may determine whether it conforms to the ~~minimum~~ standards prescribed by him. ~~He The commissioner~~ shall immediately examine ~~such the~~ proposed regulations and report to the municipality, county, or joint airport zoning board his approval, or his objections, if any. If ~~any~~ objections are made by him on the ground that ~~such the~~ regulations do not conform to the ~~minimum~~ standards prescribed by him for the class of airport involved, the municipality, county, or joint zoning board shall make ~~such~~ amendments as are necessary to meet ~~such the~~ objections *unless it demonstrates that the social and economic costs of restricting land uses in accordance with the standards outweigh the benefits of a strict application of the standards.* The governing body of the municipality or county or the joint airport zoning board shall not adopt the regulations or take other action until the proposed regulations are approved by the commissioner ~~as conforming to such minimum standards.~~ *The commissioner may approve local zoning ordinances that are more stringent than the standards.* A copy of ~~such the~~ regulations as adopted shall be filed with the county recorder in each county in which ~~such the~~ zoned area is located.

Substantive rights existing prior to the passage of this subdivision and ~~heretofore~~ *previously* exercised ~~shall are~~ not be affected by the filing of ~~such the~~ regulations.

Sec. 8. Minnesota Statutes 1982, section 360.066, subdivision 1, is amended to read:

Subdivision 1. [REASONABLENESS.] All ~~minimum~~ Standards of the commissioner defining airport hazard areas and the categories of uses permitted ~~therein~~ and ~~all~~ airport zoning regulations adopted under sections 360.011 to 360.076, shall be reasonable, and none shall impose ~~any a~~ requirement or restriction which is not reasonably necessary to effectuate the purposes of sections 360.011 to 360.076. In determining what minimum ~~standards and~~ *airport zoning* regulations may be adopted, the commissioner and ~~any a~~ local airport zoning authority shall consider, among other things, the character of the flying operations expected to be conducted at the air-

port, the location of the airport, the nature of the terrain within the airport hazard area, the existing land uses and character of the neighborhood around the airport, and the uses to which the property to be zoned ~~is put~~ are planned and adaptable, and the social and economic costs of restricting land uses versus the benefits derived from a strict application of the standards of the commissioner.

Sec. 9. Minnesota Statutes 1982, section 360.067, subdivision 1, is amended to read:

Subdivision 1. [PERMITS.] (1) ~~Any~~ Airport zoning regulations adopted under sections 360.011 to 360.076, may require that a permit be obtained before ~~any~~ a new structure or use may be constructed or established and before ~~any~~ an existing use or structure may be substantially changed or substantially altered or repaired. In any event, all ~~such~~ regulations shall provide that before ~~any~~ a nonconforming structure or tree may be replaced, substantially altered or repaired, rebuilt, allowed to grow higher, or replanted, a permit must be secured from the administrative agency authorized to administer and enforce the regulations, authorizing ~~such~~ the replacement, change, or repair. No permit shall be granted that would allow the establishment or creation of an airport hazard or permit a nonconforming structure or tree or nonconforming use to be made or become higher or become a greater hazard to air navigation than it was when the applicable regulation was adopted or than it is when the application for a permit is made.

(2) Whenever the administrative agency determines that a nonconforming use or nonconforming structure or tree has been abandoned or more than 80 percent torn down, ~~destroyed~~, deteriorated, or decayed: (a) no permit shall be granted that would allow ~~said~~ the structure or tree to exceed the applicable height limit or otherwise deviate from the zoning regulations; and (b), whether application is made for a permit under this subdivision or not, the ~~said~~ agency may by appropriate action compel the owner of the nonconforming structure or tree, at ~~his own~~ the owner's expense, to lower, remove, reconstruct, or equip ~~such~~ the object as may be necessary to conform to the regulations. If the owner of the nonconforming structure or tree ~~shall neglect~~ neglects or ~~refuse~~ refuses to comply with ~~such~~ the order for ten days after notice ~~thereof of the order~~, the ~~said~~ agency may proceed to have the object ~~so~~ lowered, removed, reconstructed, or equipped and assess the cost and expense ~~thereof~~ upon the object of the land ~~whereon~~ where it is or was located. Unless ~~such~~ an assessment is paid within 90 days from the service of notice ~~thereof~~ on the agent or owner of ~~such~~ the object or land, the sum ~~shall~~ will bear interest at the rate of eight percent per annum until paid, and shall be collected in the same manner as are general taxes.

(3) Except as provided ~~herein~~ in this subdivision, all applications for permits shall be granted.

Sec. 10. Minnesota Statutes 1982, section 360.531, subdivision 4, is amended to read:

Subd. 4. [BASE PRICE FOR TAXATION.] For the purpose of fixing a base price for taxation from which depreciation in value at a fixed percent per annum can be counted, such price is defined as follows:

(1) The base price for taxation of an aircraft of ~~which a similar or corre-~~

sponding model was being manufactured on August 1 preceding the fiscal year for which the tax is levied shall be the manufacturer's list price of such similar or corresponding model in effect on such August 1.

(2) The base price for taxation of an aircraft of which no similar or corresponding model was manufactured until after such August 1 shall be the manufacturer's list price at the factory when the aircraft taxed was first manufactured.

(3) The commissioner shall have authority to fix the base value for taxation purposes of any aircraft of which no such similar or corresponding model has been manufactured since a time prior to such August 1, and of any rebuilt or foreign aircraft, any aircraft on which a record of the list price is not available in his office, or any military aircraft converted for civilian use, using as a basis for such valuation the list price on such August 1 of aircraft with comparable performance characteristics, and taking into consideration the age and condition of the aircraft.

Sec. 11. Minnesota Statutes 1982, section 398A.02, is amended to read:

398A.02 [PURPOSE.]

The purpose of the regional railroad authorities act is to provide a means whereby ~~counties~~ *one or more municipalities*, with state and federal aids as may be available, may provide for the preservation and improvement of local rail service for agriculture, industry, or passenger traffic when determined to be practicable and necessary for the public welfare, particularly in the case of abandonment of local rail lines.

Sec. 12. Minnesota Statutes 1982, section 398A.03, is amended to read:

398A.03 [ORGANIZATION OF AUTHORITY.]

Subdivision 1. [ORGANIZATION RESOLUTION.] A regional railroad authority may be organized by resolution or joint resolution adopted by the governing body or bodies of one or more counties; ~~providing and stating~~. *The governing body or bodies of a municipality or municipalities within a county or counties may request by resolution that the county or counties organize a railroad authority. If the county or counties do not organize an authority within 90 days of receipt of the request, the municipality or municipalities may organize an authority by resolution or joint resolution. A resolution organizing an authority must state:*

(a) That the authority is organized under the regional railroad authorities act as a political subdivision and local government unit of Minnesota, to exercise thereunder part of the sovereign power of the state;

(b) The name of the authority, including the words "regional railroad authority";

(c) The ~~county or counties~~ *municipality or municipalities* adopting the organization resolution;

(d) The number of commissioners of the authority, not less than five; the number to be appointed by the governing body of each ~~county~~ *municipality*; and the names and addresses of the first board of commissioners;

(e) The ~~municipality~~ *city and county* in which the registered office of the

authority is to be situated;

(f) That neither the state of Minnesota, the ~~county or counties~~ *municipality or municipalities*, nor any other political subdivision is liable for obligations of the authority; and

(g) Any other provision for regulating the business of the authority determined by the governing body or bodies adopting the resolution.

Subd. 2. [HEARING.] Before final adoption of an organization resolution, the governing body of each ~~county~~ *municipality* named in it shall provide for a public hearing upon notice published in ~~the official county~~ *a newspaper of general circulation in the municipality* and *The notice of a hearing by the governing body of a county must be mailed to the governing body of each municipality city or town in the county, except cities and towns participating in the organization, at least 30 days before the hearing. The hearing may be adjourned from time to time, to a time and place publicly announced at the hearing, or to a time and place fixed by notice published in the official county a newspaper of general circulation in the municipality at least ten days before the adjourned session. Joint hearing sessions may be held by the governing bodies of all counties municipalities named, at any convenient public place within any of the counties municipalities. The resolution may be amended by the governing body or bodies at or after any hearing session at which the amended resolution is proposed and made available to interested citizens. It shall not become effective until adopted in identical form by the governing bodies of all counties municipalities named in the resolution.*

Subd. 3. [CERTIFICATE OF INCORPORATION.] A copy of the organization resolution, certified by the recording officer of each ~~county~~ *municipality* adopting it, shall be filed with the secretary of state, who shall issue a certificate of incorporation if the resolution conforms to the requirements of this section, stating in the certificate the name of the authority and the date of its incorporation, which shall be the date of acceptance for filing. The certificate of incorporation shall be conclusive evidence of the valid organization and existence of the authority.

Subd. 4. [AMENDMENT.] The organization resolution may be amended by resolution or joint resolution of the governing bodies of all ~~counties~~ *municipalities* named in the resolution prior to amendment and the governing body of any additional ~~county~~ *municipality* named in the amendment. Each amendment shall be adopted at or after hearing upon notice as required for the organization resolution. No amendment releasing a ~~county~~ *municipality* from its obligations as a party named in the resolution shall be effective unless all covenants, agreements, mortgage liens, and other security given for bonds of the authority have been discharged and satisfied by payment or otherwise in accordance with their terms. All other amendments shall take effect upon filing with the secretary of state and issuance of an amended certificate of incorporation in the same manner as provided for the organization resolution.

Subd. 5. [BOARD OF COMMISSIONERS.] All powers granted to an authority shall be exercised by its board of commissioners. Commissioners shall be appointed and vacancies in their office shall be filled by the governing body of each ~~county~~ *municipality* named in the organization resolu-

tion, in accordance with the provisions of that resolution. The term of each commissioner shall be one year, or the remainder of the one year term for which a vacancy is filled, and until a successor is appointed. Commissioners shall receive no compensation for services but shall be reimbursed for necessary expenses incurred in the performance of their duties.

Subd. 6. [MEETINGS AND ACTIONS.] The board of commissioners shall by resolution establish the time and place or places of its regular meetings and the method and notice required for calling special meetings, all of which shall be open to the public. A majority of the commissioners being present at a meeting, any action may be taken by resolution or motion adopted by recorded vote of a majority of those present, unless a larger majority is required by bylaws adopted by the board.

Subd. 7. [OFFICERS AND EMPLOYEES.] The board of commissioners shall appoint a chairman, vice chairman, secretary, and treasurer from its members, each to serve for a term of one year and until a successor is appointed. The offices of secretary and treasurer may be combined, and deputies or assistants may be appointed for either office or the combined office, from members of the board or otherwise. The powers and duties of each office shall be determined by the board, which shall require and pay for a surety bond for each officer handling funds. The board shall provide for the keeping of a full and accurate record of all proceedings and of resolutions, regulations, and orders issued or adopted; the state auditor shall, as time and resources permit, annually audit the books of said regional railroad authority. The board may appoint an executive director and other officers, fix their compensation, and delegate to them the powers and duties, as it may determine. It may also employ, or authorize the executive director to employ, all other employees, consultants, and agents needed to perform its duties and exercise its powers. Chapter 353 shall apply to all salaried employees.

Sec. 13. Minnesota Statutes 1982, section 398A.04, subdivision 8, is amended to read:

Subd. 8. [TAXATION.] Before deciding to exercise the power to tax, the authority shall give six weeks published notice in all ~~counties~~ municipalities in the region. If a number of voters in the region equal to five percent of those who voted for candidates for governor at the last gubernatorial election present a petition within nine weeks of the first published notice to the secretary of state requesting that the matter be submitted to popular vote, it shall be submitted at the next general election. The question prepared shall be:

“Shall the regional rail authority have the power to impose a property tax?

Yes ”
No

If a majority of those voting on the question approve or if no petition is presented within the prescribed time the authority may thereafter levy a tax at any annual rate not exceeding four mills on the assessed valuation of all taxable property situated within the ~~county or counties~~ municipality or municipalities named in its organization resolution. Its recording officer shall file in the office of the county auditor of each county in which territory

under the jurisdiction of the authority is located a certified copy of the board of commissioners' resolution levying the tax, and each county auditor shall assess and extend upon the tax rolls of each municipality named in the organization resolution the portion of the tax that bears the same ratio to the whole amount that the assessed valuation of taxable property in that county municipality bears to the assessed value of taxable property in all counties municipalities named in the organization resolution. Collections of the tax shall be remitted by each county treasurer to the treasurer of the authority.

Sec. 14. Minnesota Statutes 1982, section 398A.04, subdivision 9, is amended to read:

Subd. 9. [MUNICIPAL AGREEMENTS.] The authority may enter into agreements with the ~~county or counties~~ *municipality or municipalities* named in the organization agreement, or with other municipalities situated in the counties *named in the resolution*, respecting the matters referred to in section 398A.06.

Sec. 15. Minnesota Statutes 1982, section 398A.07, subdivision 2, is amended to read:

Subd. 2. [SECURITY.] Bonds may be made payable exclusively from the revenues from one or more projects, or from one or more revenue producing contracts, or from the authority's revenues generally, *including but not limited to specified taxes which the authority may levy or which a particular municipality may agree to levy for a specified purpose*, and may be additionally secured by a pledge of any grant, subsidy, or contribution from any public agency, *including but not limited to a participating municipality*, or any income or revenues from any source. They may be secured by a mortgage or deed of trust of the whole or any part of the property of the authority. They shall be payable solely from the revenues, funds, and property pledged or mortgaged for their payment. No commissioner, officer, employee, agent, or trustee of the authority shall be liable personally on its bonds or be subject to any personal liability or accountability by reason of their issuance. Neither the state nor a county or other municipality except the authority may pledge its faith and credit or taxing power or shall be obligated in any manner for the payment of the bonds or interest on them, *except as specifically provided by agreement under section 398A.06*; but nothing herein shall affect the obligation of the state or municipality to perform any contract made by it with the authority, and when the authority's rights under a contract with the state or a municipality are pledged by the authority for the security of its bonds, the holders or a bond trustee may enforce the rights as a third party beneficiary. All bonds shall be negotiable within the meaning and for the purposes of the uniform commercial code, subject only to any registration requirement.

Sec. 16. Laws 1980, chapter 610, section 1, as amended by Laws 1981, chapter 338, section 8, is amended to read:

Section 1. [RAILROAD ASSISTANCE; APPROPRIATION.]

The sum of \$13,500,000 is appropriated from the state transportation fund to the *rail service improvement account in the special revenue fund to be expended by the commissioner of transportation for the acquisition and betterment of public land and buildings and public improvements of a capital*

nature determined to be needed for preservation in the state rail bank in the manner and for the purposes specified in Minnesota Statutes, sections ~~222.50, subdivision 7, clause (e) and 222.63~~ 222.49 to 222.63.

Sec. 17. [WASHINGTON COUNTY LIBRARY BONDS.]

Subdivision 1. The Washington county board may levy a tax of not more than three-fourths of a mill on taxable property within the county outside of any city in which is situated a free public city library, to acquire, better, and construct county library buildings and to pay principal and interest on bonds issued for that purpose. The tax shall be disregarded in the calculation of levies or limits on levies provided by Minnesota Statutes, sections 275.50 to 275.56, or other law.

Subd. 2. The Washington county board may, by resolution, issue and sell general obligation bonds of the county in the amount of \$1,500,000 in the manner provided in Minnesota Statutes, chapter 475, to acquire, better, and construct county library buildings. The bonds shall not be subject to the requirements of Minnesota Statutes, sections 475.57 to 475.59. The maturity years and amounts and interest rates of each series of bonds shall be fixed so that the maximum amount of principal and interest to become due in any year, on the bonds of all outstanding series issued by the county pursuant to this section, shall not exceed an amount equal to three-fourths of a mill times the assessed value of all taxable property in the county, which was not taxed in 1981 by any city for the support of any free public city library, as last finally equalized before the issuance of the series. When the tax authorized by subdivision 1 is collected, it shall be appropriated and credited to a debt service fund for the bonds. The tax levy for the debt service fund under Minnesota Statutes, section 475.61, shall be reduced by the amount available or reasonably anticipated to be available in the fund to make payments otherwise payable from the levy pursuant to section 475.61.

Subd. 3. This section takes effect the day after the filing of a certificate of local approval by the Washington county board in compliance with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 18. [RESTRICTIONS ON CERTAIN AIRPORTS.]

The metropolitan airports commission shall conduct the public hearings on the draft master plan for the Anoka county-Blaine airport by July 1, 1983. By September 1, 1983, following such revisions as the commission deems appropriate, the commission shall submit the draft master plan to the metropolitan council for review and approval. The review procedure shall be conducted by the council and the commission in a manner consistent with the completion of the proceedings, including any modifications required by the council, and the approval by the council and adoption by the commission of a final master plan by December 1, 1983.

Sec. 19. [EFFECTIVE DATE.]

Sections 1, 2, and 4 to 18 are effective the day following final enactment. Section 3 is effective July 1, 1983, for aviation gasoline sold on and after that date."

Delete the title and insert:

"A bill for an act relating to public services; authorizing the commissioner

to expend money for railroad acquisition by a regional railroad authority; changing the tax paid on aviation gasoline; modifying requirements for compliance with standards for zoning ordinances for municipal airports; modifying the regional railroad authority act to allow municipalities to form regional railroad authorities; allowing the expenditure of certain state funds for railroad improvement and acquisition; providing an aircraft base price for taxation purposes; authorizing Washington county library bonds; providing for a plan for the Anoka county-Blaine Airport; amending Minnesota Statutes 1982, sections 161.125, subdivision 1; 222.50, subdivision 7; 296.02, subdivision 2; 360.063, subdivisions 3, 4, and 6; 360.065, subdivision 2; 360.066, subdivision 1; 360.067, subdivision 1; 360.531, subdivision 4; 398A.02; 398A.03; 398A.04, subdivisions 8 and 9; 398A.07, subdivision 2; and Laws 1980, chapter 610, section 1, as amended."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Glen H. Anderson, Daniel J. Knuth, William Schreiber

Senate Conferees: (Signed) Gary M. DeCramer, Steven G. Novak

Mr. DeCramer moved that the foregoing recommendations and Conference Committee Report on H.F. No. 657 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 657 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 56 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Novak	Schmitz
Anderson	Diessner	Knutson	Olson	Solon
Belanger	Dieterich	Kronebusch	Pehler	Spear
Benson	Frederick	Laidig	Peterson, C.C.	Stumpf
Berg	Frederickson	Langseth	Peterson, D.C.	Ulland
Berglin	Freeman	Lantry	Peterson, D.L.	Vega
Bernhagen	Hughes	Lessard	Petty	Wegscheid
Bertram	Isackson	Luther	Pogemiller	Willet
Brataas	Johnson, D.E.	McQuaid	Purfeerst	
Chmielewski	Johnson, D.J.	Moe, D. M.	Ramstad	
Davis	Jude	Moe, R. D.	Reichgott	
DeCramer	Kamrath	Nelson	Renneke	

Those who voted in the negative were:

Dahl	Kroening	Peterson, R.W.	Sieloff	Waldorf
Frank	Merriam			

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 449:

H.F. No. 449: A bill for an act relating to elections; limiting campaign expenditures by congressional candidates who choose to receive a public subsidy for their campaigns; redefining certain terms in relation to congressional candidates; limiting the applicability of certain provisions of law to state constitutional and state legislative candidates; providing for the transfer of debts and funds of a principal campaign committee under certain circumstances; limiting certain lobbyist contributions; providing for filing of campaign reports by certain congressional candidates; proposing expenditure limits for congressional candidates who choose to receive a public subsidy; providing a penalty for exceeding campaign expenditure limits by congressional candidates; changing the designated amount of certain income tax payments; providing for the allocation of party accounts and the general account to certain state and congressional candidates; providing estimates of minimum amounts of public subsidy to be received by certain congressional candidates; requiring signed agreements by congressional candidates who choose to receive a public subsidy; specifying when congressional candidates who accept a public subsidy must return all or part thereof; providing for the return of money from the state elections campaign fund to the general fund; making certain technical amendments; imposing penalties; amending Minnesota Statutes 1982, sections 10A.01; 10A.24; 10A.25; 10A.255; 10A.27; 10A.275; 10A.28; 10A.30; 10A.31; 10A.33; 10A.335; and 290.06, subdivision 11; proposing new law coded in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1982, section 10A.32.

