



1979-80

LEGISLATIVE SUMMARY

PREFACE

This 1979-1980 Legislative Summary summarizes the most important measures passed during the 71st Minnesota Legislative Session.

During this two year period, 2,439 bills were introduced in the Minnesota State Senate while the Minnesota House of Representatives saw the introduction of 2,502 bills. Legislative membership in the House and Senate approved a total of 628 bills, ten of which were vetoed by the Governor.

In view of difficulties in early organization and a lack of cooperation on the part of the Republican Governor, DFL legislators accomplished much in the space of two years. Gubernatorial vetoes tarnished the record of the 71st Legislature. Nonetheless, this 1979-1980 Legislative Summary documents the fact that success cannot be forced in a single stroke. Therefore, future DFL Legislatures will again develop, recommend and enact into law legislative measures of benefit to all Minnesota. As the overview indicates, those Legislatures will have a tradition and record of success to build upon.

Please note that you should keep your copy of last year's booklet. Some bills from the 1979 Summary have not been included or have had their summaries shortened in this year's booklet to provide more coverage of 1980 legislation.

DFL House and Senate Caucus Staff

Cover Photo: (Mark M. Nelson)

An inside view of the Minnesota State Capitol dome.

(Not printed at Government Expense)

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AGRICULTURE

Family Farm Corporation Amendment

H.F. 1814	Anderson, B., Eken, Johnson, D., Mann, Sherwood
S.F. 1990	Menning, Willet, Strand, Renneke, Chmielewski

Alters the definition of a family farm corporation so that the shareholders holding a majority of the shares must reside on the farm or engage in farming. (1978 law required that a "family farm" have a majority of the shareholders residing on the farm or actively engaged in farming.) New definition will also be used for eligibility for green acres tax treatment which previously required shareholders to be members of the same family.

Also limits the liability of food manufacturers, distributors, and processors who donate perishable food to a charitable organization.

Effective: August 1, 1980.

C. 497-80

Family Farm Security Program Amendments

H.F. 406	Fjoslien, Mann, Stadum, Wenzel Clawson
* S.F. 420	Nichols, Strand, Gunderson, Sikorski

Allows more participation in model 1976 loan program by raising maximum net worth an applicant may have from \$50,000 to \$75,000. Increases from \$100,000 to \$135,000 the maximum net worth a recipient may have to continue receiving 4% interest break on the loan. Extends state guarantee to bona fide secondary market purchasers of the mortgages.

Effective: August 1, 1979.

C. 236-79

AGRICULTURE

Metropolitan Agricultural Preserves Act

- * H.F. 1612 Schreiber, Levi, Vanasek,
Svigum, Jude)
S.F. 1597 Sikorski, Purfeerst

Establishes a state policy for preservation of metropolitan farmland.

Land comprising 40 acres or more in the 7-county metropolitan area that has been designated and zoned for agricultural use in local or county plans is eligible for designation as "long-term agricultural land." It must be used solely for farming and maintain a density of no more than one household per 40 acres.

(The farmer is protected against certain eminent domain proceedings, annexations, special sewer and water assessments, and local ordinances that interfere with regular farming activities.) In determining property tax, the land is valued only according to its agriculture capacity, and a maximum rate, based on 105% of the statewide average for township gross mill rates, is set.

The landowner must sign a statement that the designated land will be kept in agricultural use. Cancellation may occur no earlier than eight years from the date of notice, when all benefits and limitations of the act will cease.

Also gives cities and urban townships authority to regulate large lot (up to 20 acres) development under their subdivision ordinances.

Effective: June 1, 1980.

C. 566-80

Pipeline Construction Regulated

- H.F. 376 Anderson, G., Corbid, Erickson,
Searle, Kalis
* S.F. 332 Setzepfandt, Purfeerst, Willet,
Strand, Engler

Prevents negotiation or acquisition of pipeline easements before completion of a 90-day process which includes: (a) notifying the EQB and affected county boards of the project, (b) paying the EQB \$25,000 to prepare an information book for each landowner, and (c) waiting until public meetings have been held in each county.

Requires burial 4½ feet deep when crossing agricultural land, public drainage facilities or roads unless this is waived. Allows county boards to establish standards to protect and restore agricultural land during pipeline construction. Sets a county fee of \$500 per mile to finance inspection activities. Frees landowners from liability for pipeline damage caused by normal agricultural operations but requires advance notice of drainage tile repairs.

Effective: immediately, except that interstate natural gas pipelines constructed under eminent domain authority of the federal natural gas act do not have to comply with the 90-day siting procedure and those subject to safety regulations under the federal natural gas pipeline safety act do not have to comply with the minimum depth requirements.

C.194-79

AGRICULTURE

Preservation of Agricultural Lands

- * H.F. 1091 Kalis, Clawson, Redalen,
Valan, Lehto
S.F. 1015 Wegener, Olhoff, Dunn,
Merriam, Hanson

Declares a state policy that prime agricultural and open space lands must be preserved. Establishes a 16-member joint legislative committee on farmland preservation, which will disband by June 30, 1982. Directs state planning agency to coordinate state agency activities.

Effective: immediately.

C.315-79

Prohibiting Trespass

- * H.F. 60 Wieser, Redalen, Clawson
Den Ouden, Brinkman
S.F. 930 Purfeerst, Wegener, Penny,
Engler, Olson

Redefines "agricultural lands" as lands containing plowed or tilled fields, standing crops or their residues or lands with a maintained fence for the purpose of enclosing livestock including all lands up to the water's edge of streams and lakes (was defined as lands used to raise agricultural products or enclosing domestic livestock except lands within 66 feet of the water's edge of streams and lakes). Prohibits trespass only for those hunting big or small game or pleasure driving and not for any other recreational purpose. Prohibits all persons from entering another's lands from leaving gates open or destroying property. Violation of the law is a misdemeanor and conviction results in the cancellation of the license used.

Effective: August 1, 1979.

C. 291-79

Wetlands and Public Waters Defined

- H.F. 1178 Anderson, G., Peterson, Eken
Searle, Munger
* S.F. 808 Nichols, Dunn, Willet, Peterson

Includes nine types of waters in the definition of "public waters". Redefines "wetlands" as federal types 3, 4 and 5 which are greater than 10 acres in unincorporated areas or greater than 2½ acres in incorporated areas. Extends eligibility in the water bank program to all wetlands, not just those of 50 acres or less. Requires the DNR to complete the public waters and wetlands inventory by December 31, 1982. Requires county boards to conduct public meetings on the DNR's preliminary designation and to make recommendations to the DNR. Allows the boards and individuals to file petitions for public hearings on the designation of specific waters and to appeal the order of a hearings unit.

Effective: August 1, 1979

C.199-79

AGRICULTURE

Workers' Compensation—Farmers

* S.F. 1403 Jensen, Frederick, Laufenburger,
Renneke, Peterson
H.F. 1471 Stadum, Eken, Anderson, G.,
Albrecht, Nelson, B.

Farmers or their family members who exchange work with other farmers in the same community are excluded from Workers' Compensation coverage.

Commercial balers and threshers are to be considered independent contractors for Workers' Compensation purposes. Thus, a farmer hiring a commercial baler or thresher to bale hay or cut grain will not have to provide Workers' Compensation coverage for employees of the commercial baler or thresher.

Effective: August 1, 1980

C. 385

SEE ALSO:

Agri-Credit Corporations	p. 11
Drainage Systems	p. 44
Flood Plain Management	p. 45
Landowners' Bill of Rights Act	p. 45
Omnibus Tax Bills (Property Tax Relief)	p.103
	p.107
Small Timber Sales on Tax-Forfeited Lands	p. 47
Unemployment Compensation - Family Farms	p. 83

APPROPRIATIONS

Bonding, Non-Bonding Building Bill

* H.F. 2470 Voss, for the Committee on Appropriations

Would have authorized \$221M in general obligations bonding for state buildings and projects throughout Minnesota, as well as General Fund appropriations of \$3.7M for buildings and repairs.

Highlights of what was lost by not passing this bill include:

Handicapped access to state buildings	\$ 4,265,000
Energy conservation	4,300,000
District heating—Capitol complex	2,750,000
Wood fuel conversion projects in Iron Range communities	1,050,000
District heating (St. Paul, Moorhead, Red Wing and Mpls.)	39,025,000
Fergus Falls Veterans Home	2,000,000
Area Vo-Tech Institutes	17,894,000
State universities	4,698,000
Community colleges	7,390,000
University of Minnesota (includes Agronomy Building on St. Paul Campus \$15.9M), Music Building (\$12M), Business Administration addition (\$3.4M) and HHH Institute (\$9.8M).	56,746,000
Highway and bridge projects (including interstate highway substitution local match)	44,000,000
Interstate weigh stations (from Trunk Highway Fund)	4,024,000
Stillwater Prison improvements	2,292,000
Study of new correctional facility for women offenders in Shakopee	305,000
Jail construction grants	7,500,000
State hospitals and nursing homes (including those located in Anoka, Brainerd, Faribault, Fergus Falls, Moose Lake, Rochester and Willmar).	14,621,500

Not Passed

APPROPRIATIONS

Building Bills

*	H.F. 1605	Norton
*	H.F. 1606	Norton

Major items in a \$74.5M bonding law and a \$2.3M non-bonding law include: \$2.2M to the department of administration for energy conservation; \$225,000 to plan a \$4.2M building at the Minnesota Braille School; \$1.0M for a \$2.0M energy education center at Red Wing AVTI (a special levy is also authorized); \$4.7M for a physical education building at St. Cloud State; \$300,000 to plan a \$5.5M library/classroom/college center building and a \$2.5M fine arts building at metro community college; \$15.8M to the university of Minnesota civil and mineral engineering building (Minneapolis); \$160,000 to plan a \$4.0M addition to the U of M business administration tower (Minneapolis); \$7.1M for the U of M vocational technical education building (St. Paul); \$13.6M for the U of M veterinary medicine hospital addition (St. Paul); \$2.0M for the U of M poultry research and teaching facility (St. Paul); \$3.3M for the U of M business and economics building (Duluth); \$3.4M for the U of M physical education complex (Crookston); and \$10.2M for cost overruns at the new prison.

Effective: immediately.

C.338

C.339

Omnibus Health, Welfare & Corrections Appropriation

*	H.F. 1518	Norton
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Appropriates \$1.3 billion/biennium for human service needs. Provides increased funding of state's share for community health services and community corrections programs. Extends catastrophic health insurance eligibility. Provides \$698.0M for income maintenance programs, including a 7% annual increase for AFDC, GA and MA recipients. Appropriates \$3M to expand "battered women" programs and implement a treatment program for the violent partner. A comparison with the 1977 omnibus act, by major area, follows:

	Biennium 1977-79	Biennium 1979-81 (a)
Public Welfare	\$860.5M	\$1,099.9M
Economic Security (b)	10.3M	31.2M
Health	35.6M	47.1M
Corrections	97.0M	116.1M
Health-Related Boards	2.9M	3.1M
Ombudsman for Corrections	.4M	.5M
Sentencing Guidelines Comm.	—	.4M

APPROPRIATIONS

Omnibus Health, Welfare & Corrections - Con't.

(a) Adjusted for salary increases.

(b) The 1977-79 appropriation was solely for department of vocational rehabilitation. Economic security also includes the former department of employment services and governor's manpower office.

Also designates \$400,000 for training and experimental programs to prevent and treat child abuse and neglect; earmarks \$1.4M for grants to small acute care hospitals that convert to nursing homes; and designates \$500,000 for grants to programs serving victims of sexual assault.

Effective: July 1, 1979

C.336 (1979)

Omnibus State Departments Bill

	H.F. 1553	Norton
*	S.F. 1510	Moe

1979-81 state departments appropriation totals \$819M for all funds (of which \$684M is from the general fund), and includes 1979 salary increases for the biennium totaling \$27.5M. Excluding transfers not included in the state departments bill last biennium, appropriation is a 15% increase over 1977-79 spending level.

Budget highlights:

Department	1977-79 Biennium	1979-81 Biennium
Administration	\$ 27.9M	\$ 32.3M
Finance	9.5M	9.8M
Personnel	4.7M	5.8M
Revenue	43.5M	49.7M
Agriculture*	21.5M	50.6M
Natural Resources	91.5M	107.7M
Pollution Control Agency	10.0M	9.6M
Energy Agency	2.6M	2.7M
Commerce	9.5M	11.4M
Labor & Industry	9.5M	11.5M
Economic Development	4.9M	6.2M
Human Rights	1.4M	2.0M
Public Service	7.1M	7.7M
Public Safety	91.0M	106.6M
Other Departments & Agencies (including transfers)**	156.7M	241.2M
Other Transfers (Debt service conversion)***	—	164.0M
TOTAL	\$ 491.4M	\$ 818.8M

*includes transfer of shade tree grants program to agriculture department, \$25M.

APPROPRIATIONS

Omnibus State Departments Bill - Con't.

**includes direct appropriation of federal funds to crime control planning board, undedication of several special accounts, inclusion of separate salary-related bills in 1977, and other new and recurring appropriations from separate bills in 1977.

***represents conversion of debt service from open appropriation to direct appropriation.
Effective: July 1, 1979.
C.333 (1979)

Supplemental Appropriations

* H.F. 2476 Voss, for the Committee on Appropriations

Appropriates \$43.7M for various purposes. After 10 items were vetoed by the Governor, the net General Fund supplemental appropriation was \$31.6M. Highlights include:

Additional funds for state agency fuel (due to higher than anticipated gas prices)	\$ 5,000,000
Public employees bonus (advance inflation adjustment for non-represented public employees)	959,200
BWCA Forest Intensification	3,000,000
Leech Lake, White Earth Indian agreements (60% of total from Game & Fish Fund, 40% from General Fund)	1,050,000
MTC social fare reimbursement	1,850,000
MTC operations subsidy	11,500,000
Public transit aid outstate metro area	3,071,300
Increase in state hospital complement	4,200,000

Also includes funds for a small business assistance center, council on Black Minnesotans, Amtrak subsidy, and special grants for home-based services to elderly and adult physically impaired.

Items totaling \$4.3M were vetoed by the Governor, including:

Therapeutic Research Act (Therapeutic uses of marijuana for cancer patients)	100,000
Indian housing	3,000,000
Temporary emergency housing for low and moderate income persons	100,000
Transportation Finance Study Commission	60,000

APPROPRIATIONS

Supplemental Appropriations con't.

Highlights of non-spending provisions include:

—clarifies legislative intent that the state of Minnesota is under no direct or indirect obligation to finance the Minnesota Zoo monorail system.

—abolishes the state Personnel Board, transfers duties, and reassigns employees, State Court Administrator, Governor and Commissioner of Personnel are given responsibilities previously undertaken by the Personnel Board.

—the Real Estate Education, Research, and Recovery Fund increases one-time fees paid to this fund by real estate brokers and salespersons from \$20 to \$40 after July 1, 1980, and a new license renewal fee of \$5 annually to protect the fund against depletion; also restructures the fund so \$400,000 is available for recovery, and \$200,000 for education.

—increases maximum annual education grants to veterans and their dependents to \$350 (was \$250).

—separates the Public Service Commission (PSC) from the Department of Public Service (the Commission is presently a branch of the Department of Public Service). Renames Commission as "Public Utilities Commission."

—provides free fares for senior citizens below 150% of federal poverty guidelines who ride Metro Transit Commission buses during non-peak hours (previously all senior citizens had to pay a 10¢ fare during non-peak hours).

—limits liability of non-manufacturers in product liability cases; permits dismissal of actions against non-manufacturers once a plaintiff has filed a complaint against a certifiably identified manufacturer and the manufacturer is in a position to answer the complaint or otherwise plead, unless the non-manufacturer created or had knowledge of the product defect, had exercised control over product design or manufacture, or had provided warnings to the manufacturer regarding product defects.

APPROPRIATIONS

—authorizes continued development of the St. Paul Downtown People Mover; provides that St. Paul and benefited property owners (excluding the State of Minnesota) are to pay for the DPM system. No ad valorem tax in St. Paul can be used to secure bonds or help meet operating deficits. Allows St. Paul to issue and sell tax-exempt bonds, and specifies that the State of Minnesota has no indirect or direct obligation regarding such debt.

Effective: generally, immediately; St. Paul DPM provisions subject to approval of St. Paul City Council. Sections effective July 1, 1980 include: abolition of Personnel Board; separation of Department of Public Service and Public Service Commission; free fares for seniors under 150% of poverty; Council on Black Minnesotans (expires July 30, 1983).
C.614(1980)

BUSINESS

Additional Adult Voc-Ed Small Business Management

* H.F. 223	Eken, McEachern, Esau, Johnson, C., Knickerbocker
S.F. 315	Merriam, Dieterich, Hughes, Anderson, Sillers

Article V, Section 32, Subd. 10 provides \$280,000 for management in locations where such programs are not currently offered.

Effective: July 1, 1979.
C.334 (1979)

Agri-credit Corporations

* S.F. 1922	Tennessee, Laufenburger, Bang H.F. 1856 Brinkman, Wenzel, Mann, Anderson, D., Jennings
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Permits banks or trust companies to invest up to 20% of their capital and surplus in agricultural credit corporations organized under the laws of Minnesota.

Effective: immediately
C.445(80)

Bank Credit Card Interest Rates

* H.F. 859	Heinitz, Ellingson, Corbid, Brinkman, Anderson, D.
S.F. 913	Tennessee, Bang, Kleinbaum, Penny, Engler

Allows banks or other financial institutions operating bank credit card programs (like VISA) to charge 1½% per month or 18% per year (was previously 1% per month or 12% annually) on open-end charge accounts, provided that no annual fee is charged to the credit card holder. Also requires banks charging 1½% per month with no annual fee to have available as an option to credit card holders a plan for finance charges or no more than 1% per month plus an annual fee of up to \$15.

Effective: immediately.
C.101 (1979)

Business Assistance Center

H.F. 996	Pehler, Kalis, Pleasant, Vanasek, Ewald
* S.F. 787	Staples, Nelson, Peterson, Frederick, Bang

Creates a business assistance center in the department of economic development consisting of (1) a bureau of small business, to serve as an information clearinghouse and referral service (including a toll-free telephone service); and (2) a bureau of business licenses, to help businesses obtain required permits and licenses in Minnesota and to study and recommend changes in state licenses and licensing activities (final report by January 1, 1981). Issuance of all state licenses for business operation to be transferred to the new bureau between July 1, 1981, and July 1, 1982, but enforcement authority is to remain with the agencies formerly issuing the licenses.

Effective: August 1, 1979.
C.246 (1979)

BUSINESS

Commercial Businesses - Assumed Names

H.F. 924	Sherwood, Reding,	Kalis,
	Anderson, R., Wieser	
S.F. 1043	Menning, Setzepfandt, Schmitz	

Makes changes in the filing of commercial businesses' assumed names with the Secretary of State's Office. Reduces the filing fee for each certificate or amended certificate from \$20 to \$12. Reduces the certificate renewal fee from \$10 to \$6. Removes the criminal penalty for failure to file.

Effective: March 31, 1980

C.396(1980)

Credit Unions - Loans and Risk Assets

* H.F. 1765	Simoneau, Blatz, Faricy, Heinritz,	
	Brinkman	
S.F. 1876	Sikorski, Solon, Sieloff, Bang, Spear	

Provides that credit unions need not include in computing outstanding loans and risk assets certain safe loans such as loans to other credit unions; loans insured or guaranteed by the United States or the State of Minnesota.

By eliminating these types of loans from the computation of risk assets and outstanding loans, credit unions will not have to set aside as much in statutory reserves, and may instead use those funds to serve members.

Effective: immediately

C.492 (1980)

Date Account Opened on Checks

* H.F. 2302	Dempsey, Kelly, Ainley,	
	Anderson, G., Sviggum	
S.F. 2284	Laufenburger, Olson, Bang,	
	Knutson, Kleinbaum	

Requires that checks, drafts or similar orders of withdrawal, from consumer deposit accounts opened after July 1, 1980, bear the month and day the account was opened for a period of at least one year.

Does not apply to temporary checks, drafts or orders of withdrawal, and does not apply in cases where the applicant can demonstrate that for the twelve months immediately preceding the account application he or she has had an account at the same or another financial institution.

Effective: July 1, 1980

C.605

BUSINESS

Expansion of State Small Business Set-Aside Program

* H.F. 913	Biersdorf, Osthoff, Metzen,	
	Ainley, Heap	
S.F. 929	Peterson, Lewis, Knoll,	
	Keefe, S., Staples	

Expands the small business procurement act of 1975 by requiring up to 20% (was 10%) of all state contracts for goods and services to be set aside for small businesses. Also requires 15% (was 10%) of the value of procurements designated as small business set-aside to be awarded, if possible, specifically to small businesses owned and operated by socially and economically disadvantaged persons.

Effective: October 1, 1979.

C.283 (1979)

Federal Pre-Emption Override: Interest Rates on Mobile Homes

* H.F. 1302	Ellingson, Blatz, Johnson, D.,	
	Brinkman, Ewald	
S.F. 1452	Bang, Jensen, Johnson	

Places state banks making second-mortgage loans under the same restrictions as national banks which can make second-mortgage loans if total unpaid liens against real estate do not exceed 80% of its appraised value.

Also overrides federal pre-emption on state interest rate limits for home loans or mortgages made after December 31, 1981. (The federal government recently removed state ceilings on interest rates.)

Establishes a floating interest rate ceiling on installment loans for mobile homes (12% or 4-1/2% above the Federal Reserve discount rate on 90-day commercial paper, whichever is greater). Due to the federal pre-emption, there is no current interest rate limit. Because of a sunset provision, new floating ceiling will stay in effect only until July 31, 1983.

Effective: immediately; except that the federal pre-emption override is effective December 31, 1981, and the new interest rate ceiling on mobile home loans is effective August 1, 1980.

C.599 (1980)

Federal Small Business Institute Matching Grants

* H.F. 1526	Norton
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Section 3, Subdivision 14 requires the Higher Education Coordinating Board to provide state matching grants to colleges and universities in Minnesota receiving small business institute grants from the federal small business administration for business management assistance. Appropriation: \$90,000.

Effective: July 1, 1979.

C.335 (1979)

BUSINESS

Interest Rates on Auto Loans

H.F. 2121	Osthoff, Brinkman, Corbid, Kvam, Heinitz
* S.F. 2067	Penny, Ashbach, Moe, Solon, Stern

Increases the interest rate limit on new or one-year old autos to \$10 per \$100 (was \$8 per \$100). The new effective interest rate is now about 18% annually, since these are "add-on" rates. Contains a sunset provision, which makes this increased interest rate limit effective only until July 31, 1983.

Effective: immediately
C.451 (1980)

Interest Rates on Installment Loans

H.F. 2101	Adams, Brinkman, Ewald, Wenzel, Rees
* S.F. 2062	Laufenburger, Brataas, Kleinbaum, Bang, Solon

Allows state and federal banks, savings banks, and credit unions to charge interest at a rate of 12%, or 4-1/2% over the federal discount rate, whichever is greater, on installment loans. Sunset provision makes the new limits effective only until June 30, 1982.

Also increases the maximum allowable installment loans to \$35,000 for commercial banks (was \$25,000), and increases the maximum allowable installment loans to \$25,000 for savings banks (was \$7,500).

Authorizes savings and loan associations to make open-end loan account arrangements similar to those for bank credit cards. Maximum interest rates for these arrangements will be 18%, the same as for bank credit cards.

Effective: immediately
C.522 (1980)

Interest Rates Charged by State Banks

H.F. 639	Heinitz, Ellingson, Brinkman, Wenzel
* S.F. 687	Tennessen, Bang, Brataas, Laufenburger, Penny

Allows state banks to charge an interest rate not more than 1% above the Federal Reserve discount rate on 90-day commercial paper. Brings state banks in line with rates allowed for federal banks.

Effective: immediately
C.343 (1980)

BUSINESS

On-Sale Liquor License Fees for Veteran's Organizations and Other Clubs

* H.F. 2090	Battaglia
S.F. 2083	Johnson

Includes provisions which set upper limits on on-sale liquor license fees for vets or fraternal organizations (was \$100 minimum unless a higher amount was set by the municipality), based on a sliding fee scale, from up to \$300 if membership is 200 or less, to up to \$3,000 if membership is over 6,000. Limits do not apply in Minneapolis, St. Paul or Duluth, are effective as of April 17, 1980.

Effective: immediately
C.581(80)

Open-End Credit

H.F. 500	Friedrich, Adams, Brinkman, Searles, Ainley
* S.F. 285	Laufenburger, Solon, Ashbach Coleman, Brataas

Increases the interest rate limit on open-end credit sales to 16% per year (was 12%). Also provides for an interest-free period from the date of sale to the next billing period (up to 30 days).

Higher interest rate limit does not apply to account balances outstanding on February 22, 1980, the effective date of the law. Those balances must be charged at only 12% interest. New purchases on credit after that date can be charged on the 16% interest rate.

Effective: immediately
C.346 (1980)

Registration of Malt Beverage Brand Labels; Bloomington On-Sale Liquor Licenses

* S.F. 572	Bang, Kirchner
H.F. 356	Peterson, B., Pleasant, Swanson, Blatz, Hokanson

Provides that only a brand owner or authorized agent can register a brand of intoxicating or non-intoxicating malt beverage in Minnesota, and no such brand can be sold in Minnesota without consent of the brand owner.

Also exempts Metropolitan Sports Arena in Bloomington from legal limits on the number of on-sale liquor licenses.

Effective: August 1, 1980, except that the Bloomington City Council must approve the on-sale liquor license provision.
C.583 (1980)

BUSINESS

Small Business Finance Agency

* H.F. 2045	Reding, Ewald, Johnson, D., Kalis
S.F. 1806	Laufenburger, Barrette, Staples, Knaak, Moe

Creates a Small Business Finance Agency, authorized to sell tax-exempt revenue bonds to provide small business loans for capital expenditures.

For business loans over \$100,000 or pollution control loans, the definition of a "small business" is the same as that used by the federal Small Business Administration (annual sales or receipts of up to \$22M or total employees up to 1,500, depending on the economic sector and industry). Small businesses eligible for business loans under \$100,000 from the Agency are defined according to the recently enacted uniform small business definition (20 or less employees or not more than \$1M in annual gross revenues). Businesses not eligible for a loan include real estate companies, financial institutions, professional or consulting services, recreational facilities, and bars/restaurants.

Agency may participate with financial institutions in making or purchasing business loans up to \$1M—if the Agency's share does not exceed 90% of the total principal amount. Agency may make business loans up to \$100,000 from proceeds of a bond or note sold to a financial institution, and the Agency must attempt to make at least 50% of the annual principal amount of loans on amounts of \$100,000 or less.

Agency may also make pollution control loans up to \$500,000 when those loans are guaranteed by the federal government.

Total bonds and notes outstanding cannot exceed \$30M at any one time.

Agency will be run by a governing board of 7 members including the Commissioner of Economic Development. Effective: immediately. C.547 (1980)

Small Business Pollution Control Loans

* H.F. 183	Jacobs, Munger, Elioff, Carlson, D., Dean
S.F. 1274	Willet, Luther, Dunn, Olson, Peterson

Requires pollution control agency to prepare certification statements for small businesses applying for federal pollution control equipment loans and allows PCA to identify and assist small businesses eligible for such loans. Also requires PCA to provide information and assistance to small businesses regarding federal SBA guarantees on payments of pollution control facility revenue bonds.

Effective: August 1, 1979
C.147 (1979)

BUSINESS

Travel Information in Highway Rest Areas

* H.F. 1790	Battaglia, Begich, Elioff
S.F. 1844	Johnson, Penny

Requires Commissioner of Transportation to create a travel information franchise program to make traveler information (commercial and public service advertising) space available within tourist information centers and safety rest areas.

Initial phase of the program is to be in operation by May 1, 1981, leasing of space within existing rest areas and information centers. Program may also include franchises for the construction of additional information structures by the franchises (at their own expense).

Each franchise agreement to include safety rest areas and information centers in an area comprising one-quarter of the state, and shall be let by public negotiation or bid. Agreement must ensure that the franchise provides service in as many locations as are necessary for traveler convenience. Agreements must also contain additional franchise provisions such as guaranteeing 40% of commercial advertising space initially be offered to local advertisers within a 60-mile radius of the site; and ensuring franchises make an effort to lease that space to local advertisers.)

Also allows advertising within 500 feet of a park, historic site, or public picnic and rest area on commercially-zoned property or by municipal resolution (if the municipality has no zoning ordinance). Effective: immediately. C.494(80)

University of Minnesota Small Business Set-Aside

H.F. 845	Osthoff, Nelson, Biersdorf, Piepho, Metzen
* S.F. 935	Peterson, Nelson, Moe, Hughes, Sillers

Extends the small business set-aside program to the University of Minnesota, requiring the board of regents to set aside for small businesses 20% of the value of procurement contracts for goods and services that are paid from funds appropriated by the legislature. Requires at least 15% of the value of procurement set aside to be awarded, if possible, to businesses owned and operated by socially and economically disadvantaged persons.

Effective: July 1, 1979
C.86 (1979)

BUSINESS

Usurious Loans

* H.F. 2429 Corbid, Brinkman, Adams, Ewald
Heinitz
S.F. 1562 Solon

Provides that the penalty for usurious loans made by state banks, savings banks, state or federal savings and loan associations or credit unions shall include the forfeiture of the entire interest on the note plus two times the interest already paid.

Previous penalty included forfeiture of principal as well as interest. The new penalty provisions put state financial institutions in line with federal financial institutions.

Also allows state and federal loan associations to make 12-year, 32 day installment loans up to \$25,000, the same as for savings banks, and to charge interest at a rate of 12% or 4-1/2% over the federal discount rate, whichever is greater, until June 30, 1982. (After that time, the maximum allowable interest rate would be 12%).

Effective: immediately
C.606 (1980)

SEE ALSO:

Labor Category	p. 82
Occupation Licensure Category	p. 91
Omnibus Tax Bills (Business and Corporate Tax Relief)	p.103
	p.107
Workers' Compensation Category.	p.123

CRIMINAL JUSTICE

Arson Reporting Immunity Law

* H.F. 1324 Drew, Jennings, Novak, Norman
S.F. 1484 Dieterich, Sieloff, Solon, Luther

Requires insurance companies to report, in writing, suspected arson. Allows specific authorized persons to request and receive information from insurance companies when investigating fire loss. Grants immunity from civil or criminal liability when insurance company releases information in good faith. Failure to comply with act constitutes a misdemeanor offense. (Arson has recently become a Part I crime, the most serious classification.)

Effective: August 1, 1979.

C. 226

Bonding Authority

* H.F. 1047 Anderson, G., Patton, Nelsen, B.
S.F. 376 Schaaf, Sillers, Strand, Renneke,
Nichols

Creates an additional funding mechanism for the construction of new jails. Counties and cities within their borders will now be able to draw agreements for such construction. Under the agreements, cities will construct the jail, financed with city revenue bonds. The county will then lease the jail from the city under terms prescribed in the statute. Regional jails may also be constructed under agreements between cities and the participating counties through issuance of revenue and general obligation bonds. Counties will also be authorized to lease existing city jails. Plans for any jail constructed under city-county agreements must first be approved by the Commissioner of Corrections.

Effective: August 1, 1980.

C.597

Complaints Against Peace Officers

H.F. 1379 Pavlak, Moe, Lehto, Minne,
Jennings
* S.F. 1376 McCutcheon, Schaaf, Dunn, Moe,
Schmitz

Authorizes peace officers standards and training board to receive written complaints, to require investigation if peace officer is alleged to have violated law or rule which board is empowered to enforce, and to take further action, including a license revocation hearing.

Effective: immediately.

C.117

CRIMINAL JUSTICE

Correctional Licensing

H.F. 1929	Laidig, Moe, Zubay, Vanasek, Rothenberg
* S.F. 1709	Nelson, Perpich, Kirchner, Knutson Sikorski

Establishes licensing of correctional facilities procedure. Gives Commissioner of Corrections temporary rule-making powers and provides for keeping of inmate earnings. Makes the definition of "good time" the same for inmates sentenced before and after implementation of the Sentencing Guidelines. Limits the Parole Board's authority to make rules changes affecting eligibility for parole to offenses committed after the effective date of the act. Directs the Parole Board to consider, but not be bound by, the Sentencing Guidelines in paroling inmates convicted before May 1, 1980. Effective: immediately. Licensing and Parole Board Rules, May 1, 1980: all other sections. C.417

Domestic Abuse Act

* H.F. 521	Clark, Byrne, Sieben, M., Laidig, Forsythe
S.F. 214	Lewis, Coleman, McCutcheon, Kirchner, Sikorski

Defines "domestic abuse" as infliction or fear of physical assault or criminal sexual conduct between members of a household, regardless of marital status. Enacts a new court procedure to obtain an order for protection similar to relief available in divorce proceedings. After notice and hearing, court may issue an order to restrain an individual from further abusive acts, exclude him or her from the home, award temporary support or child custody, require counseling, or order other relief. Authorizes temporary relief order, up to 14 days, if immediate danger is alleged. Requires law officers to assist in execution of the order. Prescribes penalties for violation of order. Effective: immediately. C.214

Domestic Assault

* H.F. 99	Nelson, Laidig, Sieben, M., Piepho, Pavlak
S.F. 705	McCutcheon, Lewis, Sikorski, Kirchner

Provides immunity from civil liability for peace officers who make good faith domestic assault arrests without warrant. Allows arrest away from assailant's residence if assault recently occurred and assailant is threatening to return. Effective: immediately. C.204

CRIMINAL JUSTICE

Licensing of Constables

H.F. 107	Lehto, Sherwood, Begich Zubay, Berkelman
S.F. 440	Willet. McCutcheon, Schaaf, Knoll

Allows constables who hold office prior to July 1, 1979, automatic POST licensure for subsequent terms of office if: within 6 months he has met certain minimum qualifications, within 12 months he has completed courses in first aid and firearm training, and within 24 months he has passed the part-time officer licensing examination. Effective: immediately. C.254

Licensing Part-Time and Reserve Peace Officers

* H.F. 866	Lehto, Jennings, Pavlak, Moe, Nysether
S.F. 996	Willet, Gearty

Declares a public policy that part-time officers must meet minimum training requirements to maximize public safety and minimize local government liability. Further states that part-time officers should only "supplement" the regular, fully trained officer. Defines part-time peace officer as one who works less than 14 hours/week but has powers of arrest and authority to carry a gun. Requires current and replacement part-time officers to meet certain minimum qualifications within 6 months, complete certified courses in first-aid and firearm use within 12 months and pass part-time officer licensing exam within 24 months. Specifies topic areas for licensure courses. Freezes number of part-time officer positions at 110% of 1978 level. Requires part-time officer to meet full-time requirements if he replaces other than a part-time officer. Allows for emergency appointments. Requires supervision of all part-time officers. Provides no state mandated requirements of reserve officers who are defined as supplementary officers without authority to carry firearms or to arrest. Appropriates \$10,000 to POST board. Effective: immediately. C.282

CRIMINAL JUSTICE

Local Correctional Facilities

* H.F. 1816 Clawson, Clark, Byrne, Vanasek
S.F. 1944 Solon, Nelson, Staples,
Vega, Brataas

Amends the statutes with respect to the operation of jails and city lockups to remove obsolete language.

Substantive changes include: requiring that jailor be awake and alert whenever the jail is occupied; removes judges from participation in the appointment of matrons and jailors; makes introduction of contraband into local correctional facilities a gross misdemeanor and introduction of a dangerous weapon a felony; allows the transfer of sentenced and unsentenced prisoners, by court order, between local facilities. Each county is to develop a written county policy on such transfers with approval of the Commissioner of Corrections; authority to train jailors in the delivery of health services is transferred from the Commissioner of Health to the Commissioner of Corrections.

Effective: August 1, 1980. Also, see summary of bonding bill in STATE GOVERNMENT section, which was defeated.
C.602

Obscene Movies

* H.F. 13 Sherwood, Johnson, D., Waldorf,
Thiede, Battaglia
S.F. 162 Menning, Setzepfandt, Bernhagen,
Schmitz, Schrom

Prohibits the showing of obscene movies at drive-in theatres. Subjects theatre owners or managers who show obscene movies to misdemeanor charge. Provides for imprisonment between 20 days and 1 year and fine up to \$1,000 for anyone who violates this act within 2 years of prior conviction.

Effective: August 1, 1979
C.290

CRIMINAL JUSTICE

Omnibus Juvenile Justice Bill

* H.F. 1896 Kelly, Novak, Nelson, Crandall S.F.
2149 Sikorski, Coleman, Keefe, J.,
McCutcheon, Schaaf

Amends juvenile reference for prosecution statute to emphasize public safety as the court's purpose. Allows state to prove prima facie case for referral to adult court using the juvenile's past record combined with the severity of the offense. The final decision on referral is still left to the juvenile court judge. Requires that the Rules of Evidence be applied to delinquency and reference hearings. Entitles victims of crimes by juveniles to notice of the hearing date and of the outcome of the hearing.

Also allows juvenile courts fining authority; gives adult courts automatic jurisdiction over petty misdemeanor traffic offenses committed by minors; allows referees in Hennepin and Ramsey counties to hear contested juvenile cases until July 31, 1981; and raises parental liability for child's acts from \$100 to \$500.
Effective: August 1 except for referees immediately.
C.580

Part-Time Peace Officers; Uniform Colors

H.F. 848 Lehto, Moe, Minne, Laidig
* S.F. 364 McCutcheon, Lewis, Schaaf,
Lessard, Davies

This bill amends the 1979 part-time officers law by increasing from 14 to 20 the number of hours per week a part-time officer may work. Allows all government units to have a minimum of two part-time positions. Formerly, some towns had no such positions due to the quota created in 1979.

Amends the statute on constables to allow replacement constables to be trained in the same manner as and under the same time schedule as part-time officers.

Colors of uniforms which peace officers wear are defined by the law so that they may be readily identified as peace officers. Private, armed, security guards are prohibited from wearing the blue, green, brown, or maroon uniforms assigned to peace officers.
Effective: immediately for part-time provisions and January 1, 1981, for uniform colors.
C.578

CRIMINAL JUSTICE

Prostitution

* H.F. 123	Nelson, Crandall, Otis, Clark, Levi
S.F. 670	Sikorski

Rewrites criminal prostitution statutes to ease prosecution. Redefines "prostitution" to include sexual contact as well as sexual penetration. Prohibits soliciting persons to engage in prostitution, promoting prostitution of others, or receiving profit from a prostitute; penalties vary in relation to age of prostitute or patron and by type of inducement used. Equalizes penalties for prostitute and patron; lessens penalties for consenting adults. Eliminates certain defenses to prosecution.

Effective: August 1, 1979.

C.255

SEE ALSO:

Battered Women - "Spousal Rape"	p. 122
Child Stealing	p. 72
Contraband in State Hospitals	p. 59
Judicial Reform Category	p. 79

EDUCATION

Board of Teaching

H.F. 584	Kelly, Jacobs, Otis, Clawson
* S.F. 618	Hughes, Sikorski, Ogdahl, Dunn

Grants autonomy to the Board of Teaching in licensing of teachers. (Previously, the State Board of Education had to approve criteria and qualifications for licensing.) Supervisory and support personnel will continue to be licensed by the Board of Education.

Also gives back licensing authority for athletic coaches to the Board of Education (was Board of Teaching).

Board of Teaching also reduced to 15 members (was 17) and makes changes in its composition.

Effective: August 1, 1980.

C.345

Education Scholarships and Grants

H.F. 381	Faricy, Searle, Johnson, C., Sieben, M., Erickson
* S.F. 435	Penny, Hughes, Dunn, Moe, Ulland

Increases maximum financial stipends for state scholarship winners and grant-in-aid recipients from \$1,100 to \$1,250 in 1980-81, and to \$1,400 in 1981-82 and subsequent years.

Further provides that starting with 1980-1981 grants-in-aid programming any undergraduate can apply for and receive a grant-in-aid. Also prohibits renewal of scholarships and grants after a student has been enrolled full-time for a period of time normally required to complete a BA degree.

Also makes veterans and anyone else over age 21 eligible for AVTI tuition subsidies, in addition to students under age 21. Maximum aggregate amount of revenue bonds that can be issued by HECB for student loans increased from \$125M to \$200M.

Effective: immediately.

C.238

EDUCATION

Equal Opportunity in Athletics Amendments

* H.F. 455	Johnson, C., Weaver, Olson, Kalis Eken
S.F. 526	Merriam, Dunn, Knaak, Wegener, Setzepfandt

Recognizes past inequities in access to athletic programs and in degrees of athletic opportunity provided for members of each sex. Requires educational institutions and public services to provide equal opportunity for both sexes to participate in athletic programs.