And the House respectfully requests that a Conference Committee of five members be appointed thereon.

Carlson, L.; Osthoff; Metzen; Minne and Kostohryz have been appointed as such committee on the part of the House.

House File No. 449 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 23, 1983

Mr. Luther moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 449, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 559.

H.F. No. 559: A bill for an act relating to courts; providing for interest rates on judgments; amending Minnesota Statutes 1982, section 549.09, subdivision 1.

And the House respectfully requests that a Conference Committee of three

members be appointed thereon:

Schoenfeld, Dempsey and Vanasek have been appointed as such committee on the part of the House.

House File No. 559 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 23, 1983

Mr. Luther moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 559, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 559: Messrs. Luther, Freeman and Ramstad.

H.F. No. 449: Messrs. Luther, Freeman, Pogemiller, Ms. Peterson, D.C. and Mr. Dahl.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 722, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 722 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 23, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 722

A bill for an act relating to cable communications; authorizing cable

communications companies to use public roads for certain purposes; defining terms; requiring access by cable communications companies; providing residences with freedom of choice of cable communications services; imposing conditions of access; limiting certain actions of property owners; allowing appeal; specifying the measure of damages under a subsequent condemnation; specifying certain prohibitions; authorizing cable communications companies to use existing utility easements; amending Minnesota Statutes 1982, sections 222.37, subdivision 1; and 238.02, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 238.

May 23, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 722, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 722 be further amended to read:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 222.37, subdivision 1, is amended to read:

Subdivision 1. Any water power, telegraph, telephone, pneumatic tube, community antenna television, *cable communications* or electric light, heat, or power company may use public roads for the purpose of constructing, using, operating, and maintaining lines, subways, canals, or conduits, for their business, but such lines shall be so located as in no way to interfere with the safety and convenience of ordinary travel along or over the same; and, in the construction and maintenance of such line, subway, canal, or conduit, the company shall be subject to all reasonable regulations imposed by the governing body of any county, town or city in which such public road may be. Nothing herein shall be construed to grant to any person any rights for the maintenance of a telegraph, telephone, pneumatic tube, community antenna television system, *cable communications system*, or light, heat, or power system within the corporate limits of any city until such person shall have obtained the right to maintain such system within such city or for a period beyond that for which the right to operate such system is granted by such city.

Sec. 2. Minnesota Statutes 1982, section 238.02, subdivision 1, is amended to read:

Subdivision 1. The words and phrases used in ~~sections 238.01 to 238.17~~ *this chapter* have the following meanings unless a different meaning clearly appears in the text.

Sec. 3. [238.22] [DEFINITIONS.]

Subdivision 1. [SCOPE.] *The terms used in sections 3 to 8 have the meanings given them in this section.*

Subd. 2. [DWELLING UNIT.] “*Dwelling unit*” means a single unit pro-

viding complete, independent, living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation.

Subd. 3. [MULTIPLE DWELLING COMPLEX.] "Multiple dwelling complex" means a site, lot, field, or tract of land or water, other than a condominium, cooperative, or mobile home park, whether occupied or under construction, containing more than four dwelling units.

Subd. 4. [PROPERTY OWNER.] "Property owner" means any person with a recorded interest in a multiple dwelling complex, or person known to the cable communications company to be an owner, or the authorized agent of the person.

Subd. 5. [RESIDENT.] "Resident" means a person or entity paying rent to a property owner.

Subd. 6. [ACCESS.] "Access" means entrance onto the premises of the property owner and an easement for purposes of surveying, designing, installing, inspecting, maintaining, operating, repairing, replacing, or removing equipment used in the construction and operation of a cable communications system.

Sec. 4. [238.23] [ACCESS REQUIRED.]

Subdivision 1. [PROVISION OF ACCESS.] A property owner or other person controlling access shall provide a cable communications company access to the property owner's multiple dwelling complex. The access provided must be perpetual and freely transferable by one cable communications company to another. A cable communications company granted access, and its successors in interest, must fully comply with sections 3 to 8.

Subd. 2. [RESIDENT'S RIGHTS.] The intent of sections 3 to 8 is to give residents the freedom to choose among competing cable communications services and nothing in sections 3 to 8 shall be interpreted to require residents to hook up or subscribe to any services offered by any cable communications company or alternative provider of cable communications services.

Sec. 5. [238.24] [CONDITIONS FOR ACCESS.]

Subdivision 1. [IN GENERAL.] An installation of cable communications facilities under sections 3 to 8 must conform to reasonable conditions necessary to protect the safety, functioning, and aesthetic appearance of the premises, and the convenience and well-being of the property owner and residents.

Subd. 2. [OWNER APPROVAL.] A property owner may require from a cable communications company before installation or modification of cable communications facilities, diagrams showing plans for the placement and securing of the facilities. A property owner may approve or disapprove installation plans. Approval of plans may not be unreasonably withheld.

Subd. 3. [INSTALLATION; BOND.] The facilities must be installed in an expeditious and workmanlike manner, must comply with applicable codes, and must be installed parallel to utility lines when economically feasible. A property owner may require a cable communications company to post a bond or equivalent security in an amount not exceeding the estimated cost of in-

stallation of the cable communications facilities on the premises. Any bond provided by a cable communications company with a municipality which would provide coverage to the property owner as provided under this subdivision shall be considered to fulfill the requirements of this subdivision.

Subd. 4. [INDEMNIFY FOR DAMAGE.] A cable communications company shall indemnify a property owner for damage caused by the company in the installation, operation, maintenance, or removal of its facilities.

Subd. 5. [RELOCATION.] A property owner may require a cable communications company, after reasonable written notice, to promptly relocate cable communications facilities on or within the premises of the property owner for the purpose of rehabilitation, redecoration, or necessary maintenance of the premises by the property owner.

Subd. 6. [MASTER ANTENNA TELEVISION SYSTEM.] Nothing in sections 3 to 8 precludes a property owner from entering into an agreement for use of a master antenna television system by a cable communications company or other television communications service.

Subd. 7. [COST ALLOCATED.] A cable communications company shall bear the entire cost of the installation, operation, maintenance, and removal of a cable communications facility within the initial franchise service area.

Subd. 8. [COMPENSATION FOR ACCESS.] (a) A cable communications company shall:

(1) compensate the property owner for the diminution in fair market value of the premises resulting directly from the installation of the nonexclusive cable communications system; and

(2) reimburse the property owner in an amount not to exceed \$100 for premises containing less than ten dwelling units, and \$200 for other premises, for actual costs incurred by the property owner with respect to the professional review of the plans and drawings regarding installation or modification of the cable communications system, associated contractual materials, and other documentation.

(b) With respect to paragraph (a), clause (1), any party appearing in a proceeding as provided under section 6 may introduce evidence of damages, if any, and special benefits, if any, to the property occurring by reason of the installation of the cable communications system.

Subd. 9. [NOT RETROACTIVE.] Nothing in sections 3 to 8 affects the validity of an agreement effective before the effective date of this act between a property owner, a cable communications company, or any other person providing cable communications services on or within the premises of the property owner.

Subd. 10. [CHANNEL CAPACITY.] (a) A property owner must provide access by a franchised cable communications company, as required under section 4, only if that cable company installs equipment with channel capacity sufficient to provide access to other providers of television programming or cable communications services so that residents or association members have a choice of alternative providers of those services. If the equipment is installed, the cable communications company shall allow alternative providers to use the equipment. If some of the residents or association members

choose to subscribe to the services of an alternative provider, the cable company that installed the equipment shall be reimbursed by the other providers for the cost of equipment and installation on the property on a pro rata basis which reflects the number of subscribers of each provider on that property to the total number of subscribers on that property. In determining the pro rata amount of reimbursement by any alternative provider, the cost of equipment and installation shall be reduced to the extent of cumulative depreciation of that equipment at the time the alternative provider begins providing service.

(b) If equipment is already installed as of the effective date of this section with channel capacity sufficient to allow access to alternative providers, the access and pro rata reimbursement provisions of paragraph (a) apply.

(c) The board shall promulgate rules by January 1, 1984 to implement the provisions of this subdivision.

(d) Paragraphs (a) and (b) come into effect after rules have been promulgated and adopted in accordance with paragraph (c).

Sec. 6. [238.25] [PROCEDURE.]

Subdivision 1. [APPLICABLE PROVISIONS.] The procedure for acquiring access under sections 3 to 8 must be as provided under this section, notwithstanding any provisions of chapter 117.

Subd. 2. [NOTICE AND OFFER; MANNER OF SERVICE.] (a) To obtain access to property under sections 3 to 8, a cable communications company shall serve written notice on all property owners. The notice shall contain the following:

- (1) the name and address of the cable communications company;*
- (2) the name of the property owners and address of the premises to which access is sought;*
- (3) the date of the franchise and city granting the franchise;*
- (4) the amount of compensation offered by the cable communications company to the property owner or owners; and*
- (5) the anticipated date on which access is to commence.*

(b) If a property owner does not accept the offer made by the cable communications company, the property owner shall, within 45 days of the service of the notice and offer, notify the cable communications company of the refusal. Failure to notify the cable communications company within 45 days as provided under this paragraph constitutes a refusal of the offer and a denial of access.

(c) The notice and offer must be served on the property owner or owners by certified mail or in the same manner as a summons in a civil action.

Subd. 3. [INITIATION.] (a) A cable communications company which has been denied access to a multiple-dwelling complex may initiate proceedings under this section to obtain access.

(b) The cable communications company shall pay all costs of the proceedings including compensation to the property owner.

Subd. 4. [PETITION FOR ACCESS.] (a) To obtain access to the property owner's premises, as required under section 4, the cable communications company shall file with the district court in the county in which the premises is located, a petition:

(1) stating that the cable communications company has served the property owners with the notice and offer required under subdivision 2 and that the offer has not been accepted;

(2) requesting a determination of the damages, if any, which may result from the access; and

(3) stating the legal description of the property owner's premises to which access is sought.

(b) Upon filing the petition with the district court, the cable communications company shall pay the property owner or deposit with the district court an amount equal to the company's offer of compensation as provided under subdivision 2, paragraph (a), clause (4).

(c) Upon filing of the petition with the district court, the cable communications company may file for record with the county recorder a notice of the pendency of the proceeding, describing with reasonable certainty the premises affected and the purposes of the petition.

Subd. 5. [SERVICE OF PETITION.] The petition must be served upon all persons named in the petition as property owners in the same manner as a summons in a civil action; except that, service may be made upon a property owner by three weeks published notice if the cable communications company, its agent or attorney, files an affidavit stating on belief that the property owner is not a resident of the state and that the company has mailed a copy of the notice to the property owner at the property owner's place of residence, or that after diligent inquiry the property owner's place of residence cannot be ascertained by the company. If the state is a property owner, the notice must be served upon the attorney general. Any property owner not served as provided under this paragraph is not bound by the proceeding unless the property owner voluntarily appears therein.

Subd. 6. [ORDER GRANTING ACCESS.] Upon the filing of the petition and proof of service as provided under this section, and prior to making a determination of damages under this section, the court shall enter an order granting access 30 days after the filing of the petition.

Subd. 7. [ENTRY FOR SURVEYS AND ACCESS.] For the purpose of making surveys and examinations to accomplish all necessary preliminary purposes or for other purposes relative to any proceedings under this section, the cable communications company may lawfully enter a property owner's premises, doing no unnecessary damage and being liable only for actual damage done.

Subd. 8. [JUDGMENT; DISMISSAL OF ACTION.] (a) The court shall enter judgment no sooner than ten days after it has filed its determination of damages. (b) The cable communications company may at any time up to ten days after the filing of the court's determination of the damages dismiss any proceeding under this section against any property owner's premises by notifying the property owner and the court. When the proceeding is dismissed,

the property owner may recover from the cable communications company reasonable costs and expenses and temporary damages, if any.

Subd. 9. [APPEAL.] Either party to the district court proceeding may appeal the court's determination within 90 days after the filing of that determination.

Subd. 10. [FINAL CERTIFICATE.] Upon completion of the proceedings, the attorney for the cable communications company shall make a certificate describing the access acquired and the purpose or purposes for which acquired, and reciting the fact of final payment of all awards or judgments in relation thereto. The certificate must be filed with the clerk of court and a certified copy thereof filed for record with the county recorder. The record is notice to all parties of the access to the premises described in the petition.

Subd. 11. [NO RELOCATION BENEFITS.] Neither sections 117.50 to 117.56 nor the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 may be construed as applying to any persons affected by these proceedings.

Sec. 7. [238.26] [SUBSEQUENT TAKING.]

In the event the premises upon which cable communications equipment has been installed is subsequently condemned by the state or by another entity empowered under state law to condemn by exercise of the power of eminent domain, the cable communications company's measure of damages for the taking shall be limited to the actual compensation originally paid by the cable communications company to the property owner under sections 3 to 8.

Sec. 8. [238.27] [INTERFERENCE WITH FACILITIES.]

No person may interfere with the installation, operation, inspection, maintenance, or removal of cable communications facilities or activities of a cable communications company under sections 3 to 8 of this act.

Sec. 9. [238.35] [USE OF EXISTING EASEMENTS; RESTRICTIONS.]

Subdivision 1. [LEGISLATIVE FINDINGS.] There is a long-standing legislative policy in the state of Minnesota to provide for the dedication or other provision of easements required by public utilities and cable communications companies. Except for applicable governmental regulations, these easements do not include any limitation on the type, number, or size of cables or related cable communication system components. There is a public understanding and acceptance of the need of public utilities and cable communications companies to have the ability to use existing utility easements in order to provide new and improved cable communications services made possible by technological developments and to make changes to the cables or related cable communication systems components. Changing technology has caused and will continue to cause over time the development of new cable communications services requiring changing uses of existing utility easements. Cable communications companies have a need to use existing utility easements in order to deliver their services to the public. The addition of cable communications system components does not constitute an unanticipated or added burden on the real estate subject to the easements.

Subd. 2. [UTILITY EASEMENT DEFINED.] For purposes of this section, the term "utility easement" includes all utility easements or general purpose

easements dedicated on a recorded plat to the public or to the state or to any political subdivision thereof; all deeded easements to the public or to the state or to any political subdivision thereof which are for general or utility purposes; all easements acquired by condemnation or prescription by the state or any political subdivision thereof which are for general or utility purposes; and all easements in favor of any public service corporation for telephone or electric transmission purposes.

Subd. 3. [AUTHORIZATION TO USE EXISTING UTILITY EASEMENTS.] The state or any county, city, township, agency, or political subdivision thereof, or any individual, partnership, venture, or corporation which is licensed, franchised, or authorized thereby to establish and operate a cable communications company may utilize any existing utility easement in accordance with the provisions of this section to install, maintain, and remove cable communications system components without the payment of additional compensation to the owners or occupants of the real estate subject to the easement, other than the owner of the utility easement or its successors or assigns.

Subd. 4. [RESTRICTIONS ON USE.] (a) As a condition of using any utility easement, a cable communications company shall be subject to any burdens, duties, or obligations specified in the easement of the grantee of the easement.

(b) A cable communications company shall restore the real estate, and any landscaping or improvements thereon, to the condition they were in prior to entry within 30 days of completing the installation of the cables and related cable communications system components upon that real estate and to make changes to the cables or related cable communication systems components. Changing technology has caused and will continue to cause over time the development of new cable communications services requiring changing uses of existing utility easements. Restoration which cannot be completed during the winter months must be accomplished as promptly as weather conditions permit.

Sec. 10. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Joel Jacobs, Lona Minne, Richard E. Wigley

Senate Conferees: (Signed) Don Frank, Gary W. Laidig, Donna C. Peterson

Mr. Frank moved that the foregoing recommendations and Conference Committee Report on H.F. No. 722 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 722 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 42 and nays 19, as follows:

Those who voted in the affirmative were:

Adkins	Frederick	Laidig	Novak	Samuelson
Belanger	Frederickson	Langseth	Pehler	Schmitz
Berglin	Freeman	Lantry	Peterson, C. C.	Solon
Bernhagen	Hughes	Lessard	Peterson, D. C.	Spear
Dahl	Johnson, D.E.	Luther	Peterson, R.W.	Vega
Davis	Johnson, D.J.	McQuaid	Petty	Willet
Dicklich	Jude	Merriam	Pogemiller	
Dieterich	Knutson	Moe, R. D.	Purfeerst	
Frank	Kroening	Nelson	Renneke	

Those who voted in the negative were:

Anderson	Diessner	Kronebusch	Ramstad	Taylor
Benson	Isackson	Moe, D. M.	Sieloff	Ulland
Bertram	Kamrath	Olson	Storm	Wegscheid
DeCramer	Knaak	Peterson, D.L.	Stumpf	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 549, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 549 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 23, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 549

A bill for an act relating to education; establishing a lending program to fund school energy conservation investments; authorizing the issuance of state bonds pursuant to article XI of the Minnesota Constitution; appropriating money; amending Minnesota Statutes 1982, section 275.125, subdivisions 11a, 11b, and by adding a subdivision; and proposing new law coded in Minnesota Statutes, chapter 116J.

May 23, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 549, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 549 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [116J.37] [ENERGY CONSERVATION INVESTMENT LOANS.]

Subdivision 1. [DEFINITIONS.] In this section:

(a) “Commissioner” means the commissioner of energy, planning and development. Upon passage of legislation creating a body known as the Minnesota energy authority, the duties assigned to the commissioner in this section are delegated to the authority.

(b) “Maxi-audit” has the meaning given in section 116J.06, subdivision 12.

(c) “Energy conservation investments” mean all capital expenditures that are associated with conservation measures identified in a maxi-audit and that have a ten-year or less pay back period.

Subd. 2. [ELIGIBILITY.] The commissioner shall approve loans to school districts for energy conservation investments. A loan may be made to a school district that has demonstrated that it has complied with all the appropriate provisions of this section and has made adequate provisions to assure proper and efficient operation of the school facilities after improvements and modifications are completed.

Subd. 3. [APPLICATION.] Application for a loan to be made pursuant to this section shall be made by a school district to the commissioner on a form the commissioner prescribes by rule. The commissioner shall review each application to determine:

- (a) whether or not the district’s proposal is complete;
- (b) whether the project is eligible for a loan;
- (c) the amount of the loan for which the project is eligible; and
- (d) the means by which the district proposes to finance the project including:
 - (1) a loan authorized by this section;
 - (2) a grant of money appropriated by state law;
 - (3) a grant to the district by an agency of the federal government within the amount of money then appropriated to that agency; or
 - (4) the appropriation of other money of the district to an account for the construction of the project.

Subd. 4. [LOANS.] The commissioner shall approve loans to school districts on the following conditions:

(a) A district must demonstrate that all audit activities for a given building or project have been completed, that the project is economically feasible, and that it has made adequate provisions to assure proper and efficient operation of the facility once the project is completed.