Allows separate teams for girls and boys age 12 and older; and permits separate girls' teams for children 11 or younger, or in sixth grade or below, if there is a demonstrated interest by the girls to have a team (previous law prohibited single-sex teams). If two teams are provided in the same sport, one of the teams may be restricted to girls and members of either sex can try out for the boys' team. Minnesota State High School League continues to have the authority to determine sports seasons, allowing girls' and boys' programs to have separate seasons.

State Board of Education, after consultation with the Commissioner of Human Rights, is required to promulgate rules to prevent discrimination in athletic programs. Department of Human Rights is directed to investigate all charges of sex discrimination in educational institutions and public service athletic programs.

Effective: August 1, 1980.

C.355

Higher Education Coordinating Board—Additional Bonding Authority

* H.F. 1763	Kroening, Clawson, Erickson, Murphy, Kelly
S.F. 1884	Penny, Hughes, Renneke, Moe, Dunn

Increases the bonding authority of the Higher Education Coordinating Board to \$300M (was \$200M) to provide funds for student loans.

Effective: Immediately.

C.537

EDUCATION

Maximum Effort School Aid Law

* H.F. 2019	Nelson, M., Nelsen, B., Anderson, D., Anderson, I., Voss
S.F. 2041	Merriam, Rued, Lessard, Wegener, Hanson

Authorizes the sale of \$20 million in bonds to make loans to school districts for building purposes. Lowers requirements for a school district to qualify for building loans from the state, in order to offset the rise in property tax values. Reduces to 15 EARC mills (was 20) the "maximum effort" rate on new capital and debt service loans and reduces the amount school districts must borrow on their own to qualify for a maximum effort capital loan, from 30% of its EARC value to 22.5%. Allows school districts with low tax bases to more easily qualify for state loans to build school facilities.

Effective: immediately.

C.545

Omnibus Higher Education Bill

* H.F. 1526	Norton
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Appropriates \$800.3M in general funds to the department of education, HECB, and the three higher education systems. An increase over the last biennium of \$111.9M or 16%.

	1977-79 Biennium	1979-81 Biennium
Department of Education	\$ 46.6M	\$ 44.5M
University of Minnesota	378.0M	438.6M
State Universities	136.0M	151.6M
Community Colleges	62.1M	72.3M
Higher Education Coordinating Board (includes nursing scholarships)	62.8M	90.3M
Mayo Medical School	2.4M	2.9M
	<u>\$ 688.4M</u>	<u>\$ 800.3M</u>

(These totals do not include civil service salary increases.)

About 43% of the total increase in the bill is due to faculty salary and fringe increases. Another 25% of the increase results from changes in funding for student aid programs including:

	1977-79 Biennium	1979-81 Biennium
Scholarships and Grants	\$47.0M	\$45.3M
Work-Study	3.6M	5.2M
Interstate Tuition Reciprocity	—	19.4M
AVTI Tuition Subsidy	—	3.6M
Private College Contracts	9.2M	9.3M

EDUCATION

Omnibus Higher Education Bill - Con't.

Note that most of the HECB increase is due to AVTI tuition subsidy and interstate tuition reciprocity not directly appropriated to HECB in the omnibus higher education act last biennium.

Effective: July 1, 1979.

C.335 (1979)

Omnibus School Aids Bill

* H.F. 223	Eken, McEachern, Esau, Johnson, C., Knickerbocker
S.F. 315	Merriam, Dieterich, Hughes, Anderson, Sillers

Appropriates nearly \$2 billion in state support of primary, secondary and vocational education for the next biennium - an increase of 10.3% over the current biennium. Major features include:

1. Foundation Aids: sets 1979-80 aid at \$1,182 per pupil unit and basic maintenance mill rate in 1979 at 23 mills times EARC (for 1980-81 school year); also sets 1980-81 aid at \$1,265 per pupil unit and mill rate in 1980 at 21 mills times EARC for 1981-82 school year).

Also in 1979-80:

—increases declining enrollment weighting in 1979-80 from 3.25-year averaging to 4-year averaging,

—removes 2% or more growth requirement in order for a district to qualify for fast growth aid,

—requires state to pay special education aid, transportation aid, and secondary vocational aid in high property wealth districts with less than 950 pupil units (rather than recapture those aids as is currently done),

—establishes a sparsity aid program for sparsely populated and isolated school districts,

Also in 1980-81:

—declining enrollment, fast growth and sparsity aids folded into one equalized aid and replacement levy;

— provides $\frac{1}{2}$ mill state aided equalized discretionary levy (state guarantees $\frac{1}{2}$ mill will raise \$27.50 per pupil unit,

EDUCATION

Omnibus School Aids Bill - Con't.

—equalizes the grandfather levies with state aid for low property wealth districts, and stabilizes grandfather levies in districts with declining enrollments (can use total dollars raised in 1980-81 or dollars per pupil unit, whichever is greater),

—sets a minimum aid for high property wealth districts (where agricultural land makes up more than 60% of the valuation) of \$600 per pupil less ag differential and homestead credit.

Also sets 1981-82 aid at \$1,354 per pupil unit and mill rate at 21 mills.

2. State Transportation Aid: Provides over 17% increase in state transportation aids based on a new linear formula.
3. Special Education Aid: Changes the special education aid formula to the greater of 70% of salary or 69% of salary up to \$12,000 plus 5% (which is the current formula).
4. Community and Adult Education Aid: Increases state community education aid from 50¢ per capita to the greater of 75¢ per capita of \$5,000 in 1979-80 and 75¢ per capita or \$7,000 in 1980-81. Also increases allowable community education levy in 1979 (payable 1980) to \$2.50 per capita (was \$2.00).
5. Vocational Education Aid: Provides a 7% increase in AVTI foundation aid to \$2,400 (was \$2,240) for 1979-80. Also increases AVTI tuition by 6.7% in 1979-80 to \$128 per quarter but with no further increase in 1980-81.
6. Other Aids and Levies, Miscellaneous:
 - establishes a basic skills program modeled after right-to-read (technical assistance to schools for reading, writing, computation);
 - increases state payment for pre-school health screening to \$25 per child in 1979-80 and \$27 in 1980-81 (was \$23);
 - increases authorized capital expenditure levy and aid to \$80 per pupil unit (was \$75);
 - establishes a new program of state aid for gifted and talented students, paying each district \$30 per qualifying student up to a limit of 2½% of total school district enrollment;

EDUCATION

Omnibus School Aids Bill - Con't.

—increases state aid for school lunches to 4.9¢ per lunch in 1979-80 and 5.3¢ in 1980-81 (was 4¢).
(NOTE: School districts receive substantial federal aid for their school lunch programs.)

7. **Council on Quality Education:** Increases CQE to 19 members (was 17); also increases number of early childhood and family education programs to 36 (was 22).
8. **Teacher Mobility:** Adds AVTI teachers to teacher mobility provisions; increases early retirement incentive grants for 55-year old teachers to \$10,000 (was \$7,500) and to \$15,000 in districts implementing desegregation plans. Also increases state share of early retirement incentives to 50% (was 25%).

Effective: Generally, July 1, 1979, except that deficiency appropriations and teacher mobility provisions (generally) are effective immediately.

COMPARISON OF STATE SCHOOL AIDS

	1977-79	1979-81
Foundation Aid	\$ 1,250.54M	\$ 1,316.62M
Transportation Aid	155.12M	181.74M
Declining Enrollment Aid	3.78M	—
Special Education Aid	147.46M	178.49M
Other Special Education	5.38M	1.23M
G.E.D.	.16M	.16M
Adult Education	1.19M	1.86M
Community Education	3.30M	6.75M
AVTI Foundation Aid	115.77M	61.74M
AVTI Categorical Aid	15.31M	4.50M
AVTI Instructional, Supply, Support Aid	—	74.30M
AVTI Capital Expenditure	12.00M	18.00M
AVTI Debt Service	15.42M	15.47M
Other AVTI	4.78M	.50M
Adult Vocational	9.95M	13.28M
Vets Farmer Training	2.94M	2.03M
Secondary Vocational	32.20M	43.87M
Small Business Mgmt.	—	.28M
Other Vocational	.01M	5.96M
ECSU	1.19M	1.99M
Capital Expenditure Aid	.86M	.36M
Basic Skills	—	1.35M
Health Screening*	—	2.86M
Emergency Aid	.40M	.30M
Early Childhood	1.70M	3.42M
CQE Innovative Grants*	—	1.55M
Teacher Mobility	3.00M	2.78M
Libraries*	—	7.57M
Miscellaneous	5.14M	24.06M
	\$ 1,788.00M	\$ 1,973.02M

*Transferred from Department of Education Budget C.334 (1979)

EDUCATION

Omnibus School Aids Bill

* H.F. 1781	McEachern, Anderson, B., Jennings, Johnson, C., Knickerbocker
S.F. 1666	Merriam, Dieterich, Hughes, Dunn Anderson

Appropriates \$25M in state aid for education. Major features of the bill include:

1. Foundation Aids:

—sets the discretionary levy for aid in 1982-83 school year at 1.5 equalized (EARC) mills (discretionary levy for 1980-81 is .5 mill and 1 mill for 1981-82).

—increases minimum aid from \$600 per pupil in 1980-81 to \$800 in 1981-82 in districts with 60% or more agricultural land.

2. Transportation Aid:

—appropriates \$15.7M in additional funds to cover school district transportation budget deficiencies due to higher gasoline prices.

—appropriates \$30,000 for Department of Education grants to districts converting buses to use of straight alcohol fuel.

3. Special Education Aid:

—Continues American Indian education pilot project grants through the biennium and appropriates \$600,000 for this purpose.

—appropriates \$3.36M in state aid to school districts for bilingual and ESL (English as a Second Language) programs for Limited English Proficiency (LEP) pupils. Funds will be distributed on a salary-based formula.

4. Other Aids & Levies

—adds "individualized instructional materials" to items which public schools must loan to non-public schools and provides for state reimbursement of the costs to public school districts. Items such as periodicals, pictures, pre-recorded tapes, maps, and film strips are included.

—raises the capital expenditure equalization aid allowance to \$90 per pupil unit in stable or declining school districts (was \$80) and to \$95 per pupil unit in growth districts (was \$85) Also reduces maximum capital expenditure levy which districts must make to receive this aid to 7 EARC mills (was 10 EARC mills). (Under this provision, a district may levy up to \$90 or \$95 per pupil unit not to exceed 7 EARC mills; if 7 mills does not raise the \$90 or \$95, the remaining amount will be provided as state aid).

EDUCATION

Omnibus School Aids Bill - Con't.

—requires school districts to develop procedures to minimize chemical use problems among pupils. Appropriates \$850,000 in state aid to school districts for chemical dependency in-service training of teachers. \$150,000 is appropriated to the Department of Education to provide technical assistance to school districts.

—Also authorizes district to participate in an in-service training program if they submit a written plan to the Department of Education describing the chemical use policies developed; state aid to participating districts will be the greater of \$1 per pupil or \$1,000 per district.

5. Miscellaneous

—allows school districts to use proceeds from capital expenditure levy to make improvements to school buildings to facilitate leasing of those buildings.

—extends special early retirement incentives for districts implementing a desegregation plan, for teachers retiring after the 1980-81 and 1981-82 school years (these grants are \$15,000 for 55-year old teachers, reduced by \$750 for each year a teacher's age exceeds 55 up to 60 years old, and by \$2,250 each year a teacher is over 60 years old).

6. Other Appropriations for FY 1980-81:

Summer school aid deficiency	\$685,000 (Vetoed)
Sparsity aid deficiency	36,000
Out-of-school youth program	33,000
CQE programs for adults & handicapped adults	75,000
American Indian schools	398,000
School lunch aid deficiency	322,000
School transportation study	150,000 (Vetoed)
Research & development grants to school districts	250,000 (Vetoed)

Effective: generally, July 1, 1980. Provisions effective immediately include: the transportation aid article, increase in capital expenditure aid allowance, teacher mobility early retirement handicapped needs assessment; and appropriations for sparsity aid deficiency, out of school youth, CQE adult programs, chemical dependency in-service training, and the school lunch aid deficiency.

C.609

EDUCATION

School District Pairing

* H.F. 487	McEachern, Nelsen, B., Levi, Den Ouden, Ludeman
S.F. 163	Wegener, Schrom, Engler, Strand

Allows school boards of two or more school districts to agree to discontinue any grades K-12 or portions of them in one district and provide instruction in the discontinued grades in another cooperating district. (Any district discontinuing any grades must still maintain a school with at least three grades.)

Also provides that a district discontinuing any grades shall continue to count any pupils attending school in another district for calculation of state school aids, and shall continue to provide transportation and collect transportation aids for pupils sent to a cooperating district to attend school.

Further provides that there be negotiated a plan for teachers whose positions are eliminated as a result of a pairing agreement, including assignment in a cooperating school district and that, as far as possible, teachers with continuing contract rights must be protected.

Effective: immediately; no grades may be discontinued prior to the 1979-80 school year.

C.211 (1979)

Textbook Substitutes

* H.F. 270	Pehler, Dempsey, Osthoff, Faricy, Den Ouden
S.F. 338	Sieloff, Merriam, Sillers, Kleinbaum, Menning

Expands the definition of "textbook" for non-public school aid by adding materials used as "book substitute" intended for use as a major source of study material for students.

Effective: August 1, 1979.

C.3 (1979)

Trade-Schools

* H.F. 870	McEachern, Otis, Sarna, Knickerbocker, Jude
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Requires schools which do not use written contracts to provide prospective students school catalogs before accepting enrollments and requires them to make refunds if a student cancels within five days, regardless of whether the course has started. Adds to exemptions from this law courses intended to fulfill continuing education requirements for licensure or certification in a profession which are offered primarily to members of the profession.

Effective: August 1, 1980

C.559

EDUCATION

SEE ALSO:

Pre-73 Retirees, TRA Deficit
Teacher Mobility

p. 93
p. 97

ELECTIONS

CONSTITUTIONAL AMENDMENTS

Five constitutional amendments will appear on the general election ballot. Bipartisan reapportionment commission amendment will occupy first place. To become law, each amendment must be approved by a majority of those voting at the election.
C.362

Campaign Financing

* H.F. 2304 Kempe
S.F. 599 McCutcheon, Gearty, Coleman,
Strand, Ashbach

Places this question on the ballot:

"Shall the Minnesota Constitution be amended to require campaign spending limits for candidates for executive and legislative offices and public disclosure of campaign spending for all state candidates?

_____ Yes

_____ No"

Implementing statute indexes the present \$7,500 limit according to the Consumer Price Index (CPI) from April, 1974, through April, 1982, for the 1982 election. For future elections, the limits would again be indexed according to the CPI for previous two-year period.

Also doubles check-off for public financing from \$1 to \$2 for a single return and from \$2 to \$4 for a joint return.

If spending limits amendment is rejected by the voters, campaign spending limits would be totally abolished; public disclosure would remain in effect pending further legislative action.

C.Vetoed

ELECTIONS

Initiative and Referendum

* H.F. 2304 Kempe
S.F. 599 McCutcheon, Gearty, Coleman,
Strand, Ashbach

Allows a group of up to 50 individuals to circulate a petition to qualify on initiative or referendum questions for general election ballots by obtaining a number of signatures from registered voters equal to 5% of the votes cast for governor in the last gubernatorial election from each congressional district.

Allows the Legislature to place its own question on the ballot as an alternative to petitioners' question. If legislative action in an even-numbered year satisfies the petitioners' concerns on an issue, then the petition sponsors, with 80% approval by the sponsoring committee, could withdraw the proposal from the ballot. Legislature could not prevent petitioners from proceeding with initiative proposal.

Requires a majority of those voting on a question for approval. If two conflicting measures pass, one receiving the higher vote prevails. Governor could not veto an initiative law and the Legislature could not repeal or amend an initiative law until another general election had intervened.

Prohibits constitutional amendments, appropriations measures and special laws to be considered by initiative or referendum.
C.587

Reapportionment Commission

H.F. 38 Sieben, M., Faricy, Zubay, Lehto,
Laidig
S.F. 129 Luther, Sikorski, Jensen,
Keefe., S., Staples

Transfers the Legislature's authority to apportion legislative and congressional seats to a 9-member, bipartisan commission: one member appointed by the Speaker of the House, one representing members of the House of the party opposite the Speaker's, one appointed by the President of the Senate, one by the members of the Senate of the party opposite the President's and the remaining five members appointed by unanimous agreement of the legislative appointees. A vote of six members required to adopt a reapportionment plan.

Certain constitutional standards apply to drafting the reapportionment plan.

Should commission fail to adopt a plan by December 1st in a year ending in one, the Supreme Court is required to adopt a plan.

No changes are made in Senate terms.
C.588

ELECTIONS

Public Disclosure: Hennepin County

S.F. 1010 Luther, Benedict, Keefe, S.,
Keefe, J., Spear
H.F. 1550 Carlson, L., Swanson, Otis

Requires public disclosure of campaign financing and economic interests from candidates for Hennepin County office and for city offices in cities with more than 75,000 population located entirely within Hennepin County (Minneapolis and Bloomington), similar to the reporting requirements for candidates for state office. Applies to local elections with filing periods opening on or after July 1, 1980.

SEE ALSO:

Trunk Highway Bonding - Constitutional
Amendment

p.120

ENERGY & UTILITIES

Cooperatives - Voting by Mail

* S.F. 251	Davies, Merriam
H.F. 2273	Albrecht, Ludeman, Sviggum, Redalen, Anderson, G.

Permits the election of cooperative directors by mail and requires that ballots be sent to all members. Provides that a member's spouse may vote in place of a member. Effective: immediately
C.586

Fuel Assistance/Weatherization Bill

* H.F. 1744	Nelson, Pehler, Anderson, R., Wenzel
S.F. 1670	Humphrey, Sillers, Anderson, Knoll

Would have appropriated \$33M as follows:

—\$14M for fuel assistance in 1980 and 1981 poverty guidelines. Households with earned income could deduct state and federal taxes, Social Security payments, and non-reimbursed medical expenses. Maximum grant of \$400 or \$600 (depending on the maximum set by the Governor for federal fuel assistance grants), for fuel oil, Canadian natural gas and propane and \$400 or \$275 for wood and all other energy sources.

—\$1M for a discretionary fund (1980 and 1981) for households with extraordinary need.

—\$1M to reimburse counties for the DPW Crisis Fuel Program.

—\$12M to supplement the federal weatherization program administered by the Community Action Program agencies.

—\$5M to establish an emergency conservation grant program administered by the Minnesota Housing Finance Agency.

—\$75,000 for weatherization study.

—a 15% energy conservation tax credit (\$8M in lost revenue).

—a provision for a pass-through of federal energy tax credits (\$2.5M in lost revenue).

Governor Quie vetoed the bill stating that the cost was too high and that he philosophically opposed the energy conservation tax credit.

ENERGY & UTILITIES

Hydroelectric Dams

* S.F. 2134	Willet, Moe, Purfeerst, Dunn, Humphrey
H.F. 2253	Lehto, Munger, Brinkman, Stowell, Sherwood

States that the public health, safety and welfare is promoted by the use of existing dams for hydroelectric power generation wherever the use is economically justified and environmentally sound. Provides for the analysis of hydroelectric generating capacity of publicly owned dams. Allows grants to be made to local governments to study the feasibility, practicality and environmental effects of utilizing a dam for hydroelectric power generation.

Provides that loans made to local governments, for the purpose of repairing or reconstructing dams, need not be approved by the electors of the local government unit.

Appropriates \$500,000 from the state building fund to the commissioner of DNR, to repair and reconstruct dams and to evaluate the hydroelectric generating capacity of publicly owned dams. Permits the commissioner to grant up to \$150,000 to the University of Minnesota to conduct feasibility studies of hydroelectric power generation and engineering evaluations of dam safety.

Effective: immediately
C.585

Nuclear Safety Preparedness Act

* H.F. 1842	Kahn, Rothenberg, Voss, Corbid, Nelson
S.F. 2023	Luther, Benedict, Merriam, Sikorski, Humphrey

Assesses the owner of a nuclear plant a one-time initial fee (\$250,000 per nuclear plant) and an on-going annual fee (\$50,000 per plant) to pay for emergency response plans and monitoring equipment. A study will be conducted by the Department of Public Safety which will include analysis of existing emergency plans and an evaluation of remote monitoring systems used in other states.

Effective: immediately
C.611

ENERGY AND UTILITIES

Omnibus Energy Bill

* S.F. 2 Anderson, Ogdahl, Peterson,
Humphrey, Knoll
Dean, Munger, Vanasek,
Friedrich, Wigley

Appropriates \$13,750,000 for a variety of energy programs:

Energy Supply Emergency Procedures

Allows the executive council or the legislature to declare a 30-day energy emergency but requires the legislature to renew it; gives the governor the power to close schools and adjust state employee work schedules during any emergency; requires the governor to set up a state and local review of nuclear power plant evacuation plans.

Alternative Energy

Defines earth-sheltered construction; prohibits municipalities and counties from banning such construction that meets zoning standards; appropriates \$20,000 to develop model solar and earth-sheltered zoning ordinances and to study building code changes needed to increase the use of earth sheltering; requires new state building plans to include renewable energy system designs; expands the purpose of HFA to include financing of home alternative energy systems; appropriates \$50,000 for literature on solar and ethanol as well as for adult energy education programs; appropriates \$400,000 for district heating projects.

Energy Conservation

Appropriates \$3M to supplement federal funds to weatherize homes of low-income persons; delays the start of the home energy disclosure program to October 1, 1980, and requires new rules by January 1, 1981, for energy conserving measures that pay back in 10 rather than 5 years.

Audits of Schools & Local Government Buildings

Requires an energy report on all buildings by December 31, 1979, and appropriates \$10M to finance recommended mini-or maxi-audits to be performed by December 31, 1982.

Sets a July 1, 1979, deadline for gas lamp ban variance requests; clarifies testing of air conditioner efficiency; provides enforcement of insulation standards (part of 1978 law).

Effective: July 1, 1979.

C.2 - Special Session 1979

ENERGY & UTILITIES

Omnibus Energy Act

* H.F. 1710 Nelson, Anderson, D., Tomlinson,
Pehler, Wigley

S.F. 1631 Humphrey, Anderson, Stern

Appropriates \$19.9M as follows:

Fuel Assistance: \$5M—with \$3M for the remainder of this heating season and \$2M for next year (which may be used to assist one and two-member households who may be ineligible for federal assistance under the new guidelines, or as a state administrative match to federal fuel assistance funds, or to front-end federal funds if they are late). Maximum grant levels of \$400 or \$600 for users of fuel oil, Canadian natural gas, and propane (depending on the maximum set by the Governor for the federal grants), and \$267 or \$400 for users of wood and other energy sources. \$500,000 to reimburse counties for the DPW Crisis Fuel program.

Weatherization: \$11M—with \$9M to supplement the federal weatherization program and \$2M to the Minnesota Housing Finance Agency for emergency conservation grants. \$150,000 to subsidize origination fees for banks offering MHFA energy loans.

Community Energy Grants: \$1.25M to the Energy Agency for distribution to cities and counties as energy planning grants.

Transportation: \$600,000—with \$200,000 for grants to local governments to lease or construct park and ride facilities, \$200,000 to MnDOT to create a statewide ride-sharing program, \$200,000 to Department of Administration for purchase of commuter vans.

Energy Audits: Sets a maximum fee of \$10 for federally-mandated energy audits and directs the Energy Agency and Office of Consumer Services to prepare state implementation of the audit program.

Utility Conservation Investments: Directs the Public Service Commission to begin a pilot program with at least one utility to demonstrate the feasibility of cost-effective energy conservation investments by utilities. Also requires conservation investments to be considered in the certificate of need process.

Energy Policy: Creates a joint House-Senate Legislative Commission on Energy, appropriating \$25,000, and amends Minnesota Statutes 1973, Section 116H.01 to include stronger emphasis on conservation and renewable energy.

ENERGY & UTILITIES

Omnibus Energy Act, Con't.

Public Utility Delinquency Charges: If a public utility, a municipal or cooperative electric association, or a telephone company charges a fee for delinquent accounts, it must clearly state with each billing the terms of the penalty fee.

Renewable Energy: \$200,000 to the University of Minnesota at Morris for a farm scale ethanol demonstration plant; \$50,000 to the Energy Agency to plan a Minnesota Biomass Center; \$225,000 to the Energy Agency for wetlands plant biomass research; \$250,000 to the Department of Natural Resources to develop and implement a fuelwood management program to increase availability of fuelwood on public land.

Minnesota Energy Agency Programs: \$123,000 for energy information and publicity, \$70,000 for implementation of the federal residential conservation service program; \$5,000 for emergency plan; \$7,500 for renewable energy grant rulemaking; \$35,000 for energy efficiency building education; \$230,000 for publications and printing; and \$140,000 for fuel allocation program.

Effective: immediately
C.579-

Revenue Bonds - Alternative Energy

* H.F. 1996	Casserly, Nelson, Schreiber, Fjoslien, Osthoff
S.F. 2130	Humphrey, Rued, Anderson, Dunn, Stern

Allows the issuance of revenue bonds to finance the acquisition and leasing or sale of alternative energy equipment and projects. Allows financing of revenue producing projects for construction, sale and leasing of equipment or products to generate, transmit or distribute solar, wind, geothermal or other alternative energy sources (defined as ones which do not depend on nuclear or fossil fuels) for a facility owned or operated by the borrower.

Effective: August 1, 1980
C.480

SEE ALSO:

Omnibus Tax Bill (Residential Energy Credit)	p.103
Pipeline Construction Regulation	p. 2
State Building Code Referenda/Municipal Consolidation	p. 87

ENVIRONMENT AND NATURAL RESOURCES

Acid Rain Study

H.F. 1655	Lehto, Munger, Laidig, Greenfield
* S.F. 1685	Willet, Johnson, Luther, Merriam, Dunn

Directs the Pollution Control Agency, in consultation with the Department of Natural Resources and the Department of Health, to study ways to abate, control and identify acid precipitation.

Each of the agencies will receive part of the \$100,000 appropriation for the study.
Effective: immediately.
C.490(80)

Acquisition of Wildlife Lands

* H.F. 860	Rothenberg, Clawson, Dean, Otis, Long
S.F. 768	Luther, Anderson

Changes the procedure for acquisition of wildlife lands by the Commissioner of Natural Resources. The county board must approve or disapprove the proposed land acquisition within 90 days after notification by the Commissioner.

If the board rejects the acquisition, the landowner or Commissioner may appeal to the district court in the county where the land is located. If the district court or Supreme Court does not uphold the county board, the landowner or Commissioner may apply to the Land Exchange Board for arbitration.
Effective: August 1, 1980
C.515(80)

Dam Repair and Reconstruction

* H.F. 1241	Lehto, McEachern, Luknic, Brinkman, Anderson, D.
S.F. 1109	Willet, Purfeerst, Dunn, Engler

Appropriates \$3,275,000 from the sale of state bonds to provide grants-in-aid and loans to local governments for dam repair and reconstruction as well as to reconstruct a state dam at Cold Spring. Appropriates \$500,000 for the repair and reconstruction of small state dams. Allows local governments to request loans to cover up to 90% of the local share of projects approved by the legislature and to repay them for up to 20 years. Requires legislative approval for state dam repairs or local grants of \$150,000 or more (was \$100,000) and state executive council approval for those between \$75,000-\$150,000 (was \$50,000-\$100,000).
Effective: immediately
C.300-79

ENVIRONMENT AND NATURAL RESOURCES

Drainage Systems

* S.F. 1144 Hanson
H.F. 1154 Corbid, Kalis, Nysether

Defines "ditch authority" or "drainage authority" as the government unit having authority over a ditch or drainage system. Previously the county board had authority over such systems.

Increases from \$10,000 to \$20,000, the amount which can be spent on repairs or maintenance of one system in one year without having to advertise for bids or enter into a contract. Also increases from 6% to 7% the interest or assessments for such systems.

Increases repair fund for a system from 20% of original cost to 20% of assessed benefits or \$40,000, whichever is larger.

Provides a mechanism for abandoning all or part of a system which is no longer useful. Provides for division, consolidation or transfer of all or part of one or more systems after petitions have been filed with appropriate authority and hearings have been held.
Effective: immediately
C.552(80)

Environment Review Procedures Amended

H.F. 2211 Pehler, Munger, Begich,
Anderson, D., Searle
* S.F. 1962 Dunn, Hanson, Willet, Moe, Ulland

Amends the Minnesota Environmental Policy Act in order to "streamline" the process for Environmental Impact Statements.

Any proposed, major governmental action having a potential for significant environmental impact will require an Environmental Impact Statement (EIS). The EIS must analyze the environmental impacts of the project, discuss appropriate alternatives, and analyze the economic, employment and sociological effects.

The following procedures for an EIS and an environmental assessment worksheet (EAW) replace the former process:

—the Environmental Quality Board (EQB) is directed to establish by rule those actions that require either an EIS or an EAW.

—thirty days are allowed for public comment after the EAW is completed and a decision on the EIS must be made within 15 days after the comment period.

—the EIS must be completed within 280 days.

—if an EIS is found to be inadequate, the responsible governmental unit has 60 days to correct the EIS.

ENVIRONMENT AND NATURAL RESOURCES

Environment Review Procedures Amended Con't.

—twenty-five or more individuals may petition the EQB for an EAW on a proposed project.

—the EQB is directed to identify by rule more efficient alternative forms of environmental review.

—the EQB is directed to promulgate rules establishing which governmental unit will be responsible for the environmental review, the form and scope of an EAW or an EIS, the process for determining necessary permits and methods to expedite the EIS process.

Effective: immediately
C.447(80)

Flood Plain Management

H.F. 1326 Corbid, Nysether
* S.F. 1243 Hanson, Lessard, Engler,
Nichols, Rued

Allows local governments to adopt and enforce flood protection levels at an elevation one foot lower than the department of natural resources rules would allow. Allows counties which are members of the southern Minnesota river basin areas II management board to levy an ad valorem tax to provide a 12.5% match to local governments receiving state soil and water conservation board grants for flood control projects as well as to finance administrative, engineering and legal expenses of common benefit to area II.
Effective: August 1, 1979.
C.253-79

Landowners' Bill of Rights Act

* H.F. 1590 Eken, Munger, Searle,
Anderson, G., Jennings
S.F. 1240 Willet, Moe, Strand, Dunn,
Gunderson

Expands the rights of landowners who are contemplating sale of property to the state for natural resource purposes. The Commissioner of Natural Resources cannot acquire land by condemnation unless specified in law.

Landowners contemplating sale are guaranteed the following from the state: information on the intended use of the property; a fair price reflecting the market value; payment in lump sum or four annual installments; a fair appraisal by the state and the right to an independent appraisal; the right to accept or reject offers; and the right to occupy the property until payment is made.

The landowner must also receive a written statement from the state, in laymen's terms, of his rights under this act.

Effective: July 1, 1980
C.458(80)

ENVIRONMENT AND NATURAL RESOURCES

Mineral Exploration (Uranium)

* H.F. 1513 Munger, Peterson, B., Dean,
Kostohyryz, Murphy
S.F. 1552 Luther, Willet, Dunn, Chmielewski,
Perpich

Requires that companies exploring for minerals obtain a license from the Department of Health and register with the Department of Natural Resources 30 days prior to exploratory drilling.

Explorers must notify the Departments of Health, Natural Resources, and Pollution Control, and the county health officers, of any potential adverse environmental or health effects caused by drilling.

When applying for a state mining permit, the mining company must submit all relevant data to the Department of Natural Resources. Access to this data is restricted to those persons or groups intervening in the public hearing and must be kept confidential by them. Competitors are not allowed access to the data.

The Legislative Commission on Minnesota Resources is directed to review the adequacy of the state's regulatory framework governing uranium mining and milling and must make its recommendations to the Legislature by March 1, 1981. State mineral leases may not be granted until the Commission completes its review on June 1, 1981, whichever is later.

Effective: May 1, 1981
C.535(80)

Motorboat Noise Limits

* H.F. 902 Sieben, M., Kahn, Laidig, Searles
S.F. 1067 Sikorski, Stern

Requires that all motorboats not exceed certain noise limits.

Engines or motorboats manufactured before January 1, 1982, must not exceed 84 decibels, and those manufactured after January 1, 1982, must not exceed 82 decibels. Boats participating in a race or regatta are exempted from the limit.

\$30,000 is appropriated to the Commissioner of Natural Resources for purchase of motorboat noise monitoring equipment and staff training for enforcement of the noise limits.

Effective: immediately.
C.530(80)

ENVIRONMENT AND NATURAL RESOURCES

Regulation of Formaldehyde

H.F. 2088 Greenfield, Vanasek, Kvam,
Heinitz,
Byrne
* S.F. 2100 Knoll, Tennessen, Sikorski,
Kirchner,
Merriam

The Commissioner of Health, within 30 days of the signing of this bill, must determine whether the use of building materials that emit urea formaldehyde pose a significant health problem.

If it is determined that a health problem exists:

—the commissioner must promulgate rules governing the sale of these building materials;

—a written disclosure is required to be displayed on the label of building materials containing formaldehyde; and

—the manufacturer of a product or builder of a housing unit containing materials made with formaldehyde must pay the cost of repair or relocation if the consumer can show a significant ambient air level of formaldehyde in the unit and has documentation of illness related to formaldehyde.

Also creates the Uniform Trade Secrets Act and establishes remedies and penalties for violation of that act.

Effective: January 1, 1981; except rules to be determined by Commissioner, effective immediately.
C.594(80)

Small Timber Sales on Tax Forfeited Lands

H.F. 865 Elloff, Anderson, I.,
Battaglia
* S.F. 466 Lessard, Johnson, Willet,
Hanson, Chmielewski

Increases the appraised valuation ceiling from \$750 to \$1,500 for timber that may be sold to private individuals without published notice or call for bids. Requires that sales involving a total appraised value of \$200 or more (was \$100) be subject to final settlement on the basis of a scale of cut products.

Effective: August 1, 1979.
C.78-79

ENVIRONMENT AND NATURAL RESOURCES

Solid and Hazardous Waste Management Act

* H.F. 2023 Casserly, Pehler, Schreiber, Wynia,
Pleasant
S.F. 1980 Merriam, Willet, Luther, Dunn,
Schaaf

Requires development of land disposal facilities for both solid and hazardous wastes by 1984 and creates a Legislative Commission on Waste Management.

Also creates a Waste Management Board (WMB), composed of nine citizen members, with power to site hazardous waste facilities, and, if necessary, to override local ordinances. A procedure for siting of commercial hazardous waste land disposal facilities is established to insure that at least one facility is sited in the state.

Creates a solid waste management planning assistance program, administered by the Minnesota Pollution Control Agency (PCA) and the Metropolitan Council, to provide both technical and financial assistance to political subdivisions to encourage and improve local solid waste management planning activities.

A solid waste demonstration program will be administered by the PCA and the WMB and will provide grants for waste reduction and recycling projects and grants and loans for the capital costs of waste processing facilities.

Authorizes non-metropolitan counties to regulate sewage sludge disposal and mixed municipal waste facilities, and to control (with WMB approval) waste flow. Allows establishment of multi-county solid waste management districts for the purpose of constructing or operating solid waste facilities.

Procedures are established for siting of solid waste and sewage sludge facilities in the metropolitan area and also for development of plans to abate the need for land disposal of solid waste. The property tax exemption for solid waste disposal facilities is eliminated.

Appropriation: \$2,900,000 from the General Fund for planning, grants and personnel.

Bonding Authority: \$15,000,000 in bonds is authorized (\$1,200,000 for hazardous waste site evaluation, \$8,800,000 for waste processing demonstration facilities, and \$5,000,000 for hazardous waste sites).

Effective: immediately
C.564(80)

ENVIRONMENT AND NATURAL RESOURCES

Watercraft License Fees

* H.F. 1201 Carlson, D., Kahn, Munger, Searles
S.F. 2351 Dunn, Nichols, Rued, Stern,
Kleinbaum

Raises the license fees for most watercraft. A 3-year license fee is increased: for boats under 19 feet from \$5 to \$12; for canoes, kayaks and sailboats from \$5 to \$7; for boats 19 to 26 feet from \$10 to \$20; for boats 26 to 40 feet from \$10 to \$30; and for boats more than 40 feet from \$10 to \$40. Also updates certain watercraft safety provisions.

Effective: January 1, 1981.

C.568(80)

Water Pollution Control Fund

* H.F. 1111 Stadum, Stoa, Ainley,
Metzen, Blatz
S.F. 1465 Willet, Johnson, Chmielewski,
Peterson, Dunn

Authorizes increases in PCA water pollution bonding authority from \$124M to \$144M to provide the state match for municipal waste water treatment facility construction projects receiving federal water pollution control act funds. State share is 15% of project costs for federal grants of 75% and 9% for federal grants of 85%.

Effective: July 1, 1979.

C.285-79

SEE ALSO:

1979 Omnibus Tax Bill (Pollution Control Credit)	p. 103
1979 Omnibus Tax Bill (Wetlands Credit)	p. 103
1980 Omnibus Tax Bill (Native Prairie Property Tax Credit)	p. 107
Pipeline Construction Regulation	p. 2
Shade Tree Disease Control	p. 87
Small Business Pollution Control Loans	p. 16
Wetlands and Public Waters Defined	p. 3

GAME AND FISH

Game and Fish Law Changes

* H.F. 1198	Fjoslien, McEachern, Wieser, Munger, Wigley
S.F. 1292	Peterson, Willet, Lessard

Deletes the requirement that a person must get a license to take beaver before the third day of the open season for that year. Allows the muskrat, mink and otter season to start October 25 instead of November 1, and beaver season to start October 25 instead of December 1. Prohibits hunting big game with a bow and arrow while possessing a firearm. Provides that the owner of any dog found killing deer, moose or domestic livestock is guilty of a petty misdemeanor. Allows the commissioner of the department of natural resources to authorize the use of snowmobiles in Lake of the Woods county for checking traps or transporting beaver and otter. Prohibits the possession of dip nets between February 16 and April 30, but allows the possession of dip nets, spears, bows and arrows, and other devices used for taking rough fish between sunrise and sunset after April 30. Allows the use of seines or traps for taking minnows for bait. Prohibits the use of dip nets between sunset and sunrise except for taking smelt in season or game fish by angling.

Effective: immediately.

C.298

Raccoons—Taking at Night

* H.F. 593	Reding, Redalen, Vanasek, Kalis
S.F. 773	Gunderson, Penny, Nichols, Luther, Engler

Prohibits possession of firearms or bows while shining (using spotlights, headlights, or other artificial lights) for raccoons and other wild animals, unless that firearm or bow is contained in the trunk of a vehicle, fully encased, and the bow unstrung. Permits hunters to use artificial light only if they are on foot and using dogs to take raccoons. Clarifies other conditions by which raccoons can be taken between sunset and sunrise, including: (1) rifles may not be of a caliber larger than .22 rimfire, using .22 short, long or long rifle ammunition; (2) shotguns may use shells with shot no larger than No. 4 fine shot.

Effective: August 1, 1980.

C.394

GAME AND FISH

Violation of Game & Fish Laws

* H.F. 910	Nelsen, M., Reding, Munger, Long
S.F. 799	Lessard, Hanson, Willet, Dunn, Peterson

Prohibits persons from receiving a big game license for three years if they are convicted of a gross misdemeanor relating to big game, fail to have a required big game license, or receive a second conviction within three years for any other violation relating to big game. Requires the commissioner of DNR to review conviction records and allow relicensing of persons penalized under the old law but eligible for a license under the new law.

Effective: immediately.

C.247

Wildlife Bill

* H.F. 1818	Reding, Lehto, Nysether
S.F. 1785	Peterson, Bernhagen, Moe, Hanson, Lessard

Excludes bear from the definition of fur-bearing animal; requires that persons providing guide services for bear hunters be licensed, and sets those license fees at \$50 for residents and \$400 for non-residents; requires the tagging of bears taken in the state; permits the sale of bear hides and claws; and regulates bear baiting by requiring that bait placed for bear be tagged at each site and registered by location.

Requires that at least \$1 from every deer license issued be used for deer habitat improvement. Permits the commissioner to conduct a separate selection for up to 20 percent of the moose licenses to be issued for any one area, to be limited to persons who are owners of or tenants on not less than 160 acres within the prescribed area.

Provides for free fishing licenses for certain disabled persons; extends the muskrat season from 60 to 90 days; and changes the end date of the small and large mouthed black bass, walleye, sauger, northern, and muskellunge seasons from February 15 to the third Monday in February.