(b) A loan made pursuant to this section is repayable over a period of not more than ten years from the date the loan is made. Interest shall accrue from the date the loan is made, but the first payment of interest or principal shall not be due until one year after the loan was made. The principal shall be

amortized in equal periodic payments over the remainder of the term of the loan. The accrued interest on the balance of the loan principal shall be due with each payment. Interest attributable to the first year of deferred payment shall be paid in the same manner as principal.

Subd. 5. [PAYMENT; OBLIGATION.] The commissioner shall not approve payment to a school district pursuant to an approved loan until he or she has determined that financing of the project is assured by an irrevocable undertaking, by resolution of the school board, to annually levy or otherwise collect an amount of money sufficient to pay the principal and interest due on the loan as well as any of the commissioner of finance's administrative expenses according to the terms of the loan.

Subd. 6. [RECEIPTS; APPROPRIATION.] The commissioner of finance shall deposit in the state treasury all principal and interest payments received in repayment of the loans authorized by this section. These payments shall be credited to the state building fund and are appropriated to the commissioner of finance for the purposes of that account.

Subd. 7. [RULES.] The commissioner shall adopt rules necessary to implement this section. The commissioner shall adopt temporary rules pursuant to sections 14.29 to 14.36, meeting the requirements of this section. The rules shall contain as a minimum:

- (a) procedures for application by districts;*
- (b) criteria for reviewing loan applications; and*
- (c) procedures and guidelines for program monitoring, closeout, and evaluation.*

Sec. 2. Minnesota Statutes 1982, section 275.125, subdivision 11a, is amended to read:

Subd. 11a. [CAPITAL EXPENDITURE LEVY.] (a) Each year a school district may levy an amount not to exceed the amount equal to \$90 per pupil unit, or \$95 per pupil unit in districts where the actual number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), has increased from the prior year. No levy under this clause shall exceed seven mills times the adjusted assessed valuation of the taxable property in the district for the preceding year.

(b) The proceeds of the tax may be used to acquire land, to equip and re-equip buildings and permanent attached fixtures, to rent or lease buildings for school purposes, to pay leasing fees for computer systems hardware and related proprietary software, and to pay leasing fees for photocopy machines and telecommunications equipment. The proceeds of the tax may also be used for capital improvement and repair of school sites, buildings and permanent attached fixtures, energy assessments as required pursuant to section 116J.24, and for the payment of any special assessments levied against the property of the district authorized pursuant to section 435.19 or any other law or charter provision authorizing assessments against publicly owned property; provided that a district may not levy amounts to pay assessments for service charges, such as those described in section 429.101, whether levied pursuant to that section or pursuant to any other law or home rule provision. The proceeds of the tax may also be used for capital expen-

ditures to reduce or eliminate barriers to or increase access to school facilities by handicapped individuals. The proceeds of the tax may also be used to make capital improvements to schoolhouses to be leased pursuant to section 123.36, subdivision 10. The proceeds of the tax may also be used to pay fees for capital outlay expenditures assessed and certified to each participating school district by the educational cooperative service unit board of directors. *The proceeds of the tax may also be used to pay principal and interest on loans from the state authorized by section 1.*

(c) Subject to the commissioner's approval, the tax proceeds may also be used to acquire or construct buildings. The state board shall promulgate rules establishing the criteria to be used by the commissioner in approving and disapproving district applications requesting the use of capital expenditure tax proceeds for the acquisition or construction of buildings. The approval criteria for purposes of building acquisition and construction shall include: the appropriateness of the proposal for the district's long term needs; the availability of adequate existing facilities; and the economic feasibility of bonding because of the proposed building's size or cost.

(d) The board shall establish a fund in which the proceeds of this tax shall be accumulated until expended.

(e) The proceeds of the tax shall not be used for custodial or other maintenance services.

(f) Each year, subject to the seven mill limitation of clause (a) of this subdivision, a school district which operates an approved secondary vocational education program or an approved senior secondary industrial arts program may levy an additional amount equal to \$5 per pupil unit for capital expenditures for equipment for these programs.

(g) For purposes of computing allowable levies under this subdivision and subdivision 11b, pupil units shall include those units identified in section 124.17, subdivision 1, clauses (1) and (2), and 98.5 percent of the units identified in Minnesota Statutes 1980, Section 124.17, Subdivision 1, Clauses (4) and (5) for 1980-1981.

Sec. 3. Minnesota Statutes 1982, section 275.125, subdivision 11b, is amended to read:

Subd. 11b. [SPECIAL PURPOSE CAPITAL EXPENDITURE LEVY.] In 1981 and each year thereafter, in addition to the levy authorized in subdivision 11a, a school district may levy an amount not to exceed the amount equal to \$25 per pupil unit. No levy under this clause shall exceed two mills times the adjusted assessed valuation of the property in the district for the preceding year. The proceeds of the tax shall be placed in the district's capital expenditure fund and may be used only for the following:

(a) for energy audits on district owned buildings ~~conducted pursuant to chapter 116H~~, and for funding those energy conservation and renewable energy measures which the energy audits indicate will reduce the use of nonrenewable sources of energy to the extent that the projected energy cost savings will amortize the cost of the conservation measures within a period of ten years or less;

(b) for capital expenditures for the purpose of reducing or eliminating

barriers to or increasing access to school facilities by handicapped persons;

(c) for capital expenditures to bring district facilities into compliance with the uniform fire code adopted pursuant to chapter 299F; and

(d) to pay principal and interest on loans from the state authorized by section 1.

Sec. 4. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 12a. [ENERGY CONSERVATION LEVY.] The school district may levy, without the approval of a majority of the voters in the district, an amount equal to the actual costs of the energy conservation investments for the purposes of repaying the principal and interest of the law made pursuant to section 1.

Sec. 5. [APPROPRIATIONS.]

Subdivision 1. The sum of \$30,000,000 is appropriated from the state building fund to the commissioner of finance for the purpose of making loans to school districts for energy conservation investments pursuant to section 1. Any expense incidental to the sale, printing, execution, and delivery of the bonds, including the costs of the commissioner of finance, shall be paid from the proceeds of the bond sales authorized in section 6 and the amounts necessary for these expenses are hereby appropriated. To reduce the amount of taxes otherwise required to be levied, there is also appropriated from the general fund, on November 1 in each year, a sum of money sufficient in amount, when added to other funds appropriated for the bonds, to pay all bonds and interest on them due and to become due to and including July 1 in the second ensuing year.

Subd. 2. None of the appropriations made in this section shall lapse until the purpose for which it is made has been accomplished or abandoned. The amount of each loan approved for disbursement shall be and remain appropriated for that purpose until the loan is fully disbursed or part or all of it is revoked by the energy division.

Subd. 3. [ADMINISTRATION COSTS.] The sum of \$259,300 in fiscal year 1984 and \$320,000 in fiscal year 1985 is appropriated from the general fund to the commissioner of energy, planning and development to administer section 1. The complement of the department of energy, planning and development is increased by 11 positions. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 4. [AUDIT EXPENSES.] The sum of \$200,000 in fiscal year 1984 and \$300,000 in fiscal year 1985 is appropriated to the commissioner of energy, planning and development for the purpose of providing cost-share audit revision services for previously audited buildings in an amount not to exceed \$2,000 per building and to provide cost-share audit services for nonaudited buildings in an amount not to exceed \$5,000 per building to eligible institutions applying for loans authorized in section 1. The commissioner of energy, planning and development shall contract for provision of audit services, and determine the amount, if any, of audit revision and audit services for which the institution is eligible. Any unencumbered balance remaining in the first year shall not cancel but is available in the second year.

Sec. 6. [BOND SALE.]

To provide the money appropriated from the state building fund by section 5, subdivision 1, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$30,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.63 to 16A.66, and by the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 7. [EFFECTIVE DATE.]

This act is effective the day following final enactment.

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Todd Otis, Ken Nelson, Sally Olsen

Senate Conferees: (Signed) Tom A. Nelson, John Bernhagen, Conrad M. Vega

Mr. Nelson moved that the foregoing recommendations and Conference Committee Report on H.F. No. 549 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 549 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Novak	Solon
Anderson	Diessner	Knutson	Pehler	Spear
Belanger	Dieterich	Kroening	Peterson,C.C.	Stumpf
Benson	Frank	Kronebusch	Peterson,D.C.	Taylor
Berg	Frederick	Laidig	Peterson,D.L.	Ulland
Berglin	Frederickson	Langseth	Peterson,R.W.	Vega
Bernhagen	Freeman	Lantry	Petty	Waldorf
Bertram	Hughes	Lessard	Ramstad	Wegscheid
Brataas	Isackson	Luther	Reichgott	Willet
Chmielewski	Johnson, D.E.	McQuaid	Renneke	
Dahl	Johnson, D.J.	Merriam	Samuelson	
Davis	Jude	Moe, R. D.	Schmitz	
DeCramer	Kamrath	Nelson	Sieloff	

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

SPECIAL ORDER

H.F. No. 1124: A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, omitted, and obsolete references and text; eliminating certain redundant, conflicting, and superseded provisions; providing instructions to the revisor; amending Minnesota Statutes 1982, sections 10A.275; 10A.31, subdivision 2; 10A.32, subdivision 3b; 10A.335; 11A.24, subdivision 6; 15.06, subdivision 1; 16.861, subdivision 3; 17A.06, subdivision 3; 32.212; 32.213; 35.251; 43A.18, subdivision 5; 45.16, subdivision 2; 48.605, subdivision 1; 60A.07, subdivision 8;

60A.17, subdivision 7a; 93.20, subdivision 9; 98.46, subdivision 16; 100.27, subdivision 9; 112.85, subdivision 2; 116D.05; 116G.03, subdivision 5; 116J.70, subdivision 2a; 120.80, subdivision 1; 120.81, subdivision 1; 121.904, subdivision 11b; 168.021, subdivision 2; 169.451; 169.974, subdivision 2; 169.974, subdivision 6; 169.99, subdivision 1; 171.131, subdivision 2; 179.70, subdivision 1; 238.04, subdivision 2; 244.09, subdivision 1; 252A.13, subdivision 2; 253B.19, subdivision 5; 256.871, subdivision 7; 256.976, subdivision 4; 260.185, subdivision 1; 260.193, subdivision 6; 268.18, subdivision 2; 273.13, subdivisions 6 and 7d; 275.125, subdivision 1; 282.38, subdivisions 1 and 2; 290.012, subdivision 2; 297.02, subdivision 5; 298.28, subdivision 1; 326.241, subdivision 1; 327B.01, subdivisions 11 and 14; 327B.04, subdivision 4; 327B.05, subdivision 1; 327B.09, subdivision 1; 340.069; 354.532, subdivision 4; 363.03, subdivision 10; 367.41, subdivisions 1 and 5; 367.42, subdivision 1; 375B.01; 381.12, subdivision 2; 383A.35; 398A.01, subdivision 8; 462.355, subdivision 4; 462.36, subdivision 1; 462.445, subdivision 14; 462C.04, subdivision 2; 474.03; 508A.46; 515A.1-102; 518.24; and 525.619; amending Laws 1982, chapter 581, section 18, subdivision 4; and Laws 1982, Third Special Session chapter 1, article II, section 7; repealing Minnesota Statutes 1982, section 609.01, subdivision 2; repealing Laws 1976, chapters 2, section 62; and 173, section 53; Laws 1981, chapter 224, section 18; Laws 1982, chapters 416, section 1; 424, sections 3 and 8; and 642, section 8.

Mr. Jude moved to amend H.F. No. 1124 as follows:

Page 2, delete line 1

Page 2, after line 44, insert:

“ARTICLE I
REVISOR’S BILL”

Page 62, after line 3, insert:

“ARTICLE II

Section 1. [EFFECT OF AMENDMENTS AND REPEALS.]

Subdivision 1. [CONFLICTS; PREVAILING LAW.] *Regardless of the order of final enactment of this article and the acts it amends, the amendments or repeals in this article shall be given effect. Notwithstanding Minnesota Statutes, sections 645.26, subdivision 3, 645.33, or other law, an amendment in this act shall prevail over any other act amending the same provisions of law in an irreconcilable manner.*

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective the day following its final enactment.*

Sec. 2. [CORRECTION.] Subdivision 1. [MISNAMING.] Minnesota Statutes 1982, section 116J.89, subdivision 1b, if added by H.F. No. 300 at the 1983 regular session, is amended to read:

Subd. 1b. [PREFERENCES.] (a) The following eligible small businesses have preference among business applicants:

(1) businesses located in areas of the state that are experiencing the most severe unemployment rates in the state;

(2) eligible small businesses that are likely to expand and provide additional permanent employment;

(3) businesses located in border communities that experience a competitive disadvantage due to location;

(4) businesses that have been unable to obtain traditional financial assistance due to a disadvantageous location, minority ownership, or other factors rather than due to the business having been considered a poor financial risk;

(5) businesses that utilize state resources, thereby reducing state dependence on outside resources, and that produce products or services consistent with the long-term social and economic needs of the state;

(6) businesses located in designated enterprise zones, as described in section 273.1312, subdivision 4; and

(7) business located in federally-designated economically distressed areas.

(b) Except in the issuance of ~~agency~~ *agency authority* bonds or notes, the ~~agency~~ *agency authority* may not invest the fund in a program that does not have financial participation from the private sector, as determined by the authority.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective July 1, 1983.*

Sec. 3. [CORRECTION.] Subdivision 1. [CLARIFICATION.] Minnesota Statutes 1982, section 124.2137, subdivision 1, if amended at the 1983 regular session by a law styled as H.F. No. 1259, article 2, section 1, is amended to read:

Subdivision 1. [TAX REDUCTIONS.] The county auditor shall reduce the tax for school purposes on all property receiving the homestead credit pursuant to section 273.13, subdivision 6, by an amount equal to 29 percent of the tax levy imposed on up to 320 acres of land including the buildings and structures thereon but excluding the homestead dwelling and surrounding one acre of land. The county auditor shall reduce the tax for school purposes on the next 320 acres classified pursuant to section 273.13, subdivision 6 by an amount equal to 13 percent of the tax levy imposed on the property. The tax on all other agricultural lands classified pursuant to section 273.13, subdivision 6 shall be reduced by an amount equal to ten percent of the tax levy imposed on the property. The tax on the first 320 acres of agricultural land classified pursuant to section 273.13, subdivision 4 and all real estate devoted to temporary and seasonal residential occupancy for recreational purposes, but not devoted to commercial purposes, shall be reduced by an amount equal to 13 percent of the tax imposed on the property. The tax on timber land classified pursuant to section 273.13, subdivision 8a and agricultural land in excess of 320 acres classified pursuant to section 273.13, subdivision 4 shall be reduced by an amount equal to ten percent of the tax levy imposed on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions of section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner of revenue shall review the certifications to determine their accuracy. He may make changes in the certification as he may deem necessary or return a certification to the county auditor for corrections. The amount of the reduction provided under this subdivision which any taxpayer can receive on all qualifying property which

he owns shall not exceed \$2,000 in the case of agricultural property and shall not exceed \$100 in the case of seasonal residential recreational property. In the case of property owned by more than one person, the maximum amount of the reduction shall apply to the total of all the owners. *For purposes of computing the credit pursuant to this subdivision, the "tax levy" shall be the tax levy reduced by the credits provided by sections 273.115, 273.116, 273.123, 273.42, subdivision 2, and 473H.10.*

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective the day following its final enactment.*

Sec. 4. [CORRECTION.] Subdivision 1. [PUNCTUATION ERROR.] Minnesota Statutes 1982, section 179.63, subdivision 7, if amended by a law styled as H.F. No. 537, at the 1983 regular session, is amended to read:

Subd. 7. "Public employee" or "employee" means any person appointed or employed by a public employer except:

- (a) elected public officials;
- (b) election officers;
- (c) commissioned or enlisted personnel of the Minnesota national guard;
- (d) emergency employees who are employed for emergency work caused by natural disaster;
- (e) part time employees whose service does not exceed the lesser of 14 hours per week or 35 percent of the normal work week in the employee's bargaining unit;
- (f) employees who hold positions of a basically temporary or seasonal character for a period not in excess of 100 working days in any calendar year;

The exclusions of clauses (e) and (f) shall not apply to:

(1) an employee hired by a school district, the community college board, or the state university board, except at the university established in section 136.017; or for community services or community education instruction offered on a noncredit basis, to replace an absent teacher or faculty member who at the time of his absence is a "public employee" not within the other exclusions of this subdivision where the replacement employee is employed more than 30 working days as a replacement for that teacher or faculty member; and

(2) an employee hired by a school district, the community college board, or the state university board, except at the university established in section 136.017; or for community services or community education instruction offered on a noncredit basis, for a teaching position created by increased enrollment, curriculum expansion, courses which are a part of the curriculum whether offered annually or not, or other appropriate reasons.

The provisions of paragraphs (1) and (2) above do not apply to an individual hired to teach one course for up to four credits for one quarter in a year.

Community college and state university faculty members included pursuant to clauses (1) and (2) shall be included under master contracts com-

mencing on or after July 1, 1983;

(g) employees providing services for not more than two consecutive quarters to the state university board or the community college board under the terms of a professional or technical services contract as defined in section 16.098;

(h) graduate assistants employed by the school in which they are enrolled in a graduate degree program;

(i) employees of charitable hospitals as defined by section 179.35, subdivision 3;

(j) full time undergraduate students employed by the school which they attend under a work study program or in connection with the receipt of any financial aid, irrespective of number of hours of service per week;

(k) an individual who renders part time teaching service for less than 300 hours in a fiscal year as an instructor in an adult vocational education program.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective July 1, 1983.*

Sec. 5. [CORRECTION.] Subdivision 1. [COUNCIL FOR HANDICAPPED; INACCURATE REPEALER.] Minnesota Statutes 1982, section 256.482, subdivision 1, if amended by S.F. No. 616, at the 1983 regular session, is amended to read:

256.482 [COUNCIL FOR THE HANDICAPPED.]

Subdivision 1. [ESTABLISHMENT; MEMBERS.] There is hereby established the council for the handicapped which shall consist of 21 members appointed by the governor. Members shall be appointed from the general public and from organizations which provide services for handicapped persons. A majority of council members shall be handicapped persons or parents or guardians of handicapped persons. There shall be at least one member of the council appointed from each of the state development regions. The commissioners of the departments of education, public welfare, health, economic security, and human rights and the directors of the division of vocational rehabilitation and state services for the blind or their designees shall serve as ex officio members of the council without vote. In addition, there may be ex officio members from other bureaus, divisions, or sections of state departments which are directly concerned with the provision of services to handicapped persons.

The terms of members serving as of December 31, 1983, shall expire on that date. Thereafter, notwithstanding the provisions of section 15.059, each member of the council appointed by the governor shall serve a three-year term and until his or her successor is appointed and qualified, provided that of the members initially appointed to serve starting in 1984, one-third shall be appointed for one year, one-third for two years, and one-third for three years as designated by the governor. The compensation and removal of all members shall be as provided in section 15.059. The governor shall appoint a chair of the council from among the members appointed from the general public or handicapped persons or their parents or guardians. Vacancies shall be filled by the appointing authority for the remainder of the unexpired term. The council shall not expire ~~and~~ *as provided in section*

15.059.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective the day following final enactment of S.F. No. 616.*

Sec. 6. [CORRECTION.] Subdivision 1. [OMITTED FIGURE.] Minnesota Statutes 1982, section 290.06, subdivision 2dd, added by H.F. No. 1259, if enacted by the 1983 regular session, is amended to read:

Subd. 2dd. [SUSPENSION OF INFLATION ADJUSTMENTS.] (a) The taxable net income brackets, the personal credit amounts established pursuant to subdivision 3f and 3g, and the maximum standard deduction provided under section 16, subdivision 3, shall not be adjusted for inflation pursuant to subdivision 2d, for taxable years beginning during a calendar year if the following conditions occur:

(1) The legislature and the governor have enacted a budget providing for an appropriation to the budget reserve account of at least \$250,000,000 for the biennium during which the calendar year began or, in the second half of an odd-numbered year, for the biennium which began during the calendar year; and

(2) The commissioner of finance estimated at the time the budget is enacted that the state would receive sufficient general fund receipts during the biennium to fund the full appropriation to the budget reserve account; and

(3) On or before September 15 of the calendar year it is estimated by the commissioner of finance that the probable general fund receipts from taxes and other sources will be less than estimated and consequently the amount available for the remainder of the biennium after transferring any available funds in the budget reserve account will be less than the amount estimated or allotted to be expended or incurred from the general fund; and

(4) The additional receipts resulting from the suspension of the inflation adjustments, together with all other general fund revenues, are not estimated to exceed the sum of the amounts necessary to fund in full all appropriations, including the appropriation to the budget reserve account, in which case the commissioner of revenue shall provide for partial inflation adjustments sufficient to fund in full the appropriations.

(b) The suspension of inflation adjustments shall apply only during the biennium in which the conditions specified in paragraph (a) have been satisfied.

(c) For taxable years beginning during a calendar year in which the inflation adjustments of the brackets, credits, and maximum standard deduction are not made pursuant to this subdivision, the taxable net income adjustment factor, as defined in section 290.18, subdivision 4, shall be the adjustment factor applicable to taxable years beginning during the preceding calendar year. For taxable years beginning during a calendar year in which the inflation adjustments are suspended for one-half of the taxable year as a result of paragraph (b), the taxable net income adjustment factor shall be determined by multiplying the factor for the previous year by an amount equal to the current year factor *minus one*, divided by two, plus one.

(d) For taxable years beginning during a calendar year in which the inflation adjustments are suspended pursuant to this subdivision and for which

paragraph (b) will result in the inflation adjustments being suspended for only one-half of the taxable year, the commissioner of revenue shall adjust the withholding tables, notwithstanding section 290.92, subdivision 2a, so that the additional tax imposed is withheld and remitted by employers during the first six months of the taxable year as if the suspension were in effect for the entire year.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective the day following its final enactment.*

Sec. 7. [CORRECTION; UNINTENDED RESULT.] Subdivision 1. [PLAIN LANGUAGE AMENDMENT.] Minnesota Statutes 1982, section 325G.30, subdivision 3, if amended by H.F. No. 558, section 4, at the 1983 regular session, is amended to read:

Subd. 3. [CONSUMER CONTRACT.] "Consumer contract" means any written contract with a consumer except: (1) a contract where the price, excluding interest or finance charges, is more than \$50,000; (2) a contract ~~mortgaging~~ *through which a consumer mortgages an interest in realty or obtains money or credit to be used to purchase or refinance an interest in realty*; (3) a contract in which the sale of personal property is merely incidental to the sale of an interest in realty.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective the day following final enactment of H.F. No. 558.*

Sec. 8. [CORRECTION.] Subdivision 1. [TYPOGRAPHICAL ERROR.] Minnesota Statutes 1982, section 586.11, if H.F. No. 330, section 196, is enacted at the 1983 regular session, is amended to read:

586.11 [JURISDICTION OF DISTRICT AND APPELLATE COURTS.]

The district court has exclusive original jurisdiction in all cases of mandamus, except where the writ is to be directed to a district court or a judge thereof in his official capacity, in which case the court of appeals has exclusive original jurisdiction, or except where the writ is to be directed to the court of appeals or a judge thereof in his official capacity. If the writ is to be directed to the court of appeals or a judge thereof in his official capacity, the supreme court ~~of~~ *or* a judge thereof has original jurisdiction. The rules of civil appellate procedure shall apply in all proceedings on the writ.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective August 1, 1983.*

Sec. 9. [CORRECTION.] Subdivision 1. [INCORRECT SECTION REFERENCE.] Laws 1983, chapter 13, section 4, is amended to read:

Sec. 4. [357.2411] [PARENTS OF JUVENILES.]

In any proceeding where a parent or guardian attends the proceeding with a minor witness and the parent or guardian is not himself a witness, one parent or guardian shall be compensated in those cases where witness compensation is mandatory under sections 357.22, ~~257.24~~ 357.24, or section 3, and may be compensated at the discretion of the judge when the minor is a witness on behalf of a defendant in a criminal case or on behalf of a juvenile in a juvenile court proceeding. The court shall award no more than a combined total of \$40 to the parent or guardian and the minor witness.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective August 1, 1983.*

Sec. 10. [CORRECTION.] Subdivision 1. [INCORRECT TERMINOLOGY.] Laws 1983, chapter 25, section 3, is amended to read:

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective August 1, 1983, and apply to adult reference motions filed on or after that date. Orders for reference issued prior to the effective date shall be considered in the enforcement of this act.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective August 1, 1983.*

Sec. 11. [CORRECTION.] Subdivision 1. [INCORRECT REFERENCE.] Laws 1983, chapter 62, section 12, is amended to read:

Sec. 12. [REPEALER.]

Minnesota Statutes 1982, sections 205.03; 205.04; 205.11; 205.14; 205.15; 205.19; and ~~205.21~~ 205.021 are repealed.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective August 1, 1983.*

Sec. 12. [CORRECTION.] Subdivision 1. [COURT COMMISSIONER MARRIAGES; OMITTED EFFECTIVE DATE.] Laws 1983, chapter 136, is amended by adding a section to read:

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective retroactively to May 13, 1983.*

Sec. 13. [CORRECTION.] Subdivision 1. [UNINTENDED RESULT.] Laws 1983, chapter 149, section 2, subdivision 4, is amended to read:

Subd. 4. [REINVESTMENT.] If, for ~~30~~ 60 days after the first day of May following the service or publication of the board's resolution, the owner or person with a legal interest in the cemetery plot fails to state a valid interest in the use of the cemetery plot for burial purposes, the owner's rights are terminated and that portion of the cemetery once again belongs to the cemetery association.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective August 1, 1983.*

Sec. 14. [CORRECTION.] Subdivision 1. [REFERENCE TO NONEXISTENT PROVISION REMOVED ON FLOOR.] A law styled as S.F. No. 682, section 2, subdivision 1, if enacted at the 1983 regular session, is amended to read:

Subdivision 1. [SCOPE.] Sections 1 to 10 shall only apply to veterinarians, animal boarding facilities, and commercial animal facilities, ~~excepting section 4, subdivision 9.~~ As used in sections 1 to 10 the terms defined in this section have the meanings given them.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective August 1, 1983.*

Sec. 15. [CORRECTION.] Subdivision 1. [INADVERTENT FAILURE TO DELETE.] A law styled as S.F. No. 695, section 17, subdivision 5, if enacted at the 1983 regular session, is amended to read:

Subd. 5. The commission shall make use of existing legislative facilities

and staff of the house and senate research department and senate counsel, but it may also request the legislative coordinating commission to supply it with additional necessary staff, office space, and administrative services. All additional personnel shall be hired and supervised by the directors of the house and senate research departments and senate counsel. The commission shall have full authority to contract for expert services and opinions relevant to the purposes of this section. ~~The commission, by a two-thirds vote of its members, may request the issuance of subpoenas, including subpoenas duces tecum, requiring the appearance of persons, production of relevant records, and giving of relevant testimony.~~

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective the day following final enactment of S.F. No. 695.*

Sec. 16. [CORRECTION.] Subdivision 1. [NUMERICAL ERROR.] A law styled as S.F. No. 1233, section 2, subdivision 1, if enacted at the 1983 regular session, is amended to read:

Subdivision 1. Total Department Appropriation	\$798,913,700	\$804,853,200
Approved Complement - 4425		
General - 46 45		
State Airports - 37		
Trunk Highway - 4371 4342		
Federal - 1		

The appropriations in this section are from the trunk highway fund, except where another fund is designated.

Of this appropriation, \$24,862,800 the first year and \$23,933,800 the second year is from the general fund; \$9,311,900 the first year and \$10,310,400 the second year is from the state airports fund; \$51,500,000 the first year and \$54,100,000 the second year is from the municipal state aid street fund; \$154,900,000 the first year and \$163,400,000 the second year is from the county state aid highway fund; \$558,339,000 the first year and \$553,109,000 the second year is from the trunk highway fund.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective July 1, 1983.*

Sec. 17. [CORRECTION; HORSE RACING BILL.] Subdivision 1. [OMISSION.] A law styled as H.F. No. 77, section 9, subdivision 1, if enacted at the 1983 regular session, is amended to read:

Subdivision 1. [APPLICATION.] The commission may issue class D licenses to county agricultural societies or associations incorporated under chapter 38 or nonprofit corporations *organized under chapter 317* in existence *and operating fairs* on April 21, 1951 ~~and operating fairs~~, to conduct

and manage, on their own fairgrounds, horse racing on which pari-mutuel betting is conducted. An application for a class D license must be on a form the commission prescribes and must be accompanied by a certified copy of a resolution of the county board of the county where racing is to be conducted stating that it has reviewed the license application and does not object to it. An application for a class D license must be accompanied by detailed plans and specifications of the track, buildings, fences, and other improvements.

Subd. 2. [OMISSION.] A law styled as H.F. No. 77, section 25, subdivision 1, if enacted at the 1983 regular session, is amended to read:

Subdivision 1. [ILLEGAL BETS.] No person may place or accept a bet as defined in section 609.75 on *or off* the premises of a licensed racetrack other than a bet made within a licensed pari-mutuel system.

Subd. 3. [OMISSION.] Minnesota Statutes 1982, section 609.75, subdivision 3, if H.F. No. 77, section 35, is enacted at the 1983 regular session, is amended to read:

Subd. 3. [WHAT ARE NOT BETS.] The following are not bets:

(1) A contract to insure, indemnify, guarantee or otherwise compensate another for a harm or loss sustained, even though the loss depends upon chance.

(2) A contract for the purchase or sale at a future date of securities or other commodities.

(3) Offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength, endurance, or quality or to the bona fide owners of animals or other property entered in such a contest.

(4) The game of bingo when conducted in compliance with sections 349.11 to 349.23.

(5) A private social bet not part of or incidental to organized, commercialized, or systematic gambling.

(6) The operation of a gambling device or the conduct of a raffle as defined in section 349.26, by an organization licensed for such operation by a local unit of government pursuant to section 349.26.

(7) Pari-mutuel betting on horse racing when *the betting is* conducted under chapter 240.

Subd. 4. [EFFECTIVE DATE.] *Subdivisions 1 to 3 are effective the day following final enactment of H.F. No. 77 at the 1983 regular session.*

Sec. 18. [CORRECTION.] Subdivision 1. [SECTION AMENDED BUT REPEALED BY ANOTHER ACT.] *A law styled as H.F. No. 300, section 75, if enacted at the 1983 regular session, is repealed.*

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective July 1, 1983.*

Sec. 19. [CORRECTION.] Subdivision 1. [EFFECTIVE DATE OMISSION.] *A law styled as H.F. No. 1259, article 1, section 45, if enacted at the 1983 regular session, is amended to read:*

Sec. 45. [EFFECTIVE DATE.]

Sections 1 to 44 are effective for taxable years beginning after December 31, 1982, except as otherwise specifically provided by this section or section 2. For any carryback to a taxable year beginning before January 1, 1983, "\$15,000" shall be substituted for "\$30,000" each place it appears in the second paragraph of Minnesota Statutes, section 290.09, subdivision 29, clause (c), the modifications to the rate of phase-out of the deduction provided by section 22 do not apply to such carryback, and section 22 is effective for carryover amounts from taxable years beginning before January 1, 1983. The amendments striking Minnesota Statutes 1982, section 290.01, subdivision 20a, clause (22) and subdivision 20b, clause (23) are effective for taxable years beginning after December 31, 1983. The amendment to Minnesota Statutes 1982, section 290.01, subdivision 20a, striking clause (5) is effective for medical expenses deducted in taxable years after December 31, 1981. The amendments to Minnesota Statutes 1982, section 290.01, subdivision 20a, striking clause (6) is effective for federal income tax refunds received for taxable years beginning after December 31, 1980. The amendment to Minnesota Statutes 1982, section 290.01, subdivision 20a, striking clause (20) and subdivision 20b, striking clause (20) is effective for taxable years beginning after December 31, 1980. The carryover provisions of sections 290.06, subdivisions 9 and 9a continue to apply to credit amounts attributable to a taxable year beginning before January 1, 1983. Section 40 is effective for claims based on rent paid in 1983 and thereafter and for property taxes paid in 1984 and thereafter. *Sections 14, 24, and 32 are effective for taxable years beginning after June 30, 1981. The amendment to Minnesota Statutes 1982, section 290.01, subdivision 20a, striking clause (2) is effective for taxable years beginning after December 31, 1983. The casualty loss deduction contained in section 16 shall also apply to the taxpayer's last taxable year beginning before January 1, 1983, solely for purposes of determining the amount allowable as a deduction with respect to any loss allowed as a deduction for that year by reason of section 165(i) of the Internal Revenue Code of 1954, as amended through January 15, 1983.*

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective the day following its final enactment.*

Sec. 20. [CORRECTION.] Subdivision 1. [OMISSION.] H.F. No. 1283, section 2, subdivision 4, if enacted by the 1983 regular session, is amended to read:

Subd. 4. Vocational Technical Instruction

\$5,590,300 \$4,892,200

Of this appropriation \$1,999,100 in the first year and \$1,440,100 for the second year is for post-secondary vocational repair and betterment aid. The appropriation for post-secondary repair and betterment aid for 1984 includes \$191,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$1,808,100 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for post-secondary repair and betterment aid for 1985 includes \$319,000 for aid for fiscal year 1984 payable in fiscal year 1985, and \$1,121,100 for aid for fiscal year 1985 payable in fiscal year 1985.

\$525,000 the first year and \$500,000 the second year is for the Minnesota curriculum services center, the vocational student organization center, and vocational area agricultural coordinators. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. This appropriation shall be spent pursuant to agreements between the state board of education and the recipients. The agreements are not subject to the contract approval procedures of the commissioner of administration.

Until June 30, 1985, the Minnesota curriculum services center may charge fees to users of its services sufficient to cover the cost of duplication and distribution, plus 20 percent.

Until June 30, 1985, the Minnesota curriculum services center may sell to school districts and agencies in other states and to the general public its instructional material and media at commercial or market prices. The profit derived from the sale of materials and media will be used to offset the operating costs of the center. An accounting of costs, sales and receipts shall be provided to the commissioner of education on July 1, 1984 and July 1, 1985.

Funding for the Minnesota Curriculum Services Center during the biennium shall be allocated under the average cost funding methodology.

The state board for vocational education shall develop and implement a plan for the transfer of the area agricultural coordinator functions and positions into the area vocational-technical institute system effective July 1, 1984, for the biennium. During the biennium support for the positions shall be provided all or in part from the instructional funds under the average cost funding methodology.

\$300,000 in the first year and \$300,000 in the second year is for the acquisition of equipment for technology-related programs in the area vocational-technical institutes.

\$150,000 in the first year is appropriated for

the purpose of implementing sections 56, 57, 58, 59, 60, 61, 63, and 64.

Federal money received for state vocational education programs pursuant to the Vocational Education Act of 1963, Section 120, United States Code, title 20, section 2330 and required to be used for vocational education of the disadvantaged and handicapped shall be used during the biennium only for grants and not for state administrative costs. During the biennium the grant money may be used by a school district for its own administrative costs if otherwise permitted by federal law. The remainder of section 120 money not required to be used for eliminating sex bias, for displaced homemakers programs, and for matching requirements in vocational education shall be used during the biennium for grants for post-secondary vocational instructional aid allocations for support services.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective July 1, 1983.*

Sec. 21. [CORRECTION.] Subdivision 1. [MATH ERROR.] A law styled as H.F. No. 1290, section 1, if enacted at the 1983 regular session, is amended to read:

Section 1. [STATE DEPARTMENTS; APPROPRIATIONS.]

The sums set forth in the columns designated "APPROPRIATIONS" are appropriated from the general fund, or any other fund designated, to the agencies and for the purposes specified in the following sections of this act, to be available for the fiscal years indicated for each purpose. The figures "1983," "1984," and "1985," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1984, or June 30, 1985, respectively.

SUMMARY BY FUND

	1984	1985	TOTAL
General	\$446,377,500	\$472,622,200	\$918,999,700
	\$446,517,200	\$472,751,500	\$919,268,700
Special	10,828,900	13,489,000	24,317,900
State Airports	70,000	140,000	210,000
Game and Fish	31,069,800	31,530,300	62,600,100
Trunk Highway	9,460,300	19,260,700	28,721,000
Highway User	1,267,700	1,502,600	2,770,300
Special Comp.	1,678,900	1,697,000	3,375,900
TOTAL	\$500,753,100	\$540,241,800	\$1,040,994,900
	\$500,892,800	\$540,371,100	\$1,041,263,900

APPROPRIATIONS
Available for the Year
Ending June 30
1984 1985

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective July 1, 1983.*

Sec. 22. [CORRECTION.] Subdivision 1. [MATH ERROR.] A law styled as H.F. No. 1290, section 16, if enacted at the 1983 regular session, is amended to read:

Sec. 16. ADMINISTRATION

General Operations and Management	20,514,100	20,424,200
	20,679,100	20,669,200

	1984	1985
Approved Complement -	770	760
General -	369.7	359.7
Dedicated -	400.3	400.3

The amounts that may be expended from this appropriation for each program are as follows:

Management Services
 \$3,807,300 \$3,737,000

By January 1, 1984, the commissioner of administration shall complete a review of the records retention and disposition schedules for state agencies in the executive branch previously approved by the records disposition panel and recommend to the agency and to the panel shortening the retention period for records whose cost of retention for that period is, in her opinion, excessive in relation to the benefit from retention for that period.

Real Property Management
 \$8,956,300 \$9,087,600
 \$9,096,300 \$9,282,600

\$140,000 the first year and \$195,000 the second year is for operation and maintenance of the Minnesota education association building at 55 Sherburne avenue, if acquired by the state.

By January 1, 1984, the commissioner shall conduct a study of parking fees and parking policies in the Capitol Complex, the seven county metropolitan area, and outstate areas. The study shall include, but not be limited to, the review of free, subsidized, and full rate lots and whether rates charged should recover in total or in part the costs of improvements to the lots. The report shall be sent to the chairmen of the appropriations committee in the house and the finance committee in the senate.

The cost of energy audits performed on buildings housing activities of the department of

natural resources and the transportation department shall be reimbursed to the general fund from the game and fish fund and the trunk highway fund respectively.

The department of administration shall designate adequate space on second floor of the capitol building to be retained for food distribution services pursuant to section 248.07, subdivision 7.

Repair and Betterment

\$ ~~642,200~~ \$ 384,500

\$ 617,200

\$67,000 the first year shall be used to incorporate prairie landscaping in Cass Gilbert park and, if funds are available, install irrigation systems in the remainder of the park and other areas within the capitol complex.

\$58,000 each year is for tree and shrub replacement. This appropriation shall be used for native Minnesota trees and shrubs, primarily evergreens.

The commissioner and the capitol area architectural and planning board shall consult with and solicit the assistance of volunteers provided by the state horticultural society to improve and maintain the flowers, shrubs, and trees in the capitol area.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

State Agency Services

\$1,914,000 \$1,554,000

\$1,964,000 \$1,604,000

\$250,000 the first year and \$20,000 the second year is for automation of the procurement system.