Effective: Sec 8,9,11 are effective for license seasons beginning March 1, 1981; other sections are effective August 1, 1980.

C.571

SEE ALSO:

1980 Omnibus Tax Bill (Wildlife Check-Off) p.107

GOVERNMENT OPERATIONS

Achievement Awards Abolished

H.F. 234	Reding, Zubay, Esau, Kalis, Lehto
* S.F. 219	Nelson, Nichols, Sikorski, Ashbach, Ulland

Abolishes annual achievement award pay for department heads of the executive branch and deputy constitutional officers. Increases the maximum limit on local government employee salaries from the salary plus achievement award pay of the state commissioner of finance to 105% of the salary of the state commissioner of finance.

Effective: immediately.

C.192

Administrative Procedures Act

* H.F. 874	Kroening, Sieben, H., Patton, Friedrich, Hokanson
S.F. 1608	Schaaf, Penny

Revises the rulemaking and hearing procedures of state agencies; outlines the roles of the revisor of statutes and the chief hearing examiner; speeds up reports to the governor and the Legislature on the failure to adopt rules. Highlights of the act include:

- requires the corrections board, the unemployment insurance program, the director of mediation services, the workers' compensation division, the workers' compensation court of appeals and the pardon board to follow the APA when promulgating rules.

- unless otherwise specified by law, gives agencies the power to grant variances to rules providing the agency has promulgated rules outlining procedures and standards for doing so.

- abolishes the general list of person, kept by the Secretary of State, who wish to be notified of rules hearings. Provides each agency will maintain its own list of such persons.

- establishes an expedited hearing process for non-controversial rules.

- provides that an agency failing to publish notice of hearing within 6 months of the effective date of the law requiring rules to be promulgated, must report its failure to the appropriate legislative committees and the Governor.

- changes the name of the Office of Hearing Examiners to the Office of Administrative Hearings.

Effective: Sec. 1,2,5,24 and 34 are effective the day following final enactment; Sec. 3 is effective August 1, 1981; Sec. 7 is effective September 1, 1980; Sec. 8 is effective July 1, 1980; Sec. 39-51 and 53-39 are effective July 1, 1981, except Sec. 57, subdivision 1, clause (a) which is effective July 1, 1980; Sec. 52 and 62 are effective July 1, 1982; Sec. 64 is effective the day following final enactment; other sections are effective August 1, 1980.

GOVERNMENT OPERATIONS

Data Privacy

* H.F. 2040	Stoa
S.F. 2039	Tennessen, Davies

Classifies government data as public, private, confidential, non-public or protected non-public. Defines the following data as non-public: criteria used by the Department of Revenue to audit tax returns, examination or testing materials used in civil service hiring, trade secret information, information which cannot be disclosed for security reasons and labor relations information. Classifies property complaint data as confidential; public library records and medical records as private. The following data on public employees is public: work location, office phone number and city and county of residence. Authorizes school authorities to release data to health authorities necessary to administer immunization programs. Permits governmental agencies to charge for copies of documents requested by an individual. Postpones the temporary classification expiration date to July 31, 1981, or 18 months after the classification is granted, whichever occurs later.

Effective: immediately.

C.603(1980)

Legislative Auditor - Access to Data

* H.F. 2314	Moe
S.F. 2385	Pillsbury, Schaaf, Moe, Ashbach, Gearty

Extends application of the Data Practices Act to the Legislative Auditor. Provides that the records of the Legislative Auditor are available to the public, except for statutory grant of confidentiality, but not the records of the Audit Commission. Makes the Commission liable for disseminating data in violation of law. Defines audit as financial audit, program evaluation or investigation.

Effective: August 1, 1980

C.484(1980)

Public Improvement Contracts

* S.F. 1665	Knoll, Ashbach, Kirchner, Nichols, Sillers
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Requires all state and local government agencies to make progress payments to contractors monthly based on estimates of work completed, less a retainage of up to 5%, unless a contract provides otherwise. Permits contractors to deposit bonds or securities as an alternative form of retainage. Provides that if a highway contractor has completed work for the state and has not been paid within 90 days, interest at the average U.S. bond yield, plus 1% shall be paid on the unpaid amount. This is on trunk highway construction only. The plus 1% applies only to local governments and is in existing law.

Effective: July 1, 1980

C.464(1980)

GOVERNMENT OPERATIONS

State Employees and Executive Pay Increases

* H.F. 1467 Sieben, M., Pehler,
Knickerbocker, Ainley, Johnson, D.
S.F. 1519 Coleman, Gearty, Nelson

Labor Agreements

Implements all negotiated and arbitrated settlements with state employees. Provides an additional 2½% in pay over the negotiated settlement for the highway patrol.

Public Employee Labor Negotiation Process

Establishes a joint legislative commission consisting of six members from each body to directly oversee and participate in labor negotiations, to monitor the state civil service system and to conduct two studies: (1) public employee labor relations laws by November 15, 1980, and (2) merit pay, progression, cost-of-living adjustments, establishment of a full-time board to hear unfair labor practice cases by July 1, 1981.

Defines essential employees as firefighters, highway patrol officers, guards at correctional institutions, employees of public hospitals other than state hospitals, and registered nurses employed by a state hospital or nursing home.

Requires arbitrators to use a procedure called "final offer arbitration" which will sunset on July 1, 1981.

Removes the statutory authority permitting the legislature to modify negotiated and arbitrated agreements.

State Employment Reductions

Requires the commissioner of finance to submit to the senate finance and house appropriations committees and the legislative commission on employee relations by October 1, 1980, a plan for reducing the number of state-funded positions by 4% during the 1981-83 biennium to be accomplished by normal attrition and by elimination of all positions which have been vacant for more than 90 days.

Executive and Judicial Salary Increases

Provides salary increases for state department heads, their deputies, constitutional officers, officers of metropolitan agencies, supreme court justices, district court and county court judges.

Increases deputy agency heads' and deputy constitutional officers' pay from 90% to 95% of the salary of their superiors. Total cost for salary and fringe benefit increases is approximately \$148M over last biennium.

Effective: Final offer arbitration for local governments, June 30, 1980; attrition plan implementation, July 1, 1981; legislative commission on employee relations, definition of essential employees, personnel system study, immediately; all other provisions, July 1, 1979; final offer arbitration for state employees, expires July 1, 1981; much of the state civil service law will sunset July 1, 1981.

C.332

GOVERNMENT OPERATIONS

SEE ALSO:

Board of Teaching	p. 25
Business Assistance Center	p. 11
Elections Category	p. 35
Government Data Practices Act	p. 71
Local Government Category	p. 84
Occupation Licensure Category	p. 91
Public Employees Category	p. 95
Small Business Finance Agency	p. 16
Transportation Regulation Board	p. 119

HANDICAPPED

Auto Insurance Discrimination

* H.F. 546 Wynia, Kelly, Heinitz, Blatz,
Ellingson

Prohibits discrimination in auto insurance solely on the basis of disability if handicap is compensated for by special training, equipment or medication. Individual must be licensed to drive and must use only specially-equipped cars when necessary. Violation to be remedied as an unfair insurance practice.

Effective: August 1, 1979.

C. 215

Parking Privileges for the Handicapped

* H.F. 451 Berkelman, Sarna, Nelsen, B.,
Hokanson, Schreiber
S.F. 561 Hughes, Gunderson, Spear,
Frederick, Engler

Broadens definition of "physically handicapped" for purposes of obtaining handicapped license plates to include material disability of one or both arms or legs or any other disability impairing ability to walk. Accords same parking privileges to vehicles with handicapped plates as those with handicapped parking certificates. Allows out-of-state vehicles displaying equivalent handicapped identification to park in designated handicapped spots. Unauthorized parking in handicapped spots constitutes petty misdemeanor with fine between \$15 and \$100 (was \$10).

Effective: immediately.

C.277

SEE ALSO:

Continuation of Waiver of Premium Benefits	p. 77
Disabled Vietnam Veterans Outreach	p.121
Earned Income Disregard for the Disabled	p. 73
Hearing-Impaired Services Act - Accessibility for State Agency Meetings	p. 60
Omnibus School Aids Bills (Special Education Aid)	p. 28 p. 31
Omnibus Tax Bills (Personal and Dependent Credits)	p.103 p.107
Review of Foster Care of Developmentally-Disabled Children	p. 75
Senior Citizen/Handicapped Crossings	p.118

HEALTH

Catastrophic, Comprehensive Health Insurance Amendments

S.F. 1668 Staples, Knutson, Knaak, Solon,
Brataas
* H.F. 1995 Swanson, Berglin, Forsyth, Rice,
Heinitz

Extends Catastrophic Health Expense Protection Program coverage to health services provided outside the state, in circumstances when appropriate or timely services cannot be provided within Minnesota. Also, excludes from the comprehensive health insurance plan provided by the Comprehensive Health Association for persons uninsurable under regular health insurance, coverage of treatment for a mental or nervous disorder in a hospital outside of Minnesota and services of a private duty nurse on other than an inpatient basis. CHEPP section effective: immediately: August 1, 1980. C.565 (1980)

Certificate of Need for Health Facilities

* H.F. 260 Carlson, L., Berglin, Swanson,
Kaley, Heinitz
S.F. 477 Staples, Perpich, Kirchner.
Nelson, Keefe, J.

Amends the 1971 certificate of need law to bring Minnesota into compliance with federal requirements and to improve the process. Transfers rule making from state planning agency to department of health. Requires preconstruction notice, a review to determine the completeness of an application, new data in the application, new criteria for review of applications and reports from recipients. Allows affected persons to request that certificates be required. Also allows emergency waivers, application revision, extension of review period and formal review of department of health decisions.

Effective: August 1, 1979

HEALTH

Comprehensive Health Insurance

H.F. 1246	Swanson, Heinitz, Rice, Brinkman, Reif
* S.F. 1191	Sikorski, Chemielewski

Requires self-insurers to report annually to the commissioner of insurance. Includes reasonable mileage for transportation to a kidney dialysis center as a minimum benefit of a qualified plan, and delays inclusion of routine physical and multi-phasic screening benefits from July 1, 1980, to July 1, 1982. Holds the comprehensive health association plan premiums to a maximum of 125% of the average of rates charged by the 5 major insurers of each type of plan and requires annual determination of the 5 insurers. Makes association losses due to claim expenses which exceed premiums paid the liability of commercial companies (was blue cross, HMOs, fraternal and self-insurers as well) and allows commercials to offset the losses against their state income tax or premium tax payable that year.

Prohibits non-residents from purchasing coverage through the state comprehensive health association. Effective: immediately but tax offset provision expires on July 1, 1981. C.272

Continuing Care Facilities

* S.F. 789	Bang, Sikorski, Laufenburger, Knutson
H.F.887	Pleasant, Ewald, Heinitz, Hokanson

Requires registration and provides for regulation of continuing care, or life care, retirement facilities, both in Minnesota and doing business in Minnesota, by the Commissioner of Securities. Requires written economic, operating and other disclosure to prospective residents. Provides financial safeguards for residents. Provides for cease and desist orders and injunctive relief; civil liability for violation of registration or disclosure requirements; court-ordered rehabilitation and liquidation of facilities; and a criminal penalty of \$10,000 fine and/or up to one year imprisonment for violations.

Effective: November 1, 1980
C.516 (1980)

HEALTH

Contraband in State Hospitals

H.F. 1702	Dempsey, Weaver, Johnson, C.
* S.F. 1722	Renneke, Tennesen, Sieloff, Bernhagen, Davies

Makes it a felony to bring a controlled substance, firearms, weapons or explosives into a state hospital or correctional institutions.

Makes it a gross misdemeanor to bring an alcoholic beverage or malt liquor into a correctional facility or state hospital.

Allows the Commissioner of Welfare to provide by rule for the search of persons admitted to hospital grounds. Effective: immediately
C.390 (1980)

Dental Licensing, Professional Advertising

S.F. 786	Strand, Staples, Nelson, Kirchner, Knutson
* H.F. 644	Berkelman, Heinitz, Byrne, Clawson, Reif

Provides for stricter regulation of dental health professionals by the Board of Dentistry by authorizing the Board to require dentists, dental hygienists and dental assistants who fail their clinical exams twice to obtain additional education or training before they may retake the exam. Clarifies standards for the name under which a dental professional may practice. Regulates the manner in which dentists and members of joint dental practices are identified on cards, letterheads and office signs or other public displays. Requires identification of each dentist in a joint practice. Requires dentists to include the initials of their dental degree, e.g. D.D.S., in any public identification. Requires that any communication between a dentist and patient clearly indicate the name of the dentist treating the patient. Requires dental professionals to inform the Board of Dentistry of address changes.

Also, authorizes state occupational examining and licensing boards to adopt regulation for advertising for the professionals whom they regulate.

Dental regulations effective: July 1, 1981
Professional advertising section effective: January 1, 1981.
C.596 (1980)

HEALTH

Health Maintenance Organization Demonstrations

H.F. 150	Carlson, L., Kaley, Swanson, Adams, Heinitz
* S.F. 856	Staples, Nelson, Gunderson, Lewis, Keefe, J.

Authorizes the commissioner of health to approve HMO demonstration projects for up to 6 years which extend coverage to: (1) persons enrolled in the federal medicare program; (2) any group of less than 50 employees covered by a single group health policy; (3) individuals not eligible for enrollment in a group health maintenance contract and (4) low-income population groups. Allows the commissioner to waive compliance with rules which would prohibit the operation of a demonstration project out requires projects to provide, at a minimum, the health benefits available in the federal medicare program. Requires HMO's with approved projects to file an annual report.

Effective: immediately.
C.268

Hearing-Impaired Services Act—Accessibility for State Agency Meetings

H.F. 851	Heinitz, Hokanson, Esau
* S.F. 1141	Staples, Perpich, Kirchner, Chenoweth, Knutson

Establishes a statewide network of coordinated services to meet the needs of hearing-impaired persons by establishing regional service centers and strengthening services delivered by agencies. Establishes up to eight regional service centers (RSCs) for hearing-impaired persons (Two in FY 1981). Requires RSCs to serve as central entry points for hearing-impaired persons in need of human services and to make referrals to needed services. Requires the Commissioner of Economic Security to supervise the development and implementation of a statewide interpreter referral service, and orders the Commissioner to develop and implement a plan to deal with the under-employment of hearing-impaired persons. Instructs the Commissioner of Public Welfare to insure that hearing-impaired persons have full access to all human service programs. Appropriates \$166,000 to the Commissioner of Economic Security for the establishment of RSCs and \$136,000 to the Commissioner of Public Welfare to fulfill designated duties.

Requires state agencies sponsoring a meeting to provide auxiliary aids to physically handicapped persons who give reasonable advance notice. Auxiliary aids may include taped or brailled materials, interpreters, and equipment adaptable for use by participants with manual impairments. Does not require personal attendants, and does not apply to state university or community college classes, seminars, or training programs. Allows the Commissioner of Administration to grant waivers from the act's requirements for good cause.

Effective: immediately for the state agency meeting provisions; July 1, 1980, for the hearing-impaired services act.
C.574 (1980)

HEALTH

Life Support Transportation Services

H.F. 155	Swanson, Reif, Berkelman, Carlson, L., Forsythe
* S.F. 202	Nelson, Perpich, Lewis, Solon, Kirchner

Requires licensure of emergency ambulance services, renamed "life support transportation service". Eliminates licensure requirements for non-emergency ambulance services. Allows local governments to set stricter standards. Sets up a new process for operators who want new licenses or who wish to expand existing services which involve health systems agency recommendation and public review. Requires the commissioner to approve license transfers. Allows the commissioner to set standards for drivers and attendants as part of the human services occupation licensure law. Requires 24-hour service and the presence of qualified staff. Prohibits denial of service because of ability to pay or source of payment. Provides guidelines for DPW reimbursement requiring cost based rates for non-emergency transportation and services provided by a public agency or nursing home as well as lower rates for additional passengers than the first on a single trip.

Effective: August 1, 1979.

C.316

Medical Assistance, Catastrophic Health Insurance Vendor Fraud

* S.F. 1257	Olhoft
H.F. 1289	Heinitz, Swanson, Blatz

Extends and strengthens protections against fraud and improper claims by vendors providing medical services to individuals receiving public assistance for health care expenses. Extends the "consent to review records" eligibility requirement for Medical Assistance to the General Assistance Medical Care and Catastrophic Health Expense Protection programs, thereby giving the Commissioner of Welfare access to G.A.M.C. and C.H.E.P.P. recipients' medical records for the purpose of investigating possible vendor fraud or improper claims by vendors. Requires the Commissioner to adopt rules for G.A.M.C. and C.H.E.P.P. for criteria and procedures to identify and investigate suspected vendor fraud and improper claims, in keeping with Medical Assistance statutes and rules. Also, extends the various public assistance medical vendor fraud statutes to include: payment abuse, as well as fraud and theft; duplicate as well as false claims; and claims for medically unnecessary services. Extends Welfare Department authority to seek monetary recovery and impose sanctions against vendors, including withholding, reduction or suspension of vendor payments and suspension or termination of vendor's program participation; and provides for adoption of rules for imposing sanctions.

Effective: August 1, 1980

C.349 (1980)

HEALTH

Poison Information Center

* S.F. 480	Staples, Kirchner, Lewis, Nelson, Solon
H.F. 448	Onnen, Reif, Berkelman, Carlson, L., Heinitz

Establishes a statewide telephone emergency center, similar to the "911" emergency system, to provide 24-hour information for appropriate home treatment or referral of poison victims. Establishes an advisory council including a nurse, a pharmacist, a physician from each of the fields of toxicology, pediatric medicine, emergency medicine, and internal medicine, and a person who has no financial or professional interest in services of center. Appropriates \$125,000 from General Fund for establishment of the Center.

Effective: April 16, 1980

C.577 (1980)

Reconstructive Surgery

* H.F. 1800	Minne, Wynia, Luknic, Brinkman
S.F. 1917	Staples, Jensen, Nelson, Gunderson

Requires all accident and health insurance policies, health maintenance contracts, fraternal health benefit contracts, and nonprofit group health subscriber contracts to provide benefits for reconstructive surgery. Applies to reconstructive surgery which is incidental to or follows surgery from injury, sickness or other diseases of the involved part and reconstructive surgery performed on a child due to a functional defect caused by a congenital disease. Deletes reconstructive surgery from the cosmetic surgery exemption for qualified health plans in the Minnesota Comprehensive Health Insurance Act.

Effective: August 1, 1980

C.496 (1980)

SEE ALSO:

Omnibus Health, Welfare & Corrections
Appropriation
Senior Citizens Category

p. 6
p.100

HOUSING

City Housing Finance Programs

* H.F. 261	Schreiber, Casserly, Adams, Pehler, Friederich
S.F. 859	Humphrey, Merriam, Anderson, Olhoft

Requires public hearings for any industrial development projects prior to applying to the commissioner of security for approval of the project. Also prohibits use of industrial revenue bonds for rental housing projects.

Authorizes cities (or county HRAs under certain conditions) to develop and administer mortgage loan programs to finance single family housing for low and moderate income persons. In order to do so, a city must first develop a housing plan, hold public hearings, and submit the housing plan for review and comment to the metropolitan council if located in the metropolitan area or to the regional development commission in which it is located. All cities are also required to submit their housing finance programs to the Minnesota housing finance agency for review and approval.

—Each housing program must establish limits on gross income for people served by the program; adjusted gross income cannot be more than the greater of 110% of median family income estimated by the U.S. department of housing and urban development for a non-metropolitan county or a metropolitan area, or the income limits established by the Minnesota housing finance agency.

—50% of the money for single family housing loans must go to persons or families with low incomes (gross incomes less than 90% of the program's income limits) for the first six months of the program; 20% of the money may be provided to people regardless of their income levels, if used in a development district type of project or if the city has a low or moderate income housing program and the new program will further policies of economic integration, stability and revitalization of residential areas.

Also authorizes cities (or county HRAs under certain conditions) to make loans for multi-family housing developments under certain conditions and after public hearings and approval by the Minnesota housing finance agency.

Authorizes cities to issue and sell revenue bonds to be payable exclusively from revenues of the housing programs or developments, up to an amount not to exceed \$1,000 times its population for the first 50,000 persons, plus \$500 times its population in excess of 50,000 persons.

Effective: immediately.