During the biennium ending June 30, 1985, the commissioner of administration shall purchase goods under contracts held by the regents of the university of Minnesota and Hennepin and Ramsey counties whenever this will result in cost savings to the state. The commissioner shall study the consequences of doing this for all purchases.

During the biennium ending June 30, 1985, the commissioner of administration shall provide state agency guidebooks to members of

the legislature.

Public Services

\$4,248,000 \$4,712,600

\$211,800 each year is for block grants to public television stations.

\$373,500 each year is for matching grants to public television stations.

\$195,100 each year is for grants to public radio stations pursuant to Minnesota Statutes, section 139.19.

\$120,000 the first year is for emergency equipment replacement at the Austin public television station.

\$2,000 the first year and \$2,000 the second year is for the state employees' band.

Any unencumbered balance remaining in the first year for grants to public television or radio stations does not cancel but is available for the second year of the biennium.

General Support

\$ 946,300 \$ 948,500

The commissioner of administration with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective July 1, 1983.*

Sec. 23. [CORRECTION.] Subdivision 1. [MATH ERROR.] A law styled as H.F. No. 1290, section 37, if enacted at the 1983 regular session, is amended to read:

Sec. 37. VETERANS AFFAIRS

General Operations and Management	10,449,800	10,540,300
	10,424,500	10,424,600

Approved Complement - 314.5

The amounts that may be expended from this appropriation for each program are as follows:

Veterans Benefits and Services

\$2,277,200 \$2,256,400

~~\$1,938,100~~ \$1,038,100 each year is for emergency financial and medical needs of veterans.

For the biennium ending June 30, 1985, the commissioner shall limit financial assistance to veterans and dependents to six months, unless recipients have been certified as ineligible for other benefit programs. Of this appropriation, \$50,000 each year shall be expended with the approval of the governor after consultation with the legislative advisory commission pursuant to Minnesota Statutes, section 3.30.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Of this appropriation, \$37,800 the first year and \$38,500 the second year is for war veterans and war orphans education aid, to be expended pursuant to Minnesota Statutes, section 197.75.

Veterans Home - Minneapolis

\$6,116,200	\$6,217,200
\$6,090,900	\$6,101,500

Of the appropriation in fiscal year 1984, \$10,000 is for a grant to the Vietnam veterans awareness council for the purposes of obtaining liability insurance and repairs and betterments on building #2 which currently provides emergency shelter for veterans and their families.

By January 15, 1984, the commissioner shall report to the legislature on the cost effectiveness of seeking certification of the Minneapolis nursing care building for medical assistance reimbursement.

Veterans Home - Hastings

\$2,047,800	\$2,066,700
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Big Island Veterans Camp

\$	8,600
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This appropriation is for contract expenses associated with operating the Big Island veterans camp; the contract shall be for up to two years in length and shall specify that the contractor will cooperate with the Hennepin county park reserve district.

Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

The commissioner of veterans affairs with the

approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs specified in this section. Transfers shall be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective July 1, 1983.*

Sec. 24. [CORRECTION.] Subdivision 1. [MISASSIGNMENT OF APPROPRIATION.]

The sum of \$18,000 for fiscal year 1984 and \$22,000 for fiscal year 1985 appropriated by 1983 regular session H.F. No. 1290, section 28, to the financial management division of the department of energy and economic development for expenses of an intervention office shall be transferred to the department of public service.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective July 1, 1983.*

Sec. 25. [CORRECTION.] Subdivision 1. [BIG ISLAND VETERANS CAMP.] *Designation under H.F. No. 1310, section 4, clause (d), does not constitute a direction to or authorization of any political subdivision to acquire any public land within the designated area, and such acquisition is subject to approval by the legislature.*

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective the day following its final enactment."*

Amend the title as follows:

Page 1, line 6, after "revisor;" insert "correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and errors of a non-controversial nature in the 1983 regular session;"

Page 1, line 15, after "2a;" insert "116J.89, subdivision 1b, as added;"

Page 1, line 17, after "11b;" insert "124.2137, subdivision 1, as amended;"

Page 1, line 19, after "2;" insert "179.63, subdivision 7, as amended;"

Page 1, line 22, after "5;" insert "256.482, subdivision 1, as amended;"

Page 1, line 26, before "297.02" insert "290.06, subdivision 2dd as added;"

Page 1, line 27, after "1;" insert "325G.30, subdivision 3, as amended;"

Page 1, line 36, after "525.619;" insert "586.11, as amended; 609.75, subdivision 3, as amended;"

Page 1, line 36, after "amending" insert "Laws 1983, chapters 13, section 4; 25, section 3; 62, section 12; 136, by adding a section; 149, section 2, subdivision 4;"

Page 1, line 39, after "7;" insert "Laws enacted at the 1983 regular session styled as S.F. Nos. 682, section 2, subdivision 1; 695, section 17, subdivision 5; 1233, section 2, subdivision 1; H.F. Nos. 77, sections 9,

subdivision 1, and 25, subdivision 1; 1259, article 1, section 45; 1283, section 2, subdivision 4; 1290, sections 1, 16, and 37;”

Page 1, line 43, delete the second “and”

Page 1, line 44, before the period insert “; a law enacted at the 1983 regular session styled as H.F. No. 300, section 75”

The motion prevailed. So the amendment was adopted.

Mr. Jude then moved to amend the Jude amendment to H.F. No. 1124, adopted by the Senate May 23, 1983, as follows:

Page 22, after line 8, insert:

“Sec. 26. [CORRECTION.]

Subdivision 1. [BALLOTS FOR COURT OF APPEALS JUDGES.] Minnesota Statutes 1982, section 204D.11, subdivision 1, if amended by H.F. No. 330, section 90, is amended to read:

Subdivision 1. [WHITE BALLOT; RULES; REIMBURSEMENT.] The names of the candidates for all partisan offices voted on at the state general election and candidates for the office of justice and chief justice of the supreme court and the office of judge of the court of appeals shall be placed on a single ballot printed on white paper which shall be known as the “white ballot”. This ballot shall be prepared by the county auditor subject to the rules of the secretary of state. The state shall reimburse the counties for the cost of preparing the white ballot and the envelopes required for the returns of that ballot. The secretary of state shall adopt rules for preparation and time of delivery of the white ballot and for reimbursement of the counties’ costs.

Subd. 2. [EFFECTIVE DATE.] *Subdivision 1 is effective August 1, 1983.*”

Amend the title as follows:

Page 1, line 20, after “1;” insert 204D.11, subdivision 1, as amended;”

The motion prevailed. So the amendment was adopted.

Mr. Samuelson moved to amend H.F. No. 1124 as follows:

Page 32, after line 31, insert:

“Sec. 43. A bill styled as S.F. No. 1234 enacted at the 1983 regular session, Article 8, Section 13, is amended to read:

Sec. 13. 268.81 [PAYMENT OF ALLOWANCE.]

A person accepted pursuant to section 12 for participation in the Minnesota emergency employment development jobs program and determined by the commissioner to satisfy the eligibility standards set forth in sections 256D.01 to 256D.21, shall be paid a cash allowance by the commissioner in an amount which is not less than the amount of the general assistance grant that the person would otherwise receive pursuant to sections 256D.01 to 256D.21. The commissioner shall adopt a permanent or temporary rule establishing the amounts of allowances to be paid pursuant to this section. The initial allowance shall be paid to the person as soon as administratively feasible. A person referred by a local agency pursuant to section 11 shall be

paid the initial allowance upon the expiration of the period covered by the one-month grant received from the local agency. Thereafter, the allowance shall be paid at intervals as the commissioner shall prescribe by rule or temporary rule. Until June 30, 1985, a person receiving an allowance when the Minnesota emergency employment development jobs program is terminated under article 8 7, section 15, shall continue to be paid an allowance under this section if he continues to meet the eligibility standards set forth in sections 256D.01 to 256D.21."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Frederickson moved to amend H.F. No. 1124 as follows:

Page 7, after line 16, insert:

"Sec. 9. Minnesota Statutes 1982, section 18.041, is amended to read:

18.041 [DEFINITIONS.]

In sections 18.041 to 18.161, unless the context otherwise indicates: (a) "governmental unit" means any city, county, or town; (b) "governing body" means a council, board, body or persons in which the powers of the governmental unit are vested; and (c) "mosquito abatement" means the control, abatement, or prevention of breeding of mosquitoes or such other insects or arachnids (ticks, mites, spiders) as provided in section 18.091."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1124 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knutson	Novak	Samuelson
Anderson	Dieterich	Kroening	Olson	Schmitz
Belanger	Frank	Kronebusch	Pehler	Sieloff
Benson	Frederick	Laidig	Peterson, C.C.	Spear
Berg	Frederickson	Langseth	Peterson, D.C.	Storm
Berglin	Freeman	Lantry	Peterson, D.L.	Stumpf
Bernhagen	Hughes	Lessard	Peterson, R.W.	Taylor
Bertram	Isackson	Luther	Petty	Ulland
Chmielewski	Johnson, D.E.	McQuaid	Pogemiller	Vega
Dahl	Johnson, D.J.	Merriam	Purfeerst	Waldorf
Davis	Jude	Moe, D. M.	Ramstad	Wegscheid
DeCramer	Kamrath	Moe, R. D.	Reichgott	Willet
Dicklich	Knaak	Nelson	Renneke	

So the bill, as amended, passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 989 and the Conference Committee Report thereon were re-

ported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 989

A bill for an act relating to collection and dissemination of data; classifying government data as public, private, and nonpublic; clarifying issues relating to classifications of data, access to data, the effect of death of individuals on classifications, and the temporary classification of data; refining provisions of the data practice act; amending Minnesota Statutes 1982, sections 13.02, subdivision 8, and by adding a subdivision; 13.03, subdivisions 3 and 4, and by adding subdivisions; 13.04, subdivision 2; 13.05, subdivisions 3, 7, 9, and 10, and by adding a subdivision; 13.06, subdivisions 1 and 6; 13.31, subdivision 2; 13.41, by adding a subdivision; 13.43, subdivision 2; 13.44; 13.46, subdivision 2, and by adding subdivisions; 13.67; 144.335, subdivision 2; and 253B.03, subdivision 8; proposing new law coded in Minnesota Statutes, chapter 13.

May 23, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 989, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendment and that S.F. No. 989 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 13.46, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section:

(a) “Individual” means an individual pursuant to section 13.02, subdivision 8, but does not include a vendor of services.

(b) “Program” includes all programs for which authority is vested in a component of the welfare system pursuant to statute or federal law.

(c) “Welfare system” includes the department of public welfare, county welfare boards, *county welfare agencies*, human services boards, community mental health *center* boards, state hospitals, state nursing homes, and persons, agencies, institutions, organizations, and other entities under contract to any of the above agencies to the extent specified in the contract.

Sec. 2. Minnesota Statutes 1982, section 13.46, subdivision 2, is amended to read:

Subd. 2. [GENERAL.] Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

- (a) pursuant to section 13.05;
- (b) pursuant to a valid court order;

(c) pursuant to a statute specifically authorizing access to the private data;

(d) to an agent of the welfare system, including appropriate law enforcement personnel, who are acting in the investigation, prosecution, criminal or civil proceeding relating to the administration of a program;

(e) to personnel of the welfare system who require the data to determine eligibility, amount of assistance, and the need to provide services of additional programs to the individual;

(f) to administer federal funds or programs; or

(g) between personnel of the welfare system working in the same program.

Data on individual clients or patients of public or private community mental health centers, established by section 245.62, or mental health divisions of counties and other providers under contract to deliver mental health services shall be treated as provided in subdivisions 7, 8, and 9.

Sec. 3. Minnesota Statutes 1982, section 13.46, is amended by adding a subdivision to read:

Subd. 7. [MENTAL HEALTH CENTER DATA.] Data on individual clients and patients of public or private community mental health centers or mental health divisions of counties and other providers under contract to deliver mental health services shall not be disclosed, except:

(a) pursuant to section 13.05;

(b) pursuant to court order; or

(c) pursuant to a statute specifically authorizing access to or disclosure of private data.

Sec. 4. Minnesota Statutes 1982, section 13.46, is amended by adding a subdivision to read:

Subd. 8. [ACCESS FOR AUDITING.] To the extent required by state or federal law, representatives of federal, state, or local agencies shall have access to data maintained by public or private community mental health centers, mental health divisions of counties, and other providers under contract to deliver mental health services which is necessary to achieve the purpose of auditing. Public or private community mental health centers, mental health divisions of counties, and other providers under contract to deliver mental health services shall not permit this data to identify any particular patient or client by name or contain any other unique personal identifier.

Sec. 5. Minnesota Statutes 1982, section 13.46, is amended by adding a subdivision to read:

Subd. 9. [FRAUD.] In cases of suspected fraud, in which access to mental health data maintained by public or private community mental health centers or mental health divisions of counties and other providers under contract to deliver mental health services is necessary to a proper investigation, the county board or the appropriate prosecutorial authority shall refer the matter to the commissioner of public welfare. The commissioner and his agents, while maintaining the privacy rights of individuals and families, shall have

access to mental health data to conduct an investigation. If, as a result of the investigation, the commissioner deems it appropriate, he shall refer the matter to the appropriate legal authorities and may disseminate to those authorities whatever mental health data are necessary to properly prosecute the case.

Sec. 6. Minnesota Statutes 1982, section 13.46, is amended by adding a subdivision to read:

Subd. 10. [RESPONSIBLE AUTHORITY.] Notwithstanding any other provision of chapter 13 to the contrary, the responsible authority for each component of the welfare system listed in subdivision 1, clause (c), shall be as follows:

(a) The responsible authority for the department of public welfare, state hospitals, and nursing homes is the commissioner of the department of public welfare;

(b) The responsible authority of a county welfare agency is the director of the county welfare agency;

(c) The responsible authority for a county welfare board, human services board, or community mental health center board is the chairman of the board; and

(d) The responsible authority of any person, agency, institution, organization, or other entity under contract to any of the components of the welfare system listed in subdivision 1, clause (c), of this section is the person specified in the contract.

A responsible authority shall allow another responsible authority in the welfare system access to data classified as restricted when access is necessary for the administration and management of programs, or is authorized or required by statute or federal law.

Sec. 7. Minnesota Statutes 1982, section 144.335, subdivision 2, is amended to read:

Subd. 2. [PATIENT ACCESS.] Upon request a provider shall supply to a patient complete and current information possessed by that provider concerning any diagnosis, treatment and prognosis of the patient in terms and language the patient can reasonably be expected to understand.

Upon a patient's written request, a provider at a reasonable cost to the patient shall furnish to the patient: ~~(a)~~ copies of the patient's health record, including but not limited to laboratory reports, x-rays, prescriptions, and other technical information used in assessing the patient's health condition; ~~(b)~~, or the pertinent portion of the record relating to a specific condition; ~~or (c)~~ specified by the patient. With the consent of the patient, the provider may instead furnish only a summary of the record.

Subd. 2a. [EXCEPTION; NONFACILITY PROVIDERS.] Notwithstanding the provisions of subdivision 2, if a provider, as defined in subdivision 1, clause (b) (1), reasonably determines that the information is detrimental to the physical or mental health of the patient, or is likely to cause the patient to harm himself or another, he may withhold the information from the patient and may supply the information may be supplied to an appropriate third party

or to another provider, as defined in subdivision 1, clause (b) (1). The *other* provider or third party may release the information to the patient.

A provider as defined in subdivision 1, clause (b)(2), shall release information upon written request unless, prior to the request, a provider as defined in subdivision 1, clause (b)(1), has designated and described the specific basis for withholding the information as provided by this subdivision.

Sec. 8. Minnesota Statutes 1982, section 253B.03, subdivision 8, is amended to read:

Subd. 8. [MEDICAL RECORDS.] A patient has the right to access to his medical records. Notwithstanding the provisions of section 144.335, ~~subdivision 2,~~ every person subject to a proceeding or receiving services pursuant to this chapter shall have complete access to all of his medical records relevant to his commitment.

Sec. 9. 1983 S. F. No. 280, section 5, subdivision 3, is amended to read:

Subd. 3. [CONFIRM NO INVOLUNTARY CLOSING.] Before opening or authorizing signatory power over a transaction account, the financial intermediary shall attempt to verify the information disclosed for subdivision 2, clause (i). The financial intermediary may not open or authorize signatory power over a transaction account if (i) the applicant had a transaction account closed by a financial intermediary without his consent because of his issuance of dishonored checks within 12 months immediately preceding the application, or (ii) the applicant has been convicted of a criminal offense because of the use of a check or other similar item within 24 months immediately preceding the application.

If the transaction account is refused *pursuant to this subdivision*, the reasons for the refusal shall be given to the applicant in writing *and the applicant shall be allowed to provide additional information.*

Sec. 10. Minnesota Statutes 1982, section 609.535, subdivision 7, as amended by 1983 S. F. No. 280, section 10, is amended to read:

Subd. 7. [RELEASE OF ACCOUNT INFORMATION TO PAYEE OR HOLDER.] A drawee shall release the information specified in clauses (1) and (2) to the payee or holder of a check that has been dishonored who makes a written request for this information and states in writing that the check has been dishonored and that 30 days have elapsed since the mailing of the notice described in subdivision 8 and who accompanies this request with a copy of the dishonored check and a copy of the notice of dishonor.

The requesting payee or holder shall notify the drawee immediately to cancel this request if payment is made before the drawee has released this information.

This subdivision applies to the following information relating to the drawer's account:

(1) Whether at the time the check was issued or presented for payment the drawer had sufficient funds or credit with the drawee, and whether at that time the account was open, closed, or restricted for any reason and the date it was closed or restricted; and

(2) The last known home address and telephone number of the drawer. A

The drawee may be liable in a civil or criminal proceeding for releasing may not release the business address or business telephone number of the place of employment of the drawer to the payee or holder unless the drawer is a business entity or the place of employment is the home.

The drawee shall release all of the information described in clauses (1) and (2) that it possesses within ten days after receipt of a request conforming to all of the provisions of this subdivision. The drawee may require the person requesting the information to pay the reasonable costs, not to exceed 15 cents per page, of reproducing and mailing the requested information.

A drawee is not liable in a criminal or civil proceeding for releasing information in accordance with this subdivision.

Sec. 11. [144.336] [REGISTRY OF PERSONS TYPED FOR HUMAN LEUKOCYTE ANTIGENS.]

Subdivision 1. [RELEASE RESTRICTED.] No person, including the state, a state agency, or a political subdivision, that maintains or operates a registry of the names of persons, their human leukocyte antigen types, and their willingness to be a tissue donor shall reveal the identity of the person or his human leukocyte antigen type without the person's consent. If the data are maintained by a governmental entity, the data are classified as private data on individuals as defined in section 13.02, subdivision 12.

Subd. 2. [DUTIES.] Persons that maintain or operate a registry described in subdivision 1 have no responsibility for any search beyond their own records to identify potential donors for the benefit of any person seeking a tissue transplant and have no duty to encourage potential donors to assist persons seeking a tissue transplant, and are not liable for their failure to do so.

Sec. 12. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to collection and dissemination of data; clarifying issues relating to access to welfare data and medical records; refining provisions of the data practice act and the financial privacy act; amending Minnesota Statutes 1982, sections 13.46, subdivisions 1 and 2, and by adding subdivisions; 144.335, subdivision 2; and 253B.03, subdivision 8; amending 1983 S. F. No. 280, sections 5 and 10; proposing new law coded in Minnesota Statutes, chapter 144."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Randolph W. Peterson, Gene Merriam, Ron Sieloff

House Conferees: (Signed) Bob Ellingson, Terry Dempsey

Mr. Peterson, R.W. moved that the foregoing recommendations and Conference Committee Report on S.F. No. 989 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 989 was read the third time as amended by the Conference

Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 58 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Langseth	Peterson, C. C.	Solon
Anderson	Dieterich	Lantry	Peterson, D. C.	Spear
Belanger	Frank	Lessard	Peterson, D. L.	Storm
Berglin	Frederickson	Luther	Peterson, R. W.	Stumpf
Bernhagen	Freeman	McQuaid	Petty	Taylor
Bertram	Johnson, D. E.	Merriam	Pogemiller	Ulland
Brataas	Jude	Moe, D. M.	Purfeerst	Vega
Chmielewski	Knaak	Moe, R. D.	Ramstad	Waldorf
Dahl	Knutson	Nelson	Reichgott	Wegscheid
Davis	Kroening	Novak	Renneke	Willet
DeCramer	Kronebusch	Olson	Samuelson	
Dicklich	Laidig	Pehler	Schmitz	

Those who voted in the negative were:

Benson	Frederick	Isackson	Kamrath	Sieloff
Berg	Hughes			

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 292 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 292

A bill for an act relating to public welfare; defining persons responsible for a child's care under the child abuse reporting law; amending Minnesota Statutes 1982, section 626.556, subdivisions 2, 7, and 10.

May 23, 1983

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 292, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and S.F. No. 292 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1982, section 626.556, subdivision 1, is amended to read:

Subdivision 1. [PUBLIC POLICY.] The legislature hereby declares that the public policy of this state is to protect children whose health or welfare

may be jeopardized through physical abuse, neglect or sexual abuse; to strengthen the family and make the home, *school, and community* safe for children through improvement of parental and guardian capacity for by promoting responsible child care in all settings; and to provide, when necessary, a safe temporary or permanent home environment for physically or sexually abused children.

In addition, it is the policy of this state to require the reporting of suspected neglect, physical or sexual abuse of children in the home, *school, and community settings*; to provide for the voluntary reporting of abuse or neglect of children; to require the investigation of such the reports; and to provide protective and counseling services in appropriate cases.

Sec. 2. Minnesota Statutes 1982, section 626.556, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms have the meanings given them unless the specific content indicates otherwise:

(a) "Sexual abuse" means the subjection by the child's parents, guardian, or a person responsible for the child's care, to any act which constitutes a violation of sections 609.342, 609.343, 609.344, or 609.345, or sections 609.364 to 609.3644. Sexual abuse also includes any act which involves a minor which constitutes a violation of sections 609.321 to 609.324 or 617.246.

(b) "Person responsible for the child's care" means a parent, guardian, teacher, school administrator, or other lawful custodian of a child having either full-time or short-term care responsibilities including, but not limited to, day care, baby sitting, counseling, teaching, and coaching.

(c) "Neglect" means failure by a parent, guardian or other person responsible for a child's care to supply a child with necessary food, clothing, shelter or medical care when reasonably able to do so or failure to protect a child from conditions or actions which imminently and seriously endanger the child's physical or mental health when reasonably able to do so. Nothing in this section shall be construed to (i) mean that a child is neglected solely because the child's parent, guardian or other person responsible for his care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, or (ii) impose upon persons, not otherwise legally responsible for providing a child with necessary food, clothing, shelter or medical care, a duty to provide that care.

(d) "Physical abuse" means:

(i) Any physical injury inflicted by a parent, guardian or other person responsible for the child's care on a child other than by accidental means; or

(ii) Any physical injury that cannot reasonably be explained by the child's history of injuries provided by a parent, guardian or other person responsible for the child's care.

(e) "Report" means any report received by the local welfare agency, police department or county sheriff pursuant to this section.

(f) "Facility" means a day care facility or a residential facility as

defined in section 245.782, agency, hospital, sanitorium, or other facility or institution required to be licensed pursuant to sections 144.50 to 144.58, 241.021, or 245.781 to 245.812.

(f) (g) "Operator" means an operator or agency as defined in section 245.782.

(f) (h) "Operator" means an operator or agency as defined in section 245.782.

(i) "Commissioner" means the commissioner of public welfare.

Sec. 3. Minnesota Statutes 1982, section 626.556, subdivision 4, is amended to read:

Subd. 4. [IMMUNITY FROM LIABILITY.] Any person, including those voluntarily making reports and those required to make reports under subdivision 3, participating in good faith and exercising due care in the making of a report pursuant to this section shall have immunity from any liability, civil or criminal, that otherwise might result by reason of his action.

Any public or private school, facility as defined in subdivision 2, or the employee of any public or private school or facility who permits access by a local welfare agency and assists in good faith in an investigation pursuant to subdivision 10 has immunity from any liability, civil or criminal, that otherwise might result by reason of that action.

This subdivision does not provide immunity to any person for failure to make a required report or for committing neglect, physical abuse, or sexual abuse of a child.

Sec. 4. Minnesota Statutes 1982, section 626.556, subdivision 7, is amended to read:

Subd. 7. [REPORT.] An oral report shall be made immediately by telephone or otherwise. An oral report made by a person required under subdivision 3 to report shall be followed as soon as possible by a report in writing to the appropriate police department, the county sheriff or local welfare agency. Any report shall be of sufficient content to identify the child, ~~the parent, guardian, or other~~ any person believed to be responsible for ~~his care~~ the abuse or neglect of the child if the person is known, the nature and extent of the ~~child's injuries~~ abuse or neglect and the name and address of the reporter. Written reports received by a police department or the county sheriff shall be forwarded immediately to the local welfare agency. The police department or the county sheriff may keep copies of reports received by them. Copies of written reports received by a local welfare department shall be forwarded immediately to the local police department or the county sheriff.

A written copy of a report maintained by personnel of agencies, other than welfare or law enforcement agencies, which are subject to chapter 13 shall be confidential. An individual subject of the report may obtain access to the original report as provided by subdivision 11.

Sec. 5. Minnesota Statutes 1982, section 626.556, subdivision 10, is amended to read:

Subd. 10. [DUTIES OF LOCAL WELFARE AGENCY UPON RECEIPT

OF A REPORT.] (a) *If the report alleges neglect, physical abuse, or sexual abuse by a parent, guardian, or individual functioning within the family unit as a person responsible for the child's care, the local welfare agency shall immediately investigate and offer protective social services for purposes of preventing further abuses, safeguarding and enhancing the welfare of the abused or neglected minor, and preserving family life whenever possible. When necessary the local welfare agency shall seek authority to remove the child from the custody of his parent, guardian or adult with whom he is living. In performing any of these duties, the local welfare agency shall maintain appropriate records.*

(b) *Authority of the local welfare agency responsible for investigating the child abuse report includes, but is not limited to, authority to interview, without parental consent, the alleged victim and any other minors who currently reside with or who have resided with the alleged perpetrator. The interview may take place at school or any facility or other place where the alleged victim or other minors might be found and may take place outside the presence of the perpetrator or parent, legal custodian, or guardian. Except as provided in this clause, the parent, legal custodian, or guardian shall be notified, no later than the conclusion of the investigation, that this interview has occurred. Notwithstanding rule 49.02 of the Minnesota Rules of Procedure for Juvenile Courts, the juvenile court may, after hearing on an ex parte motion by the local welfare agency, order that, where reasonable cause exists, notification of this interview be withheld from the parent, legal custodian, or guardian.*

(c) *When the local welfare agency determines that an interview should take place on school property, written notification must be received by school officials prior to the interview. The notification shall include the name of the child to be interviewed, the purpose of the interview, and a reference to the statutory authority to conduct an interview on school property. The notification shall be signed by the chairman of the county welfare board or his designee. The time, place, and manner of the interview on school premises shall be within the discretion of school officials. The conditions as to time, place, and manner of the interview set by the school officials shall be reasonable and the interview shall be conducted not more than 24 hours after the receipt of the notification unless another time is deemed necessary by agreement between the school officials and the local welfare agency. School officials shall not disclose to the parent, legal custodian, guardian, or perpetrator that a request to interview the child has been made until after the abuse investigation has been concluded. Every effort shall be made to reduce the disruption of the educational program of the child, other students, or school staff when an interview is conducted on school premises.*

(d) *Where the perpetrator or a person responsible for the care of the alleged victim or other minor prevents access to the victim or other minor by the local welfare agency, the juvenile court may order the parents, legal custodian, or guardian to produce the alleged victim or other minor for questioning by the local welfare agency outside the presence of the perpetrator or any person responsible for the child's care at reasonable places and times as specified by court order.*

(e) *Before making an order under paragraph (d), the court shall issue an order to show cause, either upon its own motion or upon a verified petition,*

specifying the basis for the requested interviews and fixing the time and place of the hearing. The order to show cause shall be served personally and shall be heard in the same manner as provided in other cases in the juvenile court. The court shall consider the need for appointment of a guardian ad litem to protect the best interests of the child. If a guardian ad litem is appointed, he shall be present at the hearing on the order to show cause.

(f) The commissioner and the local welfare agencies responsible for investigating reports have the right to enter facilities as defined in subdivision 2 and to inspect and copy the facility's records as part of the investigation. Notwithstanding the provisions of chapter 13, they also have the right to inform the facility under investigation that they are conducting an investigation, to disclose to the facility the names of the individuals under investigation for abusing or neglecting a child, and to provide the facility with a copy of the report and the investigative findings.

Sec. 7. Minnesota Statutes 1982, section 626.556, is amended by adding a subdivision to read:

Subd. 10a. [ABUSE OUTSIDE THE FAMILY UNIT.] If the report alleges neglect, physical abuse, or sexual abuse by a person responsible for the child's care functioning outside the family unit in a setting other than a facility as defined in subdivision 2, the local welfare agency shall immediately notify the appropriate law enforcement agency and shall offer appropriate social services for the purpose of safeguarding and enhancing the welfare of the abused or neglected minor.

Sec. 8. Minnesota Statutes 1982, section 626.556 is amended by adding a subdivision to read:

Subd. 10b. [DUTIES OF COMMISSIONER; NEGLECT OR ABUSE IN A FACILITY.] If the report alleges that a child in the care of a facility as defined in subdivision 2 is neglected, physically abused, or sexually abused by an individual in that facility, the commissioner shall immediately investigate. The commissioner shall arrange for the transmittal to him of reports received by local agencies and may delegate to a local welfare agency the duty to investigate reports. In conducting an investigation under this section, the commissioner has the powers and duties specified for local welfare agencies under this section.

ARTICLE 3

Section 1. Minnesota Statutes 1982, section 256E.03, subdivision 2, is amended to read:

Subd. 2. [COMMUNITY SOCIAL SERVICES.] "Community social services" means services provided or arranged for by county boards to fulfill the responsibilities prescribed in section 256E.08, subdivision 1, to the following groups of persons:

(a) families with children under age 18, who are experiencing child dependency, neglect or abuse, ~~and also;~~ pregnant adolescents, adolescent parents under the age of 18, and their children; ~~and~~

(~~b~~) persons who are under the guardianship of the commissioner of public welfare as dependent and neglected wards;

(b) persons who are at or below 60 percent of the state median income,

including recipients of public assistance;

(c) adults who are in need of protection and vulnerable as defined in section 626.557;

(d) persons age 60 and over who are experiencing difficulty living independently and are unable to provide for their own needs;

(e) emotionally disturbed children and adolescents, chronically and acutely mentally ill persons who are unable to provide for their own needs or to independently engage in ordinary community activities;

(f) mentally retarded persons as defined in section 252A.02, subdivision 2 who are unable to provide for their own needs or to independently engage in ordinary community activities;

(g) drug dependent and intoxicated persons as defined in section 254A.02, subdivisions 5 and 7, and persons at risk of harm to self or others due to the ingestion of alcohol or other drugs; and

(h) other groups of persons who, in the judgment of the county board, are in need of social services.

Community social services do not include public assistance programs known as aid to families with dependent children, Minnesota supplemental aid, medical assistance, general assistance, general assistance medical care, or community health services authorized by sections 145.911 to 145.922.

Sec. 2. Minnesota Statutes 1982, section 256E.05, subdivision 3, is amended to read:

Subd. 3. [ADDITIONAL DUTIES.] The commissioner shall also:

(a) Provide necessary forms and instructions to the counties for plan format and information;

(b) Identify and then amend or repeal the portions of all applicable department rules which mandate counties to provide specific community social services or programs, unless state or federal law requires the commissioner to mandate a service or program. The commissioner shall be exempt from the rulemaking provisions of chapter 14 in amending or repealing rules pursuant to this clause. However, when the commissioner proposes to amend or repeal any rule under the authority granted by this clause, notice shall be provided by publication in the state register. When the commissioner proposes to amend a rule, the notice shall include that portion of the existing rule necessary to provide adequate notice of the nature of the proposed change. When the commissioner proposes to repeal an entire rule, he need only publish that fact, giving the exact citation to the rule to be repealed. In all cases, the notice shall contain a statement indicating that interested persons may submit comment on the proposed repeal or amendment for a period of 30 days after publication of the notice. The commissioner shall take no final action until after the close of the comment period. The commissioner's actions shall not be effective until five days after the commissioner publishes notice of adoption in the state register. If the final action is the same as the action originally proposed, publication may be made by notice in the state register that the amendment and repeals

have been adopted as proposed, and by citing the prior publication. If the final action differs from the action as previously proposed in the state register, the text which differs from the original proposal shall be included in the notice of adoption together with a citation to the prior state register publication. The commissioner shall provide to all county boards separate notice of all final actions which become effective under this clause, advising the boards with respect to services or programs which have now become optional, to be provided at county discretion;

(c) Provide to the chairman of each county board, in addition to notice required pursuant to sections 14.05 to 14.36, timely advance notice and a written summary of the fiscal impact of any proposed new rule or changes in existing rule which will have the effect of increasing county costs for community social services;

(d) Provide training and other support services to county boards to assist in needs assessment, planning, implementing, and monitoring social services programs in the counties;

~~(e) Design and implement a method of monitoring and evaluating the social services delivered within the state, and assure compliance with applicable standards, guidelines, and the county and state social services plans. In cooperation with the counties, develop standards for planning, monitoring, and evaluating social services provided by county boards and design and implement a method for monitoring and evaluating social services to ensure compliance with applicable standards, guidelines, county social service plans, and state social service plans and report these annually to the legislature;~~

(f) Annually publish a report on community social services which shall reflect the contents of the individual county reports. The report shall be submitted to the governor and the legislature with an evaluation of community social services and recommendations for changes needed to fully implement state social service policies; ~~and~~

(g) Request waivers from federal programs as necessary to implement sections 256E.01 to 256E.12; *and*

(h) Adopt rules defining local administrative expenses for social services and report these expenses to the legislature.

Sec. 3. Minnesota Statutes 1982, section 256E.09, subdivision 2, is amended to read:

Subd. 2. [CITIZEN PARTICIPATION.] The county board shall provide opportunities for participation by citizens in the county; ~~including representatives of users of services,~~ in the development of the biennial plan and in the allocation of money for community social services. At least 60 days prior to publication of the proposed plan the county board shall publish the methods proposed to achieve citizen participation in the planning process. *The county board shall document the inclusion of information in the biennial plan from users of services in each of the groups identified in section 256E.03, subdivision 2, representatives of the users of services, and providers of services.*

Sec. 4. Minnesota Statutes 1982, section 256E.09, subdivision 3, is amended to read:

Subd. 3. [PLAN CONTENT.] The biennial community social services plan published by the county shall include:

(a) A statement of the goals of community social service programs in the county;

(b) Methods used pursuant to subdivision 2 to encourage participation of citizens and providers in the development of the plan and the allocation of money;

(c) Methods used to identify persons in need of service and the social problems to be addressed by the community social service programs, including efforts the county proposes to make in providing for early intervention, prevention and education aimed at minimizing or eliminating the need for services for groups of persons identified in section 256E.03, subdivision 2;

(d) A statement describing how the county will fulfill its responsibilities identified in section 256E.08, subdivision 1 to the groups of persons described in section 256E.03, subdivision 2, and a description of each community social service proposed and identification of the agency or person proposed to provide the service. The plan shall specify how the county proposes to make the following services available for persons identified by the county as in need of services: daytime developmental achievement services, substance detoxification services, residential services and nonresidential social support services as appropriate for the groups identified in section 256E.03, subdivision 2;

(e) The amount of money proposed to be allocated to each service;

(f) An inventory of public and private resources including associations of volunteers which are available to the county for social services;

(g) Evidence that serious consideration was given to the purchase of services from private and public agencies *and the criteria used to determine whether services would be purchased*; and

(h) Methods whereby community social service programs will be monitored and evaluated by the county.

Sec. 5. [301B.01] [ESTABLISHMENT.]

Innovation centers may be established to assist in the development of high technology businesses, products, and systems in Minnesota by using existing resources in the state university system. These centers may cooperate with Minnesota Wellspring and other associated businesses, industry, and labor groups to effectuate their purpose.

Sec. 6. Minnesota Statutes 1982, section 352D.02, is amended by adding a subdivision to read:

Subd. 1b. An employee covered by the regular plan who is subsequently employed as a permanent, full-time unclassified employee of the legislature or any commission or agency of the legislature may elect to transfer accumulated contributions, less the administrative deduction required by section 352D.09, subdivision 7, to the supplemental fund. The transfer shall be governed by section 352D.03.

Sec. 7. Minnesota Statutes 1982, section 356.215, is amended by adding

a subdivision to read:

Subd. 7. [ACTUARIAL ESTIMATES; COMMISSION APPROVAL.] Actuarial estimates of any changes in accrued liability or normal cost, including but not limited to benefit improvement, assumption changes, and method changes, shall be calculated in accordance with the definitions of accrued liability and normal cost as set forth in this chapter and any methods set by the actuary for the legislative commission on pensions and retirement in developing the actuarial estimates.

Actuarial estimates shall contain a description of all assumptions and methods, actuarial or other, used in making the estimates.

Sec. 8. Minnesota Statutes 1982, section 356.215, is amended by adding a subdivision to read:

Subd. 8. [COMMISSION REVIEW OF ACTUARIAL ESTIMATES.] For each actuarial estimate each covered public pension fund to which the proposed plan change applies shall provide the commission with a print-out or calculations on a sample of 50 members to show how the estimates are developed.

The commission in its review of the actuarial estimates shall have free access to print-outs, records, tapes, and any other information used by the funds in deriving the estimates.

The charge for actuarial services shall be billed to each retirement fund by the commission actuary.

Sec. 9. Minnesota Statutes 1982, section 462.441, is amended to read:

462.441 [POWERS; QUORUM; OFFICERS; MEETING; COMPENSATION; EXPENSES.]

The powers of each authority shall be vested in the commissioners thereof in office at any time; a majority of whom shall constitute a quorum for all purposes. Each authority shall select a chairman and a secretary from among its commissioners and shall adopt such bylaws and other rules for the conduct of its affairs as it deems appropriate. The regular meetings of an authority shall be held in a fixed place and shall be open to the public. Each commissioner shall be entitled to receive necessary expenses, including traveling expenses, incurred in the performance of his duties. Each commissioner may be paid for attending meetings of the authority, regular and special \$25 \$35 per meeting, the aggregate of all payments to each such commissioner for any one year not to exceed, however, ~~\$1,500~~ \$2,500.

Sec. 10. [471.965] [PUBLIC EMPLOYEES PENSION SERVICE ASSOCIATION DUES.]

A county, city, town, or school district may grant employees the right to request and be allowed a payroll deduction for dues for membership in the public employees pension service association.

Sec. 11. [REPEALER.]

Minnesota Statutes 1982, section 423A.10, is repealed.