C.306 (1979)

HOUSING

Graduated Payment Home Mortgages

H.F. 1404	Heinitz, Ewald, Metzen, Voss, Brinkman
* S.F. 436	Benedict, Solon, Merriam, Sikorski

Allows financial institutions to make graduated payment home loans (a conventional loan where initial payments are lower than the traditional loan which has equal payments; payments then gradually increase until they reach a point where they remain equal). Interest rates for such loans cannot exceed the "floating" usury ceiling. Provides that increases in periodic repayments of principal and interest on graduated payment loans cannot exceed certain percentages during the first 10 years of the life of a loan (ranging from 7.5% annually for the first 5 years or less, to 3% annually during a period of 10 years). No principal and interest increases are allowed after the first ten years. Requires financial institutions to provide to prospective borrowers information explaining the differences between graduated payment and standard mortgages and the borrower's rights under a graduated payment loan arrangement. Borrowers using this type of loan also have a right to convert at any time to a standard non-graduated payment mortgage, with no penalties for doing so. Also authorizes credit unions to make graduated payment home loans.

Effective: August 1, 1979.

C.239 (1979)

Housing Discrimination

* H.F. 1012	Clark, Wenzel, Sieben, M., Heinitz, Valan
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Prohibits discrimination in housing and real property on the basis of familial status. Does not apply to: one building in a two-building complex, one-third of the buildings in complexes of three or more, one-third of any individual apartment building, to some condominiums, to buildings occupied by a majority of people over 55, and to owner-occupied buildings containing four or fewer dwelling units. Provides for restrictions on evictions based on familial status.

Effective: immediately. Does not apply to adult-only residential buildings until either all the written leases pertaining to rental units within these buildings, in effect on the effective date of the act, have expired or until two years from the effective date, whichever occurs earlier.

C.531 (1980)

HOUSING

Housing Finance

* H.F. 724	Kroening, Biersdorf, Sieben, H., Anderson, I., Norton
S.F. 1139	Knoll, Ogdahl, Anderson Willet, Humphrey

Raises debt limit of Minnesota housing finance agency from \$900M to \$1,550M for funding of MHFA home rehabilitation loans, homeownership loan and multifamily construction loan programs — a total increase in bonding authority of \$650M.

Also appropriates \$42.5M (compared to \$40M last biennium) including:

\$19,350,000	for home improvement grants
\$7,660,000	for home improvement loans
\$2,000,000	for handicapped accessibility grants and loans
\$7,760,000	for the homeownership assistance program, for subsidizing down payments and monthly payments of low and moderate income families
\$5,230,000	for American Indian housing

Expands the existing grant program for handicapped accessibility in housing. Home improvement grants may be made up to \$10,000 (was \$5,000). Grants may be made in combination with other agency loan or grant programs if the total amount does not exceed \$15,000.

Also creates a new loan program for rehabilitation and energy improvements in multi-family rental property. Loans are available to owners of rental property with four or more units which is at least 15 years old and is occupied by low and moderate income persons.

Effective: immediately for debt limit increases; July 1, 1979, for all other provisions.

C.327 (1979)

Individual Housing Accounts

H.F. 858	Novak, Friedrich, Metzen, Forsythe Simoneau
* S.F. 49	Benedict, Strand, Vega, Luther, Sikorski

"Young Family Housing Act" authorizes the establishment of individual housing accounts to provide funding for purchase of a first home. Allows an individual to deposit \$2,500 a year up to \$10,000 in such an account in a qualifying lending institution, and receive an annual tax deduction up to \$1,500 plus interest paid or accrued.

Effective: for taxable years after December 31, 1980.

C.512 (1980)

Interest Rate on Contracts for Deed

	H.F. 805	Evans
*	S.F. 273	Peterson

Removes 8% usury limit on contracts for deed, and permits interest rates to "float" just as on conventional home loans. Floating ceiling is equal to the monthly index of FNMA (Federal National Mortgage Association) auction yields.

New law also amends several purchaser protection provisions:

1. extends the notice period to as long as 90 days depending on the amount of the purchase price which has been paid.
2. redefines the amount to be paid if the purchaser wishes to stop the termination proceeding. (All amounts in arrears, costs of service, attorney's fees and mortgage registration tax.)
3. notice of default is required to be in writing and must be in the form, and contain certain information, as outlined in the law.

Contains a new provision which allows a district or county court to issue a temporary restraining order or injunction prohibiting termination of a contract for deed. Purchaser is also allowed an additional 15 days to make required payments to avoid contract termination when a temporary restraining order or injunction is dissolved (applies to all contracts for deed, not just those executed after this law takes effect.).

Effective: May 1, 1980.

C.373 (1980)

MHFA Loan and Grant Amendments

*	S.F. 2099	Knoll, Anderson, Staples, Ulland, J.
	H.F. 1991	Schreiber, Kroening, Olsen, Simoneau, Ainley

Increases the maximum home improvement grant from \$5,000 to \$6,000. Allows the agency to prohibit loan assumptions, if necessary, to maintain the tax exempt status of agency notes or bonds.

The bill also sets up a Veteran's Housing Assistance Program to make interest-free loans of up to \$4,000 to persons and families of low and moderate income who are veterans or veterans' dependents. Loans are designed to assist first time home buyers in making down payments toward the purchase of new or existing housing.

MHFA Loan and Grant Amendments Con't.

Also modifies the program of moderate rehabilitation of rental property so that the agency may make loans to landlords with low income tenants for energy conservation improvements. The loan may be made on property of any age if the loan is to be used to make energy improvements necessary to bring the property into compliance with energy standards. (Previously, such loans could only be made on property that was at least 15 years old.) Loans for moderate rehabilitation may still be made only on rental property which is at least 15 years old.

The bill reappropriates \$3,000,000 from the home ownership assistance fund to the housing development fund for the Veteran's Housing Assistance Program.

Effective: immediately.

C.593 (1980)

Mobile Home Dealer Regulation

*	S.F. 630	Schaaf, Merriam, Ashbach, Penny, Sikorski
	H.F. 615	Patton, Biersdorf, Voss, Simoneau, Novak

Provides for the licensing and regulation of mobile home dealers. Requires dealers, except those selling only new mobile homes, to set up a trust account to segregate funds received on behalf of any person, such as downpayments, earnest money deposits, tax and insurance escrow payments, etc.

Increases from \$10,000 to \$20,000 the amount of surety bond an applicant for a license must secure.

Requires a dealer to retain all records of business transactions for three years. Those records may be examined by the Commissioner of Securities.

Requires disclosure, prior to consummation of a sale, by dealer to buyers of all but new mobile homes, all charges and fees paid.

Prohibits the use of net listing agreements unless the agreements contain a promise by the dealer to purchase the mobile home if it has not been otherwise sold within a specified period of time.

Effective: Section 8, concerning licensing and bonding is effective July 1, 1980. All other sections are effective immediately except that net listings in effect prior to the effective date of the act shall remain in force.

C.590 (1980)

HOUSING

Reverse Mortgage Loans

H.F. 106	Casserly, Blatz, Norton, Swanson, Pleasant
* S.F. 27	Kirchner, Tennesen, Gearty, Moe, Brataas

Authorizes lenders to make reverse mortgage loans secured by a mortgage on the home owned by the borrower. A "reverse mortgage loan" would allow a person who owns a home outright or who has substantial equity in a home to borrow money in periodic installments from a lender over the loan term while retaining title and living in the home. Such loans are due upon full payment by the lender to the borrower of the total amount borrowed, sale of the property, upon death of the borrower, or when the property ceases to qualify for a homestead credit. Total loan amount due cannot exceed 80% of the home's appraised value.

Allows lenders to make investments in reverse mortgage loans in an aggregate principal amount not to exceed 5% of the lender's total deposits and savings accounts. Maximum interest rate for reverse mortgage loans shall be the same as the "floating" usury ceiling for conventional home loans. Provides that reverse mortgage loan proceeds are not to be counted in determining eligibility of a borrower for medical assistance or other public assistance. Effective: January 1, 1980. C.265(1979)

Tenants' Rights for Mobile Home Residents

* H.F. 1309	Voss, Jacobs, Begich, McDonald, McEachern
S.F. 1280	Merriam, Vega, Schmitz, Schaaf, Keefe, J.

Establishes a series of "tenants' rights" for mobile home residents similar to those already available to apartment residents. Requires park owners to provide written notice of tenants' legal rights and duties prior to signing a lease. Prohibits unreasonable or substantial changes in lease agreements and adoption of unreasonable park rules and regulations. Specifies the conditions under which a park owner can require a mobile home to be removed from the park. Limits the circumstances under which park owner can enter a mobile home to the prevention of damage to the park or in response to an emergency. Prohibits retaliation against a tenant for complaints to a government agency regarding building or housing code violations. Requires park owners to maintain roads to permit normal resident travel. Park owners may require the removal of a home from the park upon sale by the homeowner if the home is more than 15 years old.

Effective: immediately
C.264(1979)

HOUSING

Uniform Condominium Act Condominium Conversions 1976 Uniform Limited Partnership Act

H.F. 789	Casserly, Sieben, M., Halberg, Dempsey, Rothenberg
* S.F. 133	Davies, Tennesen, Strand, Sikorski, Keefe, J.

Adopts the Uniform Condominium Act to establish criteria for the creation, organization and management of condominium associations. Allows "flexible" condominiums to which real estate may be added. Defines the boundaries of individual units and the duties of owners, subject to the association bylaws.

Provides buyer protection by requiring a disclosure statement which must include: identification of the developer; the expected number and type of units and services to be provided; the association's projected budget; the proposed schedule for completion of the project; expected fees which members will pay; and pending liens or lawsuits against the property and an explanation of the buyer's cancellation rights. Also provides express and implied warranties which must be made by the seller.

Allows local units of government to impose reasonable conditions on condominium conversions if (1) there is a significant shortage of suitable rental housing for low and moderate income individuals and families, or (2) the imposition of such conditions is necessary to obtain federal or state housing funds.

In the case of conversions, tenants must be given notice of the intent to convert 120 days before they will be expected to vacate. Tenants who are over age 62, are handicapped, or have minor children must be given an additional 60 days to vacate upon request. During the notice period, tenants may not be evicted except for good cause.

During the first 60 days of the 120-day notice period, the tenant has an option to buy the unit. The terms of the option must be set out in a purchase agreement attached to the original notice of intent to convert. If the tenant chooses not to exercise the option, the developer may not offer the unit, at more favorable terms, to another buyer for 100 days after expiration of the option. The same disclosures must be made to tenant-buyers as to buyers of new units.

Adopts the 1976 Uniform Limited Partnership Act establishing procedures for establishing and dissolving limited partnerships.

Effective: Uniform Condominium Act (includes conversion provisions) for all condominiums created after August 1, 1980, and for all events occurring in existing condominiums after August 1, 1980. Does not invalidate agreements reached before that date. Uniform Limited Partnership Act effective for all limited partnerships created after December 31, 1980, and for existing limited partnerships which elect to be governed by the act. C.582 (1980)

HOUSING

Usury Law Extension/Changes

* H.F. 486	Adams, Patton, Ewald, Brinkman, Heinitz
S.F. 159	Kleinbaum, Dunn, Bang, Laufenburger, Penny

Extends the "floating" interest rate ceiling for conventional home loans to July 31, 1983. Requires lenders to permit assumption of a home loan by another party if the existing borrower continues after transfer to be obligated for repaying the entire remaining indebtedness; however, the borrower must be released from this obligation by the lender if the new borrower meets normal standards of credit worthiness and agrees in writing to assume the existing borrower's loan. Also changes the minimum interest rate on required escrow accounts from 4% to 5%.

Effective: August 1, 1979.

C.48(1979)

* H.F. 564	Voss, Ewald, Anderson, D., Adams, Peterson
S.F. 624	Sikorski, Staples, Setzepfandt, Ogdahl, Ashbach

Substitutes a new index on which the "floating" usury ceiling is based. New ceiling is equal to the monthly index of FNMA (federal national mortgage association) auction yields. (Old ceiling was 2% above the monthly index of long-term U.S. government bond yields.) New index supersedes the old index until November 30, 1982, at which time the new index provision expires. New index puts Minnesota's interest rate ceiling more in line with current national mortgage market conditions. Effective: immediately; new index expires November 30, 1982.

C.279(1979)

SEE ALSO:

Federal Pre-Emption Override: Interest Rates on Mobile Homes	p. 13
Home Insurance Redlining	p. 77
Omnibus Energy Bills	p. 40
	p. 41
Omnibus Tax Bills (Property Tax Relief)	p.103
	p.107
1979 Omnibus Tax Bill (Residential Energy Credit)	p.103

HUMAN RIGHTS

Government Data Practices Act

* H.F. 738	Stoa, Dean, Hokanson, Kempe, Ainley
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Provides a clear presumption that all government data is public unless otherwise classified by federal or state law or on a temporary basis by the commissioner of administration. Previously, only government data maintained on individuals was presumed to be public unless otherwise classified as private or confidential by law or an emergency classification by the commissioner of administration.

Specifically classifies certain types of data: welfare data, welfare investigative data, licensing data maintained by the government of public welfare, medical data, public personnel data on job applicants, educational data, law enforcement data.

Effective: July 1, 1979.

C.328

Human Rights Law Amendments

S.F. 1991	Dieterich, Barrette, Spear
* H.F. 1895	Wynia, Faricy, Byrne, Pleasant, Murphy

Miscellaneous amendments to the state human right law. Adds membership or activity in a local commission to the list of conditions on the basis of which employers may not discriminate. Extends the law prohibiting reprisals against a person because of involvement with or in a matter governed by the state human rights law or because of association with a person or group protected by the law, to owners, lessees, sublessees, assignees, and real estate managers, brokers, salespersons and employees or agents (previously applied only to lessors). Provides for the Commissioner of Human Rights to take class action suits. Increases allowable award for punitive damages to \$1,000 (from \$25-\$500).

Effective: immediately

C.540

HUMAN SERVICES

AFDC Relatives' Responsibility

* H.F. 2135 Hokanson, Kaley, McDonald,
Berglin, Wynia
S.F. 2146 Dieterich, Knoll, Solon, Knaak

Relieves grandparents and siblings from responsibility for contributions to relatives receiving Aid to Families with Dependent Children (AFDC). Does not alter parental financial responsibility for children receiving AFDC. Terminates all state actions against grandparents and siblings for AFDC contributions.
Effective: immediately.
C.408 (1980)

Child Abuse/Neglect Changes

* H.F. 1308 Greenfield, Niehaus
S.F. 1310 Spear

Amends child abuse reporting law by including in definition of neglect the failure to protect a child from serious danger to his physical and mental health. Redefines "sexual abuse" to include use of a child in pornographic works.
Effective: August 1, 1979.
C. 143

Child-Stealing

* H.F. 1238 Byrne, Jude, Sieben, M.,
Haukoos
S.F. 1370 Sikorski

Prohibits parent or other individual from taking, detaining or failing to return a child when another person has legal custody. Prescribes penalty up to 90 days and/or \$500, if child is voluntarily returned with 14 days; up to 1 year and a day and/or \$1,000 otherwise. Allows venue in county from which child was taken, county in which child was detained or county of child's residence.
Effective: immediately.
C.263

Community Social Services Act ("Block" Grants)

* H.F. 368 McCarron, Kaley
S.F. 1135 Lewis (Moe, Olson, Brataas

Restructures finance system for social services by replacing certain DPW grant or subsidy programs with a standardized formula to allocate monies directly from the state to the counties. Gives county boards the authority and responsibility for social service planning, budgeting, delivery and monitoring. Requires county boards and DPW to develop and update biennially a social service plan; first plan is due by May 1, 1980. Guarantees every county a "block grant" subsidy for 1980 and 1981 greater than the state social service funding they received in 1978. Counties must match the "block grant" they receive with local revenues. Enacts a separate formula for distribution of federal Title XX monies, starting October 1, 1979.

HUMAN SERVICES

Community Social Services Act ("Block" Grants)

Appropriates \$2M to fund a two-year experimental program of community services for the chronically mentally ill. Appropriates \$300,000 for one-year planning grants to counties. (Formula will be financed with monies appropriated for certain DPW grant or subsidy programs.)
Effective: July 1, 1979. Financing through state formula begins January 1, 1980.
C.324

Day Care Facilities in Residential Zones

* H.F. 396 Berglin, Blatz, Byrne,
Drew, Clark
S.F. 568 Staples, Spear, Nelson,
Perpich, Brataas

Increases from 6 to 10 the number of persons a licensed day care facility may serve and still be considered a single family residential use of property for zoning purposes.
Effective: August 1, 1979.
C.42

Earned Income Disregard for the Disabled

* H.F. 160 Berglin, Heinitz, Hokanson, Rose,
Rice
S.F. 723 Staples, Perpich, Kirchner, Stern

Increases the Medical Assistance and Minnesota Supplemental Aid income eligibility limits to conform with the limits in the federal Supplemental Security Income program for disabled non-institutionalized persons. Disregards the first \$65.00 per month plus one-half of the remainder of all other earned income. Deducts all actual work expenses from income for MSA eligibility (already deductible for MA).

Appropriates \$47,500 to the Commissioner of Public Welfare to implement the act.
Effective: July 1, 1980.
C.527 (1980)

HUMAN SERVICES

General Assistance Revisions

* H.F. 1603 Greenfield, Clark, Nelson
S.F. 1581 Keefe, S., Spear, Keefe, J.

Clarifies provisions in the General Assistance and General Assistance Medical Care programs. It changes eligibility requirements to be more equitable and consistent with other assistance programs. Establishes an earned income disregard work incentive of \$50.00 per month in General Assistance program, and provides for employment assistance for General Assistance recipients. It also makes administrative changes. Appropriates \$226,450 to the Commissioner of Public Welfare to pay increased costs authorized by the act. Effective: July 1, 1980, except earned income disregard and eligibility asset changes which are effective January 1, 1981.
C.536 (1980)

Medical Assistance Eligibility

* H.F. 588 Weaver, Clawson, McCarron,
Simoneau, Fudro
S.F. 755 Anderson, Merriam, Knaak,
Schaaf, Sikorski

Alters assets allowed for medical assistance eligibility by exempting a home and automobile completely; increasing cash/liquid asset limits to \$2,000, plus \$150 per dependent, if single and to \$10,000 if married; and increasing limit on cash surrender value of life insurance to \$1,500. As of July, 1979, any increase in social security or SSI will be disregarded in determining eligibility for persons who are not nursing home residents. Also allows Anoka county to contract with Anoka state hospital for community mental health services.

Effective: August 1, 1979.
C.309

HUMAN SERVICES

Review of Foster Care of Developmentally Disabled Children

* S.F. 1726 Davies, Knoll, Spear, Knutson,
Sieloff
H.F. 2346 Long, Casserly, Byrne, Dempsey

Removes developmentally disabled children in foster care from the general statute governing case review of voluntary foster care placements and petition for termination of parental rights, under which the social service agency responsible for placement must file a petition for juvenile court termination of parental rights if a child placed in foster care pursuant to a voluntary release by his parents cannot be returned to his natural home 18 months after placement. Adds separate regulation for review of voluntary foster care placements of developmentally disabled children. Requires the responsible social service agency to bring a petition for juvenile court review of the foster care placement of a developmentally disabled child 18 months after the placement. Provides for the court to: (1) continue the child in foster care, with review in another two years, if the child's needs are being met; (2) order the natural parents or social service agency to take the necessary steps to meet the child's needs, including providing support which would enable the child to return to his natural parents, if the child's needs are not being met in foster care; or (3) order the social service agency to file a petition for termination of parental rights if the court finds that the child has been financially or emotionally abandoned by his parents, or that the child is not handicapped.

Effective: immediately.

C.555 (1980)

Sliding Fee Scale for Child Care

* H.F. 272 Norton, Kaley, Hokanson,
Waldorf, Anderson, R.
S.F. 266 Spear, Tennessen, Lewis,
Sieloff, Brataas

Appropriates \$1.5M for experimental, 2-year grant program for counties that choose to implement a sliding fee schedule to partially subsidize child care for lower-income families who are ineligible for fully-subsidized child care. Eligible families are those with net incomes between 60%-70% of state's median income, and who are employed, attending school, or otherwise unable to provide continuous child care. Requires a local match by county of 5% in first year and 15% in second. Requests legislative report by January 15, 1981.

Effective: July 1, 1979. Expires: June 30, 1981.