ARTICLE 4

Section 1. Minnesota Statutes 1982, section 37.19, is amended to read:

37.19 [CONTRACTS.]

The society may contract in its own name, and through its duly appointed officers and agents without the necessity of advertising for, or publicly requesting bids, and the provisions of this chapter, and all ordinances, bylaws, and rules adopted by its governing board are a part of every contract entered into with any exhibitor, privilege holder, lessee, licensee, or other person. The society may contract for the purchase of services from any business, municipality, county, state agency or department. The society may purchase, sell, lease, or otherwise engage in transactions respecting real property in its own name, and with terms and conditions acceptable to its board of managers. The provisions of section 37.01 shall apply to the specific properties described therein, excepting space rental contracts and ground leases for a term of one year or less. The society shall submit to the executive council of the state of Minnesota, as provided by chapter 9, all its transactions involving real properties for the approval of the executive council, and no transaction involving real property shall be final until approved by the executive council. All transactions involving real property heretofore made by the society are ratified, confirmed and approved. *A contract between the society and an entertainer shall not prohibit the entertainer from performing at a location more than 80 miles from the state fairgrounds during the state fair or within 30 days before or after the state fair.*

Sec. 2. Minnesota Statutes 1982, section 160.08, subdivision 7, is amended to read:

Subd. 7. [NO COMMERCIAL ESTABLISHMENT WITHIN RIGHT-OF-WAY.] No commercial establishment, including but not limited to automotive service stations, for serving motor vehicle users shall be constructed or located within the right-of-way of, or on publicly owned or publicly leased land acquired or used for or in connection with, a controlled access highway, except that structures may be built within safety rest and tourist information center areas and space within state owned buildings in those areas may be leased for the purpose of providing information to travelers through commercial and public service advertising ~~pursuant to under franchise agreements as provided in sections 160.276 to 160.278 or for the purpose of placing vending machines in rest areas, tourist information centers, or weigh stations constructed or located within trunk highway rights-of-way.~~

Sec. 3. Minnesota Statutes 1982, section 160.28, is amended to read:

160.28 [PLANS FOR REST AREAS, TOURIST INFORMATION CENTERS AND WEIGH STATIONS; VENDING FACILITIES.]

~~The provisions of Subdivision 1.~~ [CONSTRUCTION.] Any other law to the contrary notwithstanding, the commissioner of transportation is hereby authorized to cause to be prepared plans and specifications and detailed designs for the construction of buildings and facilities for rest areas, tourist information centers in combination with rest areas, and weigh stations when ~~he the commissioner deems such~~ these buildings and facilities to be necessary in the interest of safety and convenient public travel on highways.

Subd. 2. [VENDING MACHINES.] *Any other law to the contrary notwithstanding, the commissioner may contract for or authorize the placement of vending machines in rest areas, tourist information centers, and weigh*

stations for the purpose of dispensing food, drink, and other articles deemed by the commissioner as appropriate and desirable. The commissioner shall give priority in placing vending machines to those machines operated pursuant to United States Code, title 20, sections 107 to 107e and as provided in section 248.07."

Delete the title and insert:

"A bill for an act relating to state government; setting eligibility criteria for community social services; requiring information from users to be included in the planning process; prescribing duties of the commissioner of public welfare; permitting certain classified employees subsequently employed by the legislature or a legislative commission to transfer pension contributions; increasing the per diem compensation for attendance of commissioners at meetings; permitting public employers to allow employees to pay dues to the public employees pension service association by payroll deduction; defining persons responsible for a child's care under the child abuse reporting law; clarifying investigative authority of welfare agencies in making mandated investigations of physical or sexual abuse and neglect; changing the definition of facility; providing for state agricultural society contracts; regulating placement of commercial establishments; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 37.19; 160.08, subdivision 7; 160.28; 256E.03, subdivision 2; 256E.05, subdivision 3; 256E.09, subdivisions 2 and 3; 352D.02, by adding a subdivision; 356.215, by adding subdivisions; 462.441; 626.556, subdivisions 1, 2, 4, 7, 10, and by adding subdivisions; proposing new law coded as Minnesota Statutes, chapter 301B; proposing new law coded in Minnesota Statutes, chapter 471; repealing Minnesota Statutes, section 423A.10."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) William P. Luther, Eric D. Petty

House Conferees: (Signed) Bob Ellingson, Linda Scheid, Sally Olsen

Mr. Luther moved that the foregoing recommendations and Conference Committee Report on S.F. No. 292 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 292 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 63 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knutson	Olson	Schmitz
Anderson	Diessner	Kroening	Pehler	Sieloff
Belanger	Dieterich	Laidig	Peterson, C.C.	Solon
Benson	Frank	Langseth	Peterson, D.C.	Spear
Berg	Frederick	Lantry	Peterson, D.L.	Storm
Berglin	Frederickson	Lessard	Peterson, R.W.	Stumpf
Bernhagen	Freeman	Luther	Petty	Taylor
Bertram	Isackson	McQuaid	Pogemiller	Ulland
Brataas	Johnson, D.E.	Merriam	Purfeerst	Vega
Chmielewski	Johnson, D.J.	Moe, D. M.	Ramstad	Wegscheid
Dahl	Jude	Moe, R. D.	Reichgott	Willet
Davis	Kamrath	Nelson	Renneke	
DeCramer	Knaak	Novak	Samuelson	

Mrs. Kronebusch and Mr. Waldorf voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 289, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 289 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 23, 1983

CONFERENCE COMMITTEE REPORT ON H.F. NO. 289

A bill for an act relating to the city of St. Paul; authorizing the city to permit, by ordinance, the use of an "on-sale" liquor license issued by the city at the Highland Park and Phalen Park club houses.

May 23, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 289, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 289 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [ST. PAUL; PARK CLUB HOUSES; LIQUOR.]

Notwithstanding any contrary provision of law, charter or ordinance, the city of St. Paul may authorize any holder of an "on-sale" liquor license

issued by the city to dispense intoxicating liquor at any event of definite duration on the public premises known as the Como Park Conservatory, Harriet Island, and the Highland Park club house. Authorization to dispense intoxicating liquor under this section shall be made by adoption of separate ordinances for each public premise. The city council shall conduct a public hearing prior to adoption of each ordinance at a location within the ward where the affected premises are located and near the affected public premises. The event may not be profit making except as a fund raising event for a nonprofit organization or a political committee as defined in Minnesota Statutes, section 210A.01, subdivision 8. The licensee must be engaged to dispense liquor at the event by a person or organization permitted to use the premises and may dispense liquor only to persons attending the event. A licensee's authority shall expire upon termination of the event. The authority to dispense liquor shall be granted in accordance with the statutes applicable to the issuance of "on-sale" liquor licenses in cities of the first class consistent with this act. The dispensing of liquor shall be subject to all laws and ordinances governing the dispensing of intoxicating liquor that are consistent with this act. All dispensing of liquor shall be in accordance with the conditions prescribed by the city. The conditions may limit the dispensing of liquor to designated areas of the facility. The city may fix and assess a fee to be paid to the city by an "on-sale" licensee for each event for which the licensee is engaged to dispense liquor. The authority granted by this subdivision shall not count as an additional "on-sale" intoxicating liquor license for purposes of determining the number of liquor licenses permitted to be issued under the provisions of Minnesota Statutes, section 340.11.

Sec. 2. [HENNEPIN COUNTY; SHORT-TERM LIQUOR LICENSE.]

Notwithstanding any law to the contrary, Hennepin County, by resolution of its county board, may issue, with or without fee, to a nonprofit organization or corporation, one-day on-sale licenses for the sale and serving of intoxicating liquor in the Hennepin County Government Center in connection with any convention, banquet, conference, meeting or social event conducted by the nonprofit organization. The licensee may dispense intoxicating liquor only to persons attending the event. The licensee's authority shall expire upon termination of the event. All dispensing of intoxicating liquor shall be in accordance with the terms and conditions prescribed by resolution of the county board.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day after compliance by the governing body of the city of St. Paul with Minnesota Statutes, section 645.021, subdivision 3.

Section 2 is effective upon approval by the county board of Hennepin County and compliance with the provisions of Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to liquor licensing; authorizing the city of St. Paul to permit, by ordinance, the use of an "on-sale" liquor license issued by the city at the Como Park Conservatory, Harriet Island, and Highland Park club house; authorizing Hennepin County to issue short-term liquor licenses."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Rich O'Connor, Tom Osthoff, Randy C. Kelly

Senate Conferees: (Signed) Neil Dieterich, Donna C. Peterson

Mr. Dieterich moved that the foregoing recommendations and Conference Committee Report on H.F. No. 289 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mr. Sieloff moved that H.F. No. 289 and the Conference Committee Report thereon be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. introduced —

Senate Resolution No. 61: A Senate resolution relating to conduct of Senate business during the interim between sessions.

BE IT RESOLVED, by the Senate of the state of Minnesota:

The powers, duties and procedures set forth in this resolution apply during the interim between the adjournment of the 73rd Legislature, 1983 session and the convening of the 73rd Legislature, 1984 session.

All Senate records, including committee books are subject to the direction of the Committee on Rules and Administration.

The Senate Chamber, retiring room, committee rooms, all conference rooms, storage rooms, Secretary of the Senate's office, Rules and Administration office, and any and all other space assigned to the Senate, shall be reserved for use by the Senate and its standing committees only and shall not be released or used for any other purpose except upon the authorization of the Secretary of the Senate with the approval of the Committee on Rules and Administration, or the Chairman thereof.

The Subcommittee on Committees of the Committee on Rules and Administration shall appoint persons as necessary to fill any vacancies that may occur in committees, commissions, and other bodies whose members are to be appointed by the Senate authorized by rule, statute, resolution, or otherwise.

The Committee on Rules and Administration shall establish positions, set compensation and benefits, and appoint employees and authorize expense reimbursement as it deems proper to carry out the work of the Senate.

The Secretary of the Senate shall classify as "permanent" for purposes of Minnesota Statutes, Sections 3.095 and 43A.24 those Senate employees heretofore or hereafter certified as "permanent" by the Committee on Rules and Administration.

The Secretary of the Senate is authorized to employ after the close of the session such employees as may be necessary to finish the business of the Senate at the salaries paid such employees under the rules of the Senate for the 1983 regular session. He is authorized to employ the necessary employees to prepare for the 1984 session at the salaries in effect at that time.

The Secretary of the Senate, as authorized and directed by the Committee on Rules and Administration, shall furnish each member of the Senate with postage and supplies, and may reimburse each member for long dis-

tance telephone calls and answering service not to exceed \$75 per month, upon proper verification of the expenses incurred, and for such other expenses as may be authorized from time to time by the Committee on Rules and Administration.

The Secretary of the Senate shall correct and approve the Journal of the Senate for those days that have not been corrected and approved by the Senate, and shall correct printing errors found in the Journal of the Senate for the 1983 session. He may include in the Senate Journal proceedings of the last day, appointments by the Subcommittee on Committees to interim commissions created by legislative action, permanent commissions or committees established by statute, standing committees, official communications and other matters of record received on or after the 23rd day of May, 1983.

The Secretary of the Senate may pay election and litigation costs as authorized by the Committee on Rules and Administration.

The Secretary of the Senate, with the approval of the Committee on Rules and Administration, shall secure bids and enter into contracts for remodeling and improvement of Senate office space, and shall purchase all supplies, equipment, and other goods and services necessary to carry out the work of the Senate. Any contracts in excess of \$5,000 shall be signed by the Chairman of the Committee on Rules and Administration and another member designated by the Chairman.

The Secretary of the Senate shall draw warrants from the legislative expense fund in payment of the accounts herein referred to.

The Custodian of the Capitol shall continue to provide parking space for members and staff of the Legislature pursuant to Senate Concurrent Resolution No. 2.

Mr. Moe, R.D. moved the adoption of foregoing resolution.

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 59 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knutson	Novak	Schmitz
Anderson	Diessner	Kroening	Olson	Solon
Belanger	Dieterich	Laidig	Pehler	Spear
Berg	Frank	Langseth	Peterson, C.C.	Storm
Berglin	Frederick	Lantry	Peterson, D.C.	Stumpf
Bernhagen	Frederickson	Lessard	Peterson, D.L.	Taylor
Bertram	Freeman	Luther	Peterson, R.W.	Ulland
Brataas	Hughes	McQuaid	Petty	Vega
Chmielewski	Isackson	Merriam	Purfeerst	Waldorf
Dahl	Johnson, D.E.	Moe, D. M.	Reichgott	Wegscheid
Davis	Jude	Moe, R. D.	Renneke	Willet
DeCramer	Kamrath	Nelson	Samuelson	

Messrs. Benson, Knaak, Mrs. Kronebusch and Mr. Ramstad voted in the negative.

The motion prevailed. So the resolution was adopted.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 61, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 61: A bill for an act relating to crimes; requiring operators of certain vehicles to provide insurance information to peace officers; providing penalties; increasing penalties for failure to stop at the scene of certain accidents; amending Minnesota Statutes 1982, sections 65B.67, by adding a subdivision; and 169.09, subdivisions 1, 3, 6, 7, and 14.

Senate File No. 61 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 23, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 320, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 320: A bill for an act relating to agriculture; making certain changes in the law relating to a fertilizer inspection fund; prescribing penalties; amending Minnesota Statutes 1982, sections 17.713, subdivision 7; 17.714, subdivision 1; 17.715, subdivision 1; 17.717, subdivision 1; 17.718, subdivision 1; 17.725, subdivisions 1 and 2; and 17.728, subdivision 4; repealing Minnesota Statutes 1982, section 17.717, subdivisions 3, 4, and 5.

Senate File No. 320 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 23, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 911, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 911: A bill for an act relating to utilities; specifying the commission's authority over the availability of submetering; amending Minnesota Statutes 1982, section 216B.02, subdivision 4, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 216B.

Senate File No. 911 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 23, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 950, and repassed said bill in accordance with the report of the Committee, so

adopted.

S.F. No. 950: A bill for an act relating to agriculture; requiring pseudorabies testing and imposing quarantine and restricted movement requirements for swine; appropriating money; proposing new law coded in Minnesota Statutes 1982, chapter 35.

Senate File No. 950 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 23, 1983

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 645.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 23, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1234, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1234: A bill for an act relating to the organization and operation of state government; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines commission, corrections ombudsman, and health related boards; providing an entitlement to certain child care services; increasing marriage license and dissolution fees; providing for distribution of federal maternal and child health block grant money; requiring cost increase limits and other cost containment measures in medical care programs; amending eligibility standards; changing general assistance to allow flat grants, employment through grant diversion and work registration requirements, and federal benefit application incentives; providing for job training for certain persons; amending Minnesota Statutes 1982, sections 129A.03; 144.653, subdivision 2; 144A.04, subdivision 5; 144A.10, subdivision 2; 145.882; 145.921, subdivision 1; 245.62; 245.66; 245.83; 245.84, subdivisions 1, 2, and 5; 245.85; 245.86; 245.87; 256.045, subdivision 3; 256.82, by adding a subdivision; 256.966, subdivision 1; 256.968; 256B.02, subdivision 8; 256B.04, subdivision 14, and by adding a subdivision; 256B.06, subdivision 1; 256B.07; 256B.14, subdivision 2; 256B.17, subdivision 4, and by adding subdivisions; 256B.27, subdivision 3; 256B.48, by adding a subdivision; 256D.01, subdivision 1; 256D.02, subdivision 4; 256D.03, subdivisions 3 and 4, and by adding subdivisions; 256D.05, subdivision 1a; 256D.06, subdivision 5; 256D.09, subdivision 2, and by adding a subdivision; 260.191, subdivision 2; 260.242, subdivision 2; 261.23; 357.021, subdivisions 2 and 2a; 401.14, by adding a subdivision; 401.15, subdivision 1; 517.08, subdivisions 1b and 1c; proposing new law coded in Minnesota Statutes, chapters 145; 252; 256; 256B; 256D; and 268; repealing Minnesota Statutes 1982, sections 256D.02, subdivision 14; 256D.05,

subdivision 1a; 256D.06, subdivision 1a; 256D.22; and Laws 1981, chapter 360, article II, section 54, as amended.

Senate File No. 1234 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 23, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 862, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 862: A bill for an act relating to public employment; providing rights for certain part-time employees; amending the definition of supervisory employee; providing that the public employer's duty to bargain supersedes all municipal charters, ordinances or resolutions; amending Minnesota Statutes 1982, sections 179.63, subdivisions 7 and 9; 179.66, subdivision 2; and 179.71, subdivision 8.

Senate File No. 862 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 23, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 708, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 708: A bill for an act relating to the court system; removing obsolete references to justice of the peace and magistrate; amending Minnesota Statutes 1982, sections 72A.12, subdivision 5; 72A.30; 88.645; 97.50, subdivisions 1 and 7; 115.32, subdivision 3; 127.09; 127.17, subdivision 4; 144.12, subdivision 1; 168.46; 169.42, subdivision 5; 169.91; 169.95; 169.965, subdivision 3; 169.966, subdivision 3; 169.971, subdivision 4; 171.08; 171.16, subdivision 1; 181.09; 181.17; 219.32; 219.97, subdivision 13; 290.58; 297A.42, subdivision 2; 299F.40, subdivision 5; 340.85, subdivision 2; 340.91; 345.02; 345.03; 345.04; 345.05; 345.06; 345.14; 346.03; 346.04; 346.09, subdivision 1; 347.04; 347.05; 347.06; 357.12; 357.16; 357.22; 357.27; 357.29; 358.15; 359.061; 359.11; 361.27, subdivision 2; 365.52; 366.20; 367.11; 367.25, subdivision 1; 368.01, subdivision 20; 373.09; 375.24; 390.15; 390.20; 390.31, subdivision 2; 390.33, subdivisions 2 and 6; 395.23; 412.02, subdivision 1; 412.021, subdivision 2; 412.023, subdivision 5; 412.111; 412.861, subdivision 3; 473.608, subdivision 17; 485.07; 488A.021, subdivision 4; 488A.09, subdivision 7; 488A.19, subdivision 5; 490.18; 509.04; 514.29; 514.34; 542.05; 549.03; 550.17; 571.50; 571.58; 571.65; 574.20; 574.35; 588.01, subdivision 3; 588.02; 593.21; 609.27, subdivision 1; 609.415, subdivision 1; 609.66, subdivision 1; 611.07, subdivision 1; 611.17; 617.27; 624.62; 625.01; 625.02; 625.03; 625.04; 625.05; 625.06; 625.07; 625.08; 625.09; 625.10; 625.11; 625.12; 625.13; 625.14; 625.15; 625.17;

625.18; 626.04; 626.05, subdivision 1; 626.06; 626.09; 626.11; 626.14; 626.15; 626.17; 626.66; 629.03; 629.13; 629.14; 629.15; 629.16; 629.17; 629.18; 629.23, subdivision 3; 629.31; 629.36; 629.363; 629.364; 629.39; 629.401; 629.403; 629.41; 629.44; 629.45; 629.53; 629.54; 629.55; 629.60; 629.62; 630.17; 630.37; 631.04; 636.08; 641.07; 641.25; and 648.39, subdivision 3; repealing Minnesota Statutes 1982, sections 357.14; 357.15; 367.03, subdivision 4; 367.21; 388.02; 412.02, subdivision 5; 412.171; 487.01, subdivision 8; 488A.283; 488A.284; 492.02, subdivision 2; 542.15; 549.16; 599.21; 599.22; 599.23; 609.46; 629.56; 629.66; and 629.71.

Senate File No. 708 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 23, 1983

Mr. President:

I have the honor to announce the adoption by the House of the following House Concurrent Resolution, herewith transmitted:

House Concurrent Resolution No. 6: A House concurrent resolution relating to adjournment of the Senate and House of Representatives until 1984.

BE IT RESOLVED by the House of Representatives, the Senate concurring:

(1) Upon their adjournments on May 23, 1983, the House of Representatives may set its next day of meeting for March 6, 1984, at 12:00 noon and the Senate may set its next day of meeting for March 6, 1984, at 12:00 noon.

(2) By the adoption of this resolution, each house consents to adjournment of the other house for more than three days.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 23, 1983

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

MEMBERS EXCUSED

Mr. Lessard was excused from the Session of today from 10:00 to 12:15 p.m. Mr. Moe, R.D. was excused from the Session of today from 10:45 a.m. to 4:00 p.m. Mr. Waldorf was excused from the Session of today from 11:00 a.m. to 12:20 p.m. Mr. Wegscheid was excused from the Session of today from 6:30 to 10:15 p.m. Mr. Purfeerst was excused from the Session of today from 3:00 to 4:30 p.m. Mr. Mehrkens was excused from the Session of today at 8:55 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Tuesday, March 6, 1984. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

COMMUNICATIONS RECEIVED SUBSEQUENT TO ADJOURNMENT

EXECUTIVE AND OFFICIAL COMMUNICATIONS

May 19, 1983

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 281, 752, 812, 948, 1105 and 1165.

Sincerely,

Rudy Perpich, Governor

May 20, 1983

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 598, 601, 755 and 1168.

Sincerely,

Rudy Perpich, Governor

May 22, 1983

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 695.

Sincerely,

Rudy Perpich, Governor

May 19, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1983 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1983	Date Filed 1983
281		168	May 19	May 19
752		169	May 19	May 19
812		170	May 19	May 19
948		171	May 19	May 19
1105		172	May 19	May 19
1165		173	May 19	May 19
	31	174	May 19	May 19
	74	175	May 19	May 19
	140	176	May 19	May 19
	166	177	May 19	May 19
	167	178	May 19	May 19
	189	179	May 19	May 19
	223	180	May 19	May 19
	259	181	May 19	May 19
	270	182	May 19	May 19
	318	183	May 19	May 19
	403	184	May 19	May 19
	441	185	May 19	May 19
	462	186	May 19	May 19
	463	187	May 19	May 19
	491	188	May 19	May 19
	540	189	May 19	May 19
	749	190	May 19	May 19
	794	191	May 19	May 19
	849	192	May 19	May 19
	859	193	May 19	May 19
	1006	194	May 19	May 19
	1092	195	May 19	May 19
	1101	196	May 19	May 19
	1147	197	May 19	May 19
883		198	May 19	May 19

Sincerely,

Joan Anderson Growe
Secretary of State

May 23, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1983 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1983	Date Filed 1983
695		199	May 22	May 23
598		200	May 20	May 23
601		201	May 20	May 23
755		202	May 20	May 23
1168		203	May 20	May 23
	114	204	May 20	May 23
	290	205	May 20	May 23
	294	206	May 20	May 23
	381	207	May 20	May 23
	419	208	May 20	May 23
	599	209	May 20	May 23
	745	210	May 20	May 23
	1108	211	May 20	May 23
	1111	212	May 20	May 23
	1171	213	May 20	May 23
	77	214	May 23	May 23
	102	215	May 23	May 23

Sincerely,

Joan Anderson Growe
Secretary of State

May 23, 1983

The Honorable Roger D. Moe
Chairman, Committee on Rules and Administration

Pursuant to Rule 51, the following bills remaining on Special Orders after adjournment on May 23, 1983, were returned to the committees indicated:

S.F. Nos. 595, 1106 and H.F. No. 239 to the Committee on Economic Development and Commerce.

S.F. No. 499 to the Committee on Elections and Ethics.

S.F. Nos. 685 and 1082 to the Committee on Employment.

S.F. Nos. 77 and 206 to the Committee on Finance.

S.F. Nos. 119, 424 and H.F. No. 495 to the Committee on Judiciary.

S.F. Nos. 56 and 210 to the Committee on Public Utilities and State Regulated Industries.

S.F. No. 1263 to the Committee on Rules and Administration.

S.F. Nos. 187 and 757 to the Committee on Taxes and Tax Laws.

Patrick E. Flahaven
Secretary of the Senate

May 27, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Act of the 1983 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1983	Date Filed 1983
	1124	216	May 27	May 27

Sincerely,

Joan Anderson Growe
Secretary of State

June 1, 1983

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 50, 92, 160, 161, 263, 267, 278, 271, 280, 297, 366, 427, 527, 597, 639, 652, 684, 699, 769, 782, 800, 844, 856, 857, 892, 996, 1146 and 1241.

Sincerely,

Rudy Perpich, Governor

June 1, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1983 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1983	Date Filed 1983
50		217	June 1	June 1
92		218	June 1	June 1

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1983	Date Filed 1983
160		219	June 1	June 1
161		220	June 1	June 1
263		221	June 1	June 1
267		222	June 1	June 1
271		223	June 1	June 1
278		224	June 1	June 1
280		225	June 1	June 1
297		226	June 1	June 1
366		227	June 1	June 1
427		228	June 1	June 1
527		229	June 1	June 1
597		230	June 1	June 1
639		231	June 1	June 1
652		232	June 1	June 1
684		233	June 1	June 1
699		234	June 1	June 1
769		235	June 1	June 1
782		236	June 1	June 1
800		237	June 1	June 1
844		238	June 1	June 1
856		239	June 1	June 1
857		240	June 1	June 1
892		241	June 1	June 1
996		242	June 1	June 1
1146		243	June 1	June 1
1241		244	June 1	June 1
	149	245	June 1	June 1
	233	246	June 1	June 1
	330	247	June 1	June 1
	365	248	June 1	June 1
	375	249	June 1	June 1
	521	250	June 1	June 1
	606	251	June 1	June 1
	610	252	June 1	June 1
	653	253	June 1	June 1
	798	254	June 1	June 1
	836	255	June 1	June 1
	904	256	June 1	June 1
	1236	257	June 1	June 1
	1059	Resolution No. 5	June 1	June 1

Sincerely,
 Joan Anderson Growe
 Secretary of State

June 6, 1983

The Honorable Jerome M. Hughes
 President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 201 and 428.

Sincerely,
 Rudy Perpich, Governor

June 6, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1983 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1983	Date Filed 1983
	1283	258	June 6	June 6
201		259	June 6	June 6
428		260	June 6	June 6

Sincerely,

Joan Anderson Growe
Secretary of State

June 6, 1983

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 72, 238, 253, 337, 398, 412, 462, 529, 616, 723, 879, 923, 932, 1015 and 1152.

Sincerely,

Rudy Perpich, Governor

June 7, 1983

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 346, 415, 455, 791, 863, 954, 1003, 1151 and 1233.

Sincerely,

Rudy Perpich, Governor

June 7, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1983 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preser-

vation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1983	Date Filed 1983
	90	261	June 6	June 7
	218	262	June 6	June 7
	314	263	June 6	June 7
	582	264	June 6	June 7
	636	265	June 6	June 7
	667	266	June 6	June 7
	744	267	June 6	June 7
	870	268	June 6	June 7
72		269	June 6	June 7
238		270	June 6	June 7
253		271	June 6	June 7
337		272	June 6	June 7
398		273	June 6	June 7
412		274	June 6	June 7
462		275	June 6	June 7
529		276	June 6	June 7
616		277	June 6	June 7
723		278	June 6	June 7
879		279	June 6	June 7
923		280	June 6	June 7
932		281	June 6	June 7
1015		282	June 6	June 7
1152		283	June 6	June 7
	973	284	June 7	June 7
	765	285	June 7	June 7
	652	286	June 7	June 7
	575	287	June 7	June 7
	558	288	June 7	June 7
	300	289	June 7	June 7
	274	290	June 7	June 7
	251	291	June 7	June 7
	250	292	June 7	June 7
1233		293	June 7	June 7
1151		294	June 7	June 7
1003		295	June 7	June 7
954		296	June 7	June 7
791		297	June 7	June 7
455		298	June 7	June 7
415		299	June 7	June 7
346		300	June 7	June 7
863		Resolution No. 6	June 7	June 7

Sincerely,
 Joan Anderson Growe
 Secretary of State

June 9, 1983

The Honorable Jerome M. Hughes
 President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 87, 164, 473,

541, 545, 554, 620, 891 and 1234.

Sincerely,

Rudy Perpich, Governor

June 9, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1983 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1983	Date Filed 1983
	1290	301	June 8	June 8
	445	302	June 9	June 9
	553	303	June 9	June 9
87		304	June 9	June 9
164		305	June 9	June 9
473		306	June 9	June 9
541		307	June 9	June 9
545		308	June 9	June 9
554		309	June 9	June 9
620		310	June 9	June 9
891		311	June 9	June 9
1234		312	June 9	June 9

Sincerely,

Joan Anderson Growe
Secretary of State

June 14, 1983

The Honorable Jerome M. Hughes
President of the Senate

Dear Senator Hughes:

Please be advised that I am vetoing S.F. No. 510.

This bill relates to the imposition of rent controls on residential properties in Minnesota. It would prohibit any local government unit from imposing such controls, whether by ordinance "or otherwise". I interpret this language as prohibiting rent controls by a referendum of the residents of a community.

My disagreement with the bill stems from the method selected by the Legislature to accomplish the avoidance of rent controls. I believe that it is wholly inappropriate for the Legislature to impose its belief on this issue upon municipalities through an outright ban on local action.

I have made a commitment that my administration will do what it can to eliminate unnecessary state-imposed mandates on local governments. If our local government units are to fulfill their duty to local residents, they must have the tools to implement local desires. The ban proposed by this bill is

contrary to this basic philosophy.

Before this bill passed, I expressed my reservations to the chief authors. I recommended that referenda imposing rent controls be permitted, but the authors rejected this solution. I stand ready to work with the authors over the interim to explore alternative ways by which rent control can be discouraged.

Sincerely,

Rudy Perpich, Governor

June 14, 1983

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 61, 159, 194, 218, 320, 338, 463, 466, 511, 591, 607, 634, 645, 679, 682, 708, 767, 823, 845, 855, 862, 889, 911, 950, 964, 985, 1008, 1009, 1011, 1012, 1097 and 1189.

Sincerely,

Rudy Perpich, Governor

June 15, 1983

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1983 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1983	Date Filed 1983
	30	313	June 14	June 15
	92	314	June 14	June 15
	210	315	June 14	June 15
	242	316	June 14	June 15
	253	317	June 14	June 15
	257	318	June 14	June 15
	380	319	June 14	June 15
	409	320	June 14	June 15
	435	321	June 14	June 15
	537	322	June 14	June 15
	549	323	June 14	June 15
	564	324	June 14	June 15
	654	325	June 14	June 15
	657	326	June 14	June 15
	672	327	June 14	June 15
	674	328	June 14	June 15
	722	329	June 14	June 15
	769	330	June 14	June 15
	782	331	June 14	June 15

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1983	Date Filed 1983
	851	332	June 14	June 15
	855	333	June 14	June 15
	857	334	June 14	June 15
	858	335	June 14	June 15
	916	336	June 14	June 15
	995	337	June 14	June 15
	1031	338	June 14	June 15
	1067	339	June 14	June 15
	1106	340	June 14	June 15
	1224	341	June 14	June 15
	1259	342	June 14	June 15
	1308	343	June 14	June 15
	1310	344	June 14	June 15
61		345	June 14	June 15
159		346	June 14	June 15
194		347	June 14	June 15
218		348	June 14	June 15
320		349	June 14	June 15
338		350	June 14	June 15
463		351	June 14	June 15
466		352	June 14	June 15
511		353	June 14	June 15
591		354	June 14	June 15
607		355	June 14	June 15
634		356	June 14	June 15
679		357	June 14	June 15
682		358	June 14	June 15
708		359	June 14	June 15
767		360	June 14	June 15
823		361	June 14	June 15
845		362	June 14	June 15
855		363	June 14	June 15
862		364	June 14	June 15
889		365	June 14	June 15
911		366	June 14	June 15
950		367	June 14	June 15
964		368	June 14	June 15
985		369	June 14	June 15
1008		370	June 14	June 15
1009		371	June 14	June 15
1011		372	June 14	June 15
1012		373	June 14	June 15
1097		374	June 14	June 15
1189		375	June 14	June 15
645		Resolution No. 7	June 14	June 15
	452	Resolution No. 8	June 14	June 15
	1081	Resolution No. 9	June 14	June 15
	1188	Resolution No. 10	June 14	June 15
	1269	Resolution No. 11	June 14	June 15

Sincerely,
Joan Anderson Growe
Secretary of State

PROTEST AND DISSENT

The undersigned members of the Senate dissent and protest the actions of the Chairman of the Senate Tax Committee and Senate majority caucus relative to Senate File 11 for the following reasons:

1. Contrary to the accepted and stated practices of the Minnesota Senate; and contrary to the spirit of the rules of the Minnesota Senate for the 73rd Legislature providing for open meetings and public hearings; the chairman of the Senate Tax Committee did engage in a series of meetings with the House Tax Committee Chairman and the Governor for the purposes of pre-determining the provisions of the 1983 Omnibus Tax Bill. The public, press and other members of the legislature were excluded from these meetings despite the fact that the content of this bill is of vital interest to the public and members of the legislature.

The Minneapolis Tribune on April 27, 1983 stated in an editorial that "numerous" such private meetings were held. News articles in the Minneapolis Tribune and the St. Paul Dispatch refer to at least two such meetings being held on March 29th and the week of April 18th. It was reported that the subject of each of these meetings were the contents of the 1983 Omnibus Tax Bill.

2. The DFL became the majority in the Senate following an election based on "openness in government". There can be no openness in government when the provisions of the most important piece of legislation of the session are being decided in secret by a small group of political leaders.
3. In further violation of the "openness in government" standards of the DFL, the majority caucus met on several occasions in closed session to discuss and determine the contents of the 1983 Senate Omnibus Tax Bill. News reports on the results, but not the proceedings of those meetings were carried in the public press:

* Referring to a majority caucus meeting on April 18th where the results of meeting between the Governor and the two tax chairmen were discussed, the St. Paul Pioneer Press reported on April 20, 1983: "But when Johnson attempted to sell this *tradeoff* to the Senate DFL caucus at a *closed door meeting* Monday night, his colleagues turned it down" (emphasis ours).

* The St. Paul Pioneer Press of May 3rd reported on the contents of the tax bill as if they were law, and referred to a May 2nd meeting of the majority caucus as follows: "After what reportedly was a stormy, 3 1/2 hour meeting *behind closed doors ...*" (emphasis ours).

* "We're diverse, but we're united." Moe said after a four-hour *closed-door* meeting of his 42 member caucus." (emphasis ours): reports the Minneapolis Tribune of May 10, in a story on the pending Senate debate over the tax bill.

The meetings of the majority caucus in the Senate are not merely friendly discussions of legislative business. They are, in fact, a policy decision of the Senate. Since the DFL caucus holds a clear and commanding majority in the Senate the decisions of these caucus meetings have the practical effect of being the decisions of the Senate acting as

a whole. The decisions made in these meetings are never overturned on the floor.

In effect, the Senate, not just the majority caucus, is making major policy decisions in private. Making these decisions in "caucus" rather than on the Senate floor merely circumvents the rules adopted by this same majority.

This action by the majority caucus behind closed doors makes a mockery of any public hearings held by the full Senate Tax Committee.

4. The DFL majority has deliberately and systematically excluded members of the Senate IR minority from membership on the House-Senate Tax Conference Committee which is writing the final version of the 1983 tax bill, thus denying fair and equitable representation to the constituents of the minority caucus members and imposing "taxation without representation".
5. Historically, conference committees are well known for having closed door meetings in the offices of principal conferees and public discussion is only a limited reflection of decisions reached in these closed meetings. These procedures violate the spirit of the rules of the Minnesota Senate.
6. The undersigned members dissent and protest this disregard for the democratic process, the violation of standards of "openness in government" and the violation of the constitutional rights of the constituents of minority members to fair and equitable representation in the legislative process.

Legislative Bodies are governed by constitutional restraints, by law and by their own rules. We the undersigned believe the actions of the Senate Tax Committee Chairman and the Senate majority caucus violate the spirit of the Constitution and the law of the State of Minnesota.

We wish to make these actions and our dissent to them a matter of public record to be called to the attention of the people of Minnesota. For these reasons, this protest and dissent is entered upon the pages of the Senate Journal.

James Ulland
Howard A. Knutson
Mel Frederick
Duane Benson
Pat Kronebusch
Earl Renneke
Randy Kamrath
Fritz Knaak
Glen Taylor
Dennis Frederickson
Gen Olson
Don Anderson

Jim Ramstad
Ron Sieloff
John J. Bernhagen
Charlie Berg
Donald A. Storm
Dean E. Johnson
Doran Isackson
William V. Belanger, Jr.
Lyle Mehrkens
Gary W. Laidig
Phyllis McQuaid
Nancy Brataas
Darrel Peterson

July 7, 1983

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

On July 6, 1983, the Subcommittee on Committees met and by appropriate

action made the following appointments:

Pursuant to Laws 1983

Chapter 353: Advisory Committee on Low-Level Radioactive Waste - Messrs. Pehler, Diessner and Mrs. Brataas.

Chapter 260: Citizens Council on Voyageurs National Park - Messrs. Kroening and Frederick.

Chapter 359: Court Study Commission - Messrs. Merriam, Dieterich, Freeman and Kamrath.

Chapter 17: Highway Study Commission - Messrs. Purfeerst, Schmitz, Waldorf, Langseth and Mrs. Kronebusch.

Chapter 199: Legislative Commission on Long Term Health Care - Messrs. Samuelson, Wegscheid, Dicklich, Benson, Storm and Ms. Berglin.

Chapter 293: Legislative Study Commission on Metropolitan Transit - Messrs. Petty, Pogemiller, Novak, Mmes. Lantry and McQuaid.

Chapter 314: Legislative Commission on Public Education - Messrs. Pehler, Nelson; Hughes; Peterson, R. W.; Peterson, D.L. and Ms. Olson.

Chapter 342: Multistate Tax Compact Advisory Committee - Messrs. Johnson, D.J. and Peterson, C.C.

Chapter 293: Select Committee on Livestock Weighing - Messrs. Davis, Bertram and Isackson.

Pursuant to Senate Rules and Administration Action on May 20, 1983: Joint Select Legislative Committee on Forestry - Messrs. Willet; Johnson, D.J.; Lessard; Davis; Anderson and Bernhagen.

Respectfully,

Roger D. Moe
Senate Majority Leader

July 7, 1983

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

Pursuant to the provisions of Laws 1983, I have made the following appointments:

Chapter 299: Compensation Council - Messrs. Luther and Spear.

Chapter 346: Legislative Study Commission on Venipuncture - Messrs. Samuelson and Berg.

Chapter 334: Minnesota Job Skills Partnership - Messrs. Frank, Stumpf, Ms. Peterson, D.C. and Ms. Reichgott

Respectfully,

Roger D. Moe
Senate Majority Leader

July 8, 1983

Senator Roger D. Moe
Senate Majority Leader

Dear Senator Moe:

I have made the following appointments:

Pursuant to Laws 1983, Chapter 299: Compensation Council - Mr. Dean E. Johnson.

Pursuant to Laws 1983, Chapter 334: Minnesota Job Skills Partnership - Mr. Fritz Knaak.

Pursuant to Laws 1983, Chapter 314: Minnesota Academic Excellence Foundation - Mr. Lyle G. Mehrkens.

Sincerely,

James Ulland
Minority Leader