C.307

HUMAN SERVICES

Subsidized Adoption

* H.F. 268	Forsythe, Wieser, Hokanson, McCarron, Niehaus
S.F. 510	Lewis, Brataas, Perpich, Knutson, Staples

Implements a 100% state-funded program to subsidize adoptions of hard-to-place children. Provides subsidy for medical, psychological and/or maintenance costs, based on child's need rather than the adoptive family's income, according to prior agreement. Requires annual affidavit of continued need for subsidy; payments may not exceed amounts allowable under family foster care. Allows 100% state reimbursement for costs of adoptive home recruitment costs; encourages establishment of American Indian child adoption agency; and exempts subsidy payments from eligibility considerations for other financial programs. Appropriates \$500,000/biennium.
Effective: July 1, 1979.
C.256

Vulnerable Adults

* H.F. 1942	Hokanson, Clawson, Wynia, Reif, Den Ouden
S.F. 1943	Spear, Barrette, Staples, Nelson, Knoll

Provides new and strengthened law to protect vulnerable adults living in either care facilities or in the community from abuse or neglect. Provides protection for persons age 18 or older who are in licensed facilities (hospitals, nursing homes, day care or residential facilities and adult halfway houses). Requires reports of suspected abuse or neglect of vulnerable adults to be made by health care, social service, education and law enforcement professionals and employees to the local law enforcement agencies who are to notify local welfare agencies. Requires welfare agencies to investigate and report to licensing agencies who are to investigate and take action. Requires facilities to enforce abuse prevention plans. Provides penalties. Appropriates \$113,000 to Welfare Department.
Effective: January 1, 1981.
C.542 (1980)

SEE ALSO:

Disabled Vietnam Veterans Outreach	p.121
Handicapped Category	p. 56
Health Category	p. 57
Omnibus Health, Welfare & Corrections Appropriation	p. 6
Senior Citizens Category	p.100

INSURANCE

Continuation of Waiver of Premium Benefits

* S.F. 1187	Tennessen, Coleman, Jensen, Ashbach, Laufenburger
H.F. 1142	Johnson, D., Blatz, Greenfield Brinkman

Provides that when a master group life insurance policy containing a waiver of premium benefits clause is terminated, the waiver of premium benefit must be continued for persons disabled at the time of the contract's termination. A waiver of premium benefits clause usually provides that if an insured becomes totally disabled, life insurance premiums will be waived for the duration of the disability.
Effective: August 1, 1980.
C.376

Home Insurance Redlining

* H.F. 227	Casserly, Norton, Pavlak, Heinitz, Anderson, I.
S.F. 636	Tennessen, Bang, Spear, Sikorski

Defines homeowner's insurance to include residential renter's insurance. Requires insurers in the Twin Cities metropolitan area and Duluth to file an annual report with the commissioner of insurance stating the number of policies written, cancelled and non-renewed and the number of applications for insurance declined, broken down by zip code areas for any city of the first class.

Requires insurer to give 30-day notice of its intention not to renew a homeowner's insurance policy, stating the specific reason for non-renewal. If an insurer does not offer coverage, after applicant has completed insurer's written application form, at the written request of the applicant the insurer must then supply a written specific reason for refusal to write the insurance.

Insurance policies written after January 1, 1980 must contain such non-renewal provisions. Makes it an unfair trade practice to refuse to insure, to refuse to renew coverage, or to charge differential rates for insurance because of geographic location of property, age of structure to be insured, or denial of coverage by another insurer. Insurers are allowed to use other underwriting criteria affecting the risk of loss which are applied generally in other locations of the state. Makes it an unfair trade practice if an insurance agent refuses to supply requested application forms or to transmit completed application forms to the insurer. Any cease and desist order for insurance redlining may also require the insurer to write or renew coverage for up to three years, subject to lawful cancellation or non-renewal.
Effective: August 1, 1979.
C.207(1979)

INSURANCE

No-Fault Insurance—Coordination of Benefits With Medicare & Workers Compensation

* H.F. 1878	Kelly, Ellingson, Voss, Greenfield, Wynia
S.F. 1699	Davies, Bang, Laufenburger, Johnson, Nelson

Provides for coordination of Minnesota no-fault insurance benefits with Medicare or Workers Compensation benefits. No-fault premiums must be reduced or rebated where Workers Compensation or Medicare benefits paid or payable are primary. No-fault benefits are payable to the extent they exceed the benefits obtainable under Medicare or Workers Compensation. Also makes technical changes in the no-fault law.

Effective: generally, August 1, 1980.

C.539 (1980)

SEE ALSO:

Auto Insurance Discrimination	p. 56
Catastrophic, Comprehensive Health Insurance Amendments	p. 57
Comprehensive Health Insurance	p. 58
Local Government Self-Insured Employees Benefits	p. 85
Workers' Compensation Category	p.123

JUDICIAL REFORM

Adoption

* H.F. 1727	Faricy
S.F. 2348	Davies, Knutson, Spear, Dieterich, Brataas

Modifies the procedures and requirements for adoption to assure the rights of both natural and adoptive parents. Requires adoption agencies to insure minor parents opportunity to consult with an attorney, clergyman or physician prior to consenting to adoption of their child, and for county payment of any consultation fee the minor parent is unable to pay. Provides that a natural parent may withdraw consent to an adoption for any reason within ten days after signing the consent. Requires adoption consents to include notice of the natural parent's right to withdraw consent. Provides that adoptive parents and the child shall be parties to any proceedings held for purposes of withdrawing consent to adoption. Shortens the pre-adoption residency of the child in the proposed adoptive home from six to three months. Provides that a natural parent may obtain a copy of an adopted child's birth certificate or information from the birth certificate, except for the registration number.

Authorizes use of a multi-purpose declaration of parentage for use in establishing a child's rights for insurance, education and welfare benefits through the father, inheritance rights and retention of parental rights. Clarifies grounds for termination of parental rights and establishes parents liabilities after termination of parental rights.

Effective: Adoption and termination sections: August 1, 1980. Declaration of parentage: immediately.
C.561 (1980)

Adoptive Parents Rights

H.F. 1119	Kaley, Zubay, Reding, Anderson, G.
S.F. 1158	Brataas, Knutson, Sikorski, Frederick, Sieloff

Requires that adoptive parents and the adoptive child be made parties to court proceedings relative to termination of consent by the natural parents. Prohibits a presumption that biological parents should be favored for custody; the best interests of the child are to control.

Effective: August 1, 1979.

C.138

JUDICIAL REFORM

Antenuptial Contracts

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|---|----------|-------------------------------|
| * | H.F. 610 | Crandall, Sieben, M., Dempsey |
| | S.F. 729 | Sieloff, Davies, Sillers |

Outlines procedure and requirements for legally-recognized antenuptial agreements (executed between man and woman before marriage). Allows such contracts to determine the rights of each spouse to nonmarital property upon divorce, separation or death. Contract may bar each person of all rights to partner's property.

Effective: August 1, 1979.

C.67

Creditors Remedies

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| * | H.F. 1199 | Ellingson |
| | S.F. 971 | Davies, Jensen, Sikorski |

Clarifies a debtor's rights to exempt property by prohibiting security interests on the first \$3,000 in exempt property; allows security interests for exempt properties in excess of \$3,000 and creates a \$2,000 exemption for one motor vehicle.

Effective: August 1, 1980.

C.550 (1980)

Divorce Law Amendments

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| * | H.F. 643 | Faricy (Judiciary) |
| | S.F. 1222 | Davies, Sieloff, Tennesen,
Spear, Dieterich |

Makes several changes to 1978 marriage dissolution law: eliminates residency requirement for legal separation action; eliminates proof of serious discord or six-month separation if neither party contests dissolution; provides for mutual restraining orders pending final action; permits retroactive modification of support orders for inability to pay; eliminates court permission before moving child under custody within the state; changes "extreme hardship" test to "unfair hardship" for court apportionment of non-marital property; other changes.

Effective: immediately.

C.259

Dog Owner Liability

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| * | H.F. 1450 | Erickson |
| | S.F. 1042 | Menning, Dieterich |

Makes all dog owners responsible for their animals by removing the distinction between urban and rural areas. Dog owners in rural areas may now be sued for damages.

Effective: August 1, 1980.

C.347 (1980)

JUDICIAL REFORM

Free Newspaper to Qualify as Legal Newspaper

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| * | H.F. 1286 | Clawson |
| | S.F. 2046 | Sikorski, Setzepfandt, Ulland, J. |

Allows newspapers distributed to readers without charge to qualify as "legal newspapers." In other words, local governments will now be able to publish legal notices of their actions in free distribution newspapers.

Effective: immediately.

C.471 (1980)

Interest on Money Judgments

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| * | H.F. 677 | Faricy, Anderson, I., Jacobs,
Minne, Prahl |
| | S.F. 1220 | Dieterich, Lessard, Sillers,
Davies |

Provides for a flexible interest rate to be paid on unpaid money judgments from time of verdict or during stay of execution. Directs state court administrator to determine simple annual interest rate, with 8% being the minimum.

Effective: January 1, 1980.

C.105

Paternity

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|---|-----------|-------------------------------------|
| * | H.F. 1522 | Berglin, Casserly |
| | S.F. 134 | Davies, Merriam, Sillers, Keefe, J. |

Governs procedure in paternity actions; establishes rebuttable presumptions of paternity. Establishes who may bring paternity action and statute of limitations for such actions. Allows courts to order blood and genetic tests and clarifies admissible evidence in paternity cases. Makes liability for medical expenses for delivery and support of the child the responsibility of both natural parents. Provides for support orders and enforcement of them once paternity is established.

Effective: August 1, 1980.

C.589 (1980)

Property Rights of Unmarried Couples

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| * | H.F. 1438 | Dempsey, Rees, Piepho, Jennings |
| | S.F. 1295 | Davies, Sieloff, Knutson, Merriam |

Prohibits "Lee Marvin" type lawsuits for property divisions between unmarried couples unless the couple has a written contract dividing their joint assets. Establishes the enforceability of such contracts.

Effective: June 1, 1980.

C.553 (1980)

SEE ALSO:

Child Stealing
Criminal Justice Category

p. 72
p. 19

LABOR

Employee Time Off for Political Activity

* H.F. 1601 Begich, Battaglia
S.F. 1579 Johnson

Provides that members of a political party's state central committee, or executive committee or political party convention committee, as well as convention delegates or alternates may take leave time to attend official meetings of those bodies without penalty (other than a deduction in salary or wages for the actual work time missed).

Requires that employees provide their employers at least ten days written notice to qualify for the leave time and makes employer violations of the new law a misdemeanor.

Effective: immediately.

C.400 (1980)

Minimum Wage

* H.F. 699 Byrne, Rice, Pahl
Moe, Norman
S.F. 352 Vega, Nichols, Nelson,
Keefe, S., Johnson

Increases statewide minimum wage from \$2.30/hour to \$2.90/hour effective January 1, 1980, to \$3.10/hour effective January 1, 1981, and to \$3.35/hour effective January 1, 1982, for workers 18 years of age and older. Workers under the age of 18 will receive an increase from \$2.07/hour to \$2.61/hour effective January 1, 1980, to \$2.79/hour effective January 1, 1981, and to \$3.02/hour effective January 1, 1982.

Effective: August 1, 1979, except as provided.

C.281

Unemployment Compensation

* H.F. 2191 Minne, Rodriguez, Moe, Simoneau,
Heinitz
S.F. 1721 Laufenburger, Staples, Frederick,
Brataas, Nelson

Provides for unemployment compensation coverage of CETA employees. Provides that an employer's experience rating account will not be charged for benefits paid for unemployment caused by a natural disaster declared by the President if the employee would have been eligible for disaster unemployment assistance. Provides that the loss of a job due to its temporary nature or failure to pass a performance test necessary to continue employment are not disqualifying conditions for unemployment compensation purposes. Provides that an employer's claim of disqualification of an employee for benefits cannot be raised unless a protest was timely filed. Disqualifies a chemically dependent employee fired for misconduct from receiving benefits, provided that the employee has been professionally diagnosed chemically dependent and he fails to continue treatment or make a reasonable effort to retain employment. Imposes a maximum penalty of \$25 or 1% a month, whichever is greater for failure to file employer reports.

Effective: immediately.

C.508 (1980)

LABOR

Unemployment Compensation—Family Farms

* H.F. 508 Stowell, Jaros, Reding,
Sviggum, Jennings
S.F. 1513 Engler

Exempts any family farm corporation shareholder's income from the payment of unemployment compensation tax.

Effective: August 1, 1979.

C.212

Unemployment Compensation—Seasonal Businesses

* H.F. 970 Haukoos, Osthoff, Piepho,
Heinitz
S.F. 1314 Pillsbury, Laufenburger, Bang,
Keefe, S.

Prohibits owners of seasonal businesses and their relatives from collecting unemployment benefits unless permanently separated from employment in the business.

Effective: for new claims filed on or after July 1, 1979.

C.284

SEE ALSO:

Achievement Awards Abolished	p. 52
Pensions and Retirement Category	p. 92
Public Employees Category	p. 95
State Employees and Executive Pay	
Increases	p. 54
Workers' Compensation Category	p. 123

LOCAL GOVERNMENT

Airport Zoning

* H.F. 1329	Lehto, Murphy, Stowell, Fudro, McCarron
S.F. 1212	Wegener, Chmielewski, Solon

Clarifies that townships shall be represented on joint airport zoning boards which are established for purposes of adopting zoning regulations for publicly-owned airports which affect two or more local units of government. Increases the number of representatives on joint airport zoning boards for cities of the first class from two to four members when the city of the first class owns and controls the airport. Adopts more stringent public hearing and notice requirements for adoption of airport zoning regulations. Requires individual, mailed notices to property owners affected by proposed airport zoning regulations. Requires the metropolitan airports commission to establish a separate joint airport zoning board for each airport under its jurisdiction.

Effective: immediately.

C.302

County Recorder Fees

H. F. 1534	Weaver, Sieben, H., Casserly, Heinitz, Pavlak
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Increases County Recorders fees: Minimum fee for indexing and recording a deed or other important instrument from \$3 to \$5 (fee remains \$1 per page); the fee for each transfer of and Abstract of Title from 75¢ to \$1.50; for each certificate transfer from \$6 to \$15; for a copy of an official plat from \$7.50 to \$9.50; establishes a 50¢ per apartment fee for filing a condominium floor plan with a minimum of \$15; copy of condominium floor plans 50¢ per page with a minimum of \$10 (plus 50¢ for certification).

Increases County Registrar's fees; for registering each original Certificate of Title (and issuing a duplicate) from \$6 to \$10; for registering each transfer from \$7.50 to \$10; for the entry or cancellation of memorials on the register from \$3 to \$5; for issuing a mortgage or lessee duplicate from \$3 to \$5; for issuing a residue certificate from \$6 to \$10; for issuing residue duplicates from \$3 to \$5; for each certificate showing condition of the register from \$4.50 to \$5; for issuing a duplicate Certificate of Title pursuant to the directive of the Examiner of Titles in counties where the Examiner is paid in the same manner as other county employees from \$35 to \$50; establishes a \$15 Registrar's fee for filing a condominium floor plan, as well as a \$1 per page fee (minimum \$10) for copies of condominium floor plans.

Requires local units of government to file a legal description of property affected by the deferrment of special assessments with the County Recorder, which must include the amount deferred. For special assessments deferred prior to passage of this act, notice must be filed prior to January 1, 1982.

Effective: August 1, 1980.

C.560 (1980)

LOCAL GOVERNMENT

Local Government Self-Insured Employee Benefits

* H.F. 251	Brinkman, Heinitz, Voss, Stoa, Wieser
S.F. 291	Gunderson, Benedict, Brataas, Staples

Allows cities, counties or school districts to elect to self-insure for employee benefits. Requires that such health plans provide the benefits that must be provided by group health insurance policies. Allows two or more cities, counties or school districts to jointly self-insure. Provides that the Commissioner of Insurance shall supervise and examine self-insurance plans.

Effective: July 1, 1980.

C.528 (1980)

Local Government Self-Insured Tort Liability

* H.F. 262	Brinkman, Heinitz, Voss, Wieser, Stoa
S.F. 403	Gunderson, Benedict, Staples

Allows political subdivisions to insure against tort liabilities of the political subdivision and its employees, including those which have immunity, and to self-insure against damage to property, liability exposures and other hazards. Allows political subdivisions to establish self-insurance revolving funds to pay losses and other costs in connections with self-insurance coverage. Allows two or more subdivisions to establish a pool to self-insure. Requires a review of pools by the Commissioner of Insurance. Appropriates \$43,000 to the Commissioner of Insurance.

Effective: July 1, 1980.

C.529 (1980)

Local Government Training

* H.F. 1138	Schreiber, Johnson, C., Pleasant, Clawson
S.F. 620	Wegener, Olhoft, Dunn

Appropriates \$42,500 to State Planning Agency to be made available to organizations representing governmental units and local government officials for purposes of training programs for local government officials; allows local government joint exercise of powers in this regard.

Effective: July 1, 1980.

C.532 (1980)

LOCAL GOVERNMENT

Regional Development Commissions—Dissolution
Procedures

* S.F. 407	Peterson, Setzepfandt, Wegener, Willet, Strand
H.F. 2350	Nelson, M., Brinkman, Reding, Kalis, Pehler

Provides that any combination of counties or municipalities representing a majority of the population of a region may petition the State Planning Officer, by formal resolution, for the dissolution of a commission on grounds that it is no longer in the public welfare or interest and is not needed to accomplish the purposes of the Regional Development Act.

Within 35 days of receiving an eligible petition, the State Planning Officer must set a time and place for a public hearing which must be announced at least once each week for two weeks prior to the date of the hearing in each county affected.

The hearing shall be conducted by the Regional Development Commission members, and if it is determined that the terms of the resolution are valid, the Commission shall recommend its termination to the State Planning Officer. Within sixty days of such recommendation the State Planning Officer shall terminate the commission.

The State Planning Officer may not accept a termination resolution more than once each 30 months for each RDC.

Changes the due date of public reports from RDCs from February 1 to August 1 of each year, and requires that those reports include a summary of any state auditor report from the previous year relative to the RDC. Beginning in 1981, requires RDCs to issue a report every five years evaluating their performance in fulfilling the purpose of the Regional Development Act.
Effective: January 1, 1981.
C.557 (1980)

LOCAL GOVERNMENT

Shade Tree Disease Control

* H.F. 277	Pleasant, Kalis, Wynia, Hoberg, Sieben, H.
S.F. 519	Olson, Luther, Dunn, Humphrey, Ulland

Changes the existing shade tree disease control program administered by the department of agriculture:

—eliminates certain eligibility requirements for cities so all cities, whatever their size or type of organization may participate in the state grant program.

—combines the previous separate sanitation (tree removal) and reforestation grants into a single grant.

—increases maximum allowable cost for reforestation grants to cities from \$40 to \$50 per tree (or 50% of the total cost).

—limits maximum allowable costs for reforestation grants for cities and towns of less than 4,000 population to \$60 per tree (or 90% of total costs) for the first 50 trees planted.

—extends the existing special property tax levy for shade tree disease control an additional two years.

S.F.1510 (Moe), the omnibus state departments bill, appropriated \$25M for the shade tree disease control grant programs.

Effective: July 1, 1979; applies to costs incurred on and after January 1, 1979.

C.257

State Building Code Referenda/Municipal Consolidation

H.F. 853	Weaver, Schreiber, Clawson
* S.F. 549	Wegener, Schmitz, Olhoft, Ueland

Allows the county board in non-metro counties to authorize a referendum on the question of adopting the state building code, or upon a petition of 5% of those voting in the last general election, requires the county board to hold a referendum. Restricts voting to electors residing outside of municipalities that adopted the building code prior to January 1, 1977. Requires that building requirements for handicapped persons apply in every county and does not prevent any city or town from adopting and enforcing the state building code. Also requires the Minnesota municipal board to appoint a consolidation commission to conduct hearings and make recommendations regarding the consolidation of two or more municipalities and bases final approval upon whether the proceeding was initiated by resolution of the city council, petition of the resident voters, or a motion of the board. (Note: 1977 and 1978 laws required all municipalities to adopt and enforce the state building code by January 1, 1979.)

Effective: August 1, 1979.

C.287

LOCAL GOVERNMENT

Tax Increment Financing

* H.F. 257	Casserly, Tomlinson, Pehler, Hoberg, Knickerbocker
S.F. 977	Hanson, Dieterich, McCutcheon, Davies, Sillers

Planning

Requires cities to approve a plan for each tax increment district, conduct a public hearing on the proposed district and publish notice in a newspaper of general circulation.

Requires that counties and school districts be consulted and allowed to comment on the tax increment plan prior to formation of a district. Cities must approve or disapprove a plan within 60 days of submission by the authority or the plan is considered approved. The city may not modify the plan as proposed by the authority.

Requires annual disclosure of the financial status of the district to the county board, the school board, the state planning agency and the city.

Limitations

Three different types of tax increment financing districts are provided: housing districts, redevelopment districts and economic development districts.

Different limitations apply depending on the type of tax increment financing district designated.

Tax increments may not be dedicated for a district if the authority has not issued bonds within three years, acquired property or constructed public improvements.

Places time limitations on the dedication of tax increments. Limits administrative expenses to 5% of total project expenditures.

Limits the amount of property which may be acquired by the authority prior to having obtained agreements with developers.

Requires rehabilitation or site preparation within 5 years of certification of the original assessed value of the district.

Metropolitan Fiscal Disparities Law

Requires cities to choose one of two applications of the fiscal disparities law to commercial-industrial growth within a tax increment district.

Removes current exemption from fiscal disparities for housing redevelopment authority districts and the full 40% contribution required by municipal development districts.

LOCAL GOVERNMENT

Tax Increment Financing - Con't.

Tax Deferrals

Allows developers to apply to a city for deferral of taxes on improvements located in industrial development districts, municipal development districts or housing and redevelopment authority projects.

Effective: August 1, 1979; projects certified prior to the effective date are not affected with certain exemptions. C.322

Tort Liability

* H.F. 198	Faricy, Norton, Wenzel, Kempe
S.F. 503	Sikorski, McCutcheon

Requires local governments to indemnify and defend employees against tort claims arising out of their employment subject to certain statutory limitations.

Effective: August 1, 1979.

C.205

Town Elections--Zoning

* S.F. 1707	Dunn, Willet, Rued, Setzepfandt, Renneke
H.F. 1908	McEachern, Thiede, Clawson, Eliaf, Johnson, D.

Permits town boards to zone with majority approval of voters (Previously 70% approval required). Requires town board to conduct public hearing of proposed zoning regulations, after giving ten days notice of such a meeting (Previously 30 days notice was required). Also allows towns to set their own hours for town elections, and requires that polls be open at least three hours. Effective: immediately.

C.416 (1980)

Winona Township--Building Inspectors

* S.F. 919	Laufenburger
H.F. 832	Stoa

Authorizes the Town of Winona to employ a building inspector to administer the State Building Code.

Extends the time during which an action can be brought to recover damages for any injury arising out of the unsafe improvement to real property. A cause of action must be brought within 15 years after substantial completion of the improvement.

Effective: Sec. 1 is effective upon approval of the Winona Town Board. All other sections are effective August 1, 1980.

C.518 (1980)

LOCAL GOVERNMENT

SEE ALSO:

Bridge Bonding	p. 112
City Housing Finance Programs	p. 63
Community Social Services Act ("Block" Grants)	p. 72
County and Municipal State Aid Roads	p. 112
Dam Repair and Reconstruction	p. 43
Flood Plain Management	p. 45
Government Data Practices Act	p. 71
Increase in Member Contributions - Local Police and Fire	p. 92
Life Support Transportation Services	p. 61
Local Correctional Facilities	p. 22
Omnibus Tax Bills (Local Government)	p. 103
	p. 107
Reverting County Highways to Town Roads	p. 118
School District Pairing	p. 33
Volunteer Firefighters' Pensions	p. 94

MINORITIES

Indian Burial Grounds

* S.F. 975	Ulland, Lewis, Ashbach, Humphrey, Coleman
H.F. 834	Clark, Carlson, D., Corbid, Jude, Ainley

Makes it a gross misdemeanor to damage or destroy cemeteries or to remove human skeletal remains or human burials. Provides that a professional archaeologist authenticate Indian burial grounds, and that the cost of identifying and marking burial grounds be the responsibility of the state. Makes rules for handling burials of remains found outside of identified cemeteries. Requires state agencies to cooperate with the Indian Affairs Intertribal Board and the State Archaeologist in connection with human burials. Appropriates \$15,000 to Intertribal Board. Effective: August 1, 1980. C.457 (1980)

OCCUPATION LICENSURE

Paramedics - DWI Testing

H.F. 711	Sieben, M.
* S.F. 714	Sikorski

Authorizes physician's trained mobile intensive care paramedics to withdraw blood for the purposes of determining the presence of alcohol or controlled substances under the implied consent law, at the direction of a peace officer. Makes such paramedics free from liability in any civil or criminal action, except for negligence in drawing the blood.

Effective: April 1, 1980.

C.395 (1980)

SEE ALSO:

Dental Licensing, Professional	p. 59
Advertising	
Licensing Part-Time & Reserve Peace Officers	p. 21

PENSIONS AND RETIREMENT

Amortization Date Extension

* H.F. 748	Patton, Moe, Biersdorf, Kaley
S.F. 771	Stokowski, Strand, Renneke Ogdahl

Extends statutory target date for elimination of state pension funds deficits from the year 1997 to 2009. Provides procedure to automatically extend the amortization target date in the future for deficit increases caused by actuarial assumption changes and benefit increases and changes in actuarial methods.

Effective: immediately.

C.184

Increase in Member Contributions - Local Police and Fire

* S.F. 1128	Stokowski, Ogdahl, Strand
H.F. 1192	Patton, Moe, Biersdorf, Kaley

Local police and fire relief association member contributions rate raised from 6% to 8% of salary. Provide for future operation of phased-out St. Cloud police relief association, an increase in municipal contribution to St. Cloud police relief association, and increased survivor's benefit. Makes Bloomington police chief a PERA - P&F member. Enables part-time St. Anthony firefighter to go into PERA - P&F. Provides member contribution rate for Austin police and fire relief associations shall not exceed 6% of maximum rate of salary determining retirement benefits.

Effective: Sec. 1, January 1, 1981; remainder of bill upon approval of appropriate city council.

C.341

Mandatory Retirement Changes

* H.F. 157	Enebo, Rice, Metzen, Fritz, Norman
S.F. 265	Spear, Keefe, S., Laufenburger, Staples, Merriam

Brings the 1978 state law raising the mandatory retirement age to 70 into conformity with the 1978 federal mandatory retirement act (PL90-202). Exempts firefighters, police, pilots, correctional officers, highway patrol, and those employed in an executive or high-level policy-making position entitled to annual retirement benefits or \$27,000 or more (teachers are no longer exempt).

Requires employers to notify all employees of their option to continue working past 65, to post a general notice that the retirement age is 70 and to give a 30 days notice to all employees being terminated prior to age 70. Effective: April 23, 1979, except that collective bargaining agreements in effect on September 1, 1977, will be honored until termination or January 1, 1980, whichever comes first; June 1, 1980, for employers with fewer than 20 employees; July 1, 1982, for tenured professors at private colleges and universities.

C.40

PENSIONS AND RETIREMENT

Omnibus Retirement Bill

* S.F. 960	Strand, Renneke, Ogdahl, Stokowski, Peterson
H.F. 915	Patton, Moe, Kaley, Biersdorf, Sarna

Increases maximum earnings for reemployed retirees to amount allowed to be earned by Social Security; applies to MSRS, PERA, TRA, and 1st Class City Funds. Maximum service requirement for proportionate annuity at age 65 reduced from three years to one year; provides nonforfeitable interest in pension plan modifications of this act do not apply to benefit recipients until two years after each modification takes effect. Makes administrative amendments to MSRS and TRA. After February 8, 1980, elected officials belonging to Minneapolis Municipal Employees Retirement fund to receive pension only with 30 years of service or at age 60 with 10 years of service.

Effective: immediately.

C.342 (1980)

Pre-73 Retirees, TRA Deficit

* H.F. 746	Patton, Moe, Biersdorf, Sarna, Wenzel
S.F. 816	Ogdahl, Strand, Stokowski Renneke

Pre-73 Retirees

Appropriates \$11.6M for lump sum benefit increases for public employees who retired under a statewide pension program before July 1, 1973. Two lump sum payments will be paid on December 1, 1979, and December 1, 1980, each equal to the number of years of service multiplied by \$15. For example, a retiree with 30 years of service will receive a check for \$450 on December 1, 1979, and another \$450 on December 1, 1980.

Teachers Retirement Fund Deficit

Provides \$15M over the biennium in additional employer contributions for financing the deficits of the statewide teachers retirement association (TRA) and the first class cities' teacher retirement funds. Represents a permanent increase in the employers' contribution rate. Effective: July 1, 1979.

C.293

PENSIONS AND RETIREMENT

Volunteer Firefighters' Pensions

H.F. 928	Reding, Patton, Biersdorf, Kaley, Moe
* S.F. 961	Peterson, Strand, Stokowski, Renneke

Consolidates and revises the existing laws governing locally funded volunteer firefighters' pension funds. Permits benefits to be adjusted at the local level, instead of by the legislature. Requires each relief association to file a current copy of its bylaws with the commissioner of insurance by July 1, 1980. Failure to do so disqualifies an association for fire state aid. Requires each volunteer firefighter relief association to be managed by a nine-member board of directors—six elected from the membership and three city officials. Beginning November 15, 1981, and biennially thereafter, the state auditor must report to the legislature on the general financial condition of volunteer firefighter relief associations.

Effective: July 1, 1979.

C.201

SEE ALSO:

1980 Omnibus Tax Bill (Public Employees
Pensions and Local Police and Fire Pension
Funds) p.107

PUBLIC EMPLOYEES

Collective Bargaining

H.F. 2154	Simoneau, Norton, Novak, Rose, Halberg
* S.F. 2085	Coleman, Schaaf, Nelson, Ashbach, Ogdahl

State Employees

Reorganizes bargaining unit structure by reducing the number of units from approximately 120 to 16, organized along statewide occupational lines.

Appropriates \$100,500 to Bureau of Mediation Services to implement new unit structure.

Supervisory employees retain right to negotiate but must be represented in separate units not affiliated with unions representing non-supervisory employees. Expands right-to-strike. Currently, employees may legally strike only if the employer rejects a request from employees for binding arbitration or if the employer refuses to implement an arbitration award. Under new law, state employees could strike after a contract expires and no new contract had been settled, or arbitration award implemented, provided that the parties had spent at least 45 days in mediation and the union had given 10 days notice of its intent to strike. Employees could also strike if the Legislative Commission on Employee Relations fails to grant interim approval to a contract or arbitration award (in an odd-numbered year). Current right-to-strike if the employer rejects arbitration or refuses to implement an arbitration award retained. Essential and supervisory employees do not have right-to-strike but would continue to resolve impasses through mandatory binding arbitration.

Department of Personnel is renamed the Department of Employee Relations and restructured into two divisions each headed by a deputy commissioner appointed by the Commissioner.

Establishes an eleven-member Insurance Advisory Council for employee benefits. Requires Commissioner of Employee Relations to offer a health benefit package from at least three types of carriers—commercial indemnity carrier, non-profit indemnity carrier and a health maintenance organization (HMO).

Clarifies relationship between employee contracts and Civil Service. Criteria for recruitment, classification and selection of employees (the "merit system") will continue under Civil Service laws and rules.

Seniority may now be a factor in promotions for non-managerial positions rather than required by statute.

PUBLIC EMPLOYEES

Collective Bargaining Con't.

Teachers

Provides separate right to strike procedure for teachers. Teacher strikes will be legal if: a contract expires, and no new contract is settled or arbitrated, and the parties had mediated for at least 60 days, of which 30 must occur after contract expiration, and either party had rejected the other's request for arbitration, and teachers had given 10-days notice of their intent to strike.

If 45 days had elapsed after the 60-day mediation period had expired and neither party had requested arbitration, the teachers could strike after 10-days notice. If the school board refused to implement an arbitration award, the teachers could strike, again, with 10-days notice.

Prohibits unions representing units of non-supervisory employees from affiliating with units of supervisory employees. Supervisory employees, including principals and assistant principals, retain right to collectively bargain.

Local Government Employees

Will follow the expanded right-to-strike procedure established for state employees, except for the interim approval of contracts by the Legislative Commission on Employee Relations.

Effective: state employee health benefit changes—July 1, 1981; right-to-strike provisions—July 1, 1980; remainder of act—immediately, but may not affect the provisions of any labor agreement prior to expiration; Appropriations—July 1, 1980.
C.617

Job Sharing

* H.F. 1662	Berglin, Minne, Voss, Laidig, Anderson, D.
S.F. 1629	Staples, Schaaf, Nelson, Ogdahl, Knaak

Provides for a two-year job-sharing demonstration program in state government. Program includes 50 full-time jobs in up to ten state agencies with at least 15 of these jobs in professional, supervisory, or managerial positions. Selected positions are limited to those in units of government not covered by a collective bargaining agreement unless the exclusive representative agrees to the selection. No employee is required to accept a shared position. Employees in shared positions are entitled to the same benefits, on a pro-rated basis, as a full-time employee. Appropriates \$15,000 for fiscal year 1981 to the Commissioner of Personnel to hire a coordinator to implement and evaluate the program.
Effective: July 1, 1980, to June 30, 1982.
C.572

PUBLIC EMPLOYEES

State Employee Assistance

S.F. 1690	Knutson, Moe, Ashbach
H.F. 2086	Elioff, Murphy, Begich, Battaglia

Creates an Employee Assistance Program in the Department of Administration to provide training, diagnostic and referral services for state employees and their dependents. In conjunction with the program, the Governor will appoint an Advisory Committee on State Employee Assistance, consisting of up to 15 members to work with the Commissioner in developing the program.
Effective: immediately.

C.466

Teacher Mobility

* S.F. 210	Hughes, Anderson, Moe, Ashbach, Chenoweth
H.F. 693	Carlson, L., Zubay, Swanson, Elioff, Heap

Provides one-time extended leaves of absence for state college and university and part-time public school teachers. Extended leaves to be at least three and not more than five years. Member granted leave to receive service credit in pension fund while on leave if he or she pays employee's share into fund each year; state to pay employer's share.

Effective: immediately.

C.454

SEE ALSO:

Achievement Awards Abolished	p. 52
Pension and Retirement Category	p. 92
State Employees & Executive Pay Increases	p. 54

RECREATION

Omnibus Parks & Recreation Bill

*	H.F. 1253	Casserly, Heinitz, Norton, Schreiber, Pleasant
	S.F. 1032	Anderson, Kirchner, Moe, Ogdahl, Merriam

Authorizes the sale of \$48,065,000 in state bonds for:

—Metro Council acquisition and development of recreation open space such as parks and trails

—Department of Natural Resources acquisition and development of trails, forests, fishing management land, wild life management areas, scientific and natural areas and public access

—Department of Transportation
State Bike Trails
Local Bike Trails
State and Local Bike Trails

—Non-metro standard metropolitan statistical areas acquisition and development of parks, trails, conservatories, zoos

Requires the DNR to notify the public and hold a chapter 15 public hearing prior to acquiring lands for corridor trails and allows for judicial review of such decisions to acquire land. Includes a new alternative method for determining in lieu payments to local governments and school districts based on the appraised value of land purchased and used by DNR for public hunting grounds and game refuges. Authorizes DNR to acquire lands to create Tettegouche state park in Lake County, to lease up to 400 acres in the park for an environmental learning center to reimburse Lake County for the loss of taxable private property and to spend \$890,000 to acquire key private lands within the park. Appropriates \$60,000 for a new 17-member governor-appointed citizens advisory task force on the BWCA.

Effective: Tettegouche Park sections immediately with no land purchase allowed until after a public hearing in Silver Bay; citizens advisory task force on the BWCA July 1, 1979, to June 30, 1983; the remainder on July 1, 1979.

C.301

RECREATION

Revised Stadium Bill

*	H.F. 561	Patton, Schreiber, Dempsey Adams
	S.F. 1351	Keefe, S., Johnson, Hanson, Stokowski, Ogdahl

Requires the metropolitan sports facilities commission to make a revised final determination on a stadium. Makes changes in conditions to be fulfilled before revenue bonds for stadium construction can be issued, including: (1) 30-year team lease agreements may now contain an escape clause allowing a team to terminate the lease if its financial condition warrants it; (2) city where the stadium is to be built must agree to levy required city-wide back-up taxes; (3) certified construction price and performance bond to cover any potential cost overruns is required; (4) sports commission must contract with private purchasers to buy all remaining tickets to a professional sports event if 90% but less than 100% of the tickets are sold three days before game time, thus freeing the professional sports team from the blackout prohibition in the 1977 stadium law.

Back-up tax for revenue bonds changed to a hotel-motel tax and/or on-sale liquor tax to be levied in the city in which the stadium is to be built.

Effective: immediately.

C.203(1979)

SEE ALSO:

Watercraft License Fees

p. 49

SENIOR CITIZENS

Notice of Nursing Home Rate Increases

* H.F. 295	Berkelman, Heinitz, Clark, Clawson
S.F. 418	Solon, Vega

Requires nursing homes to notify private pay residents in writing 30 days prior to increasing rates except when rates are adjusted to reflect a change in the level of care or to equalize private pay rates with medical assistance rates.

Effective: August 1, 1979.

C.35

Nursing Home Personal Needs Allowance

* H.F. 729	Greenfield, Waldorf, Drew, Blatz, Berglin
S.F. 750	Vega, Nelson, Keefe, J., Perpich Solon

Increases the allowance for clothing and personal needs for individuals receiving Medical Assistance while residing in any skilled nursing home or intermediate care facility (including recipients of Supplement Security Income) from \$30.00 to \$35.00 per month. Makes stipulations to prevent abuse of personal allowance funds, and provides for appropriate criminal prosecution and penalties for misuse of the personal needs allowance by third parties. Authorizes a civil action for abuse of personal needs funds by third parties and nursing homes. Appropriates \$452,000 to the Commissioner of Public Welfare for the increase in the personal needs allowance. Effective: August 1, 1980, except for the personal needs allowance increase which is effective January 1, 1981.

C.563 (1980)

Nursing Home Pre-Admission Screening

H.F. 785	Berglin, Heinitz, Forsythe, Welch, Norton
* S.F. 702	Staples

Establishes a pilot program to screen Medical Assistance recipients in order to determine if nursing home care is necessary, thus preventing inappropriate nursing home placements. Provides for a study of ways to contain costs associated with inappropriate nursing home admissions, establishes pre-admission screening teams in counties designated by the Commissioner of Public Welfare, and requires the pre-admission screening teams to assess the health and social needs of the referred individuals and identify the services needed to maintain these persons in the least restrictive environment. The teams must recommend either nursing home admission or maintenance in the community with a specific service plan. Provides for follow-up services and public information on the screening program. Requires the Commissioner of Public Welfare, in consultation with the Commissioner of Health to submit a report evaluating the project to the Legislature by April 1, 1981. Appropriates \$48,000 to the Department of Public Welfare.

Effective: immediately.

C.575 (1980)

SENIOR CITIZENS

Nursing Home Reimbursement & Dental Programs Commitment Evaluation

* H.F. 1847	Clawson, Onnen
S.F. 1883	Sikorski, Merriam

Allows the Commissioner of Public Welfare to develop, analyze and evaluate the nursing home rate reimbursement revisions that were suggested by the Interim Task Force on Nursing Home Rates. Requires the Commissioner to prepare a report for the Legislature before December 31, 1980, and to amend current rules by August 1, 1980, allowing nursing homes to adjust their budgets to provide more nursing hours within the total per diem cost limitations. Appropriates \$40,000 to the Commissioner of Public Welfare for the analysis and evaluation of suggested revisions to the nursing home rate reimbursement formula. Appropriates \$40,000 to the Commissioner for an ongoing computer-based information retrieval system for nursing home cost reports.

Establishes programs to promote dental health and prevent dental disease for nursing home residents.

Requires the Commissioner of Health to implement the programs and to submit a report evaluating the dental project to the Legislature by April 15, 1981. \$60,000 is appropriated to the Commissioner.

Provides for an evaluation program designed to assure that persons committed to state hospitals receive the best possible treatment plan. Requires courts to appoint counsel guardians for persons committed for indeterminate periods. Appropriates \$10,000 to the Commissioner of Welfare.

Effective: immediately.

C.570 (1980)

Pets in Nursing Homes

H.F. 231	Kelly
* S.F. 307	Merriam, Humphrey, Gearty, Staples, Keefe, J.

Allows nursing homes, hospitals and sanitoriums to keep pets on the premises subject to reasonable rules for the care, type and maintenance of the pet.

Effective: August 1, 1979.

C.38

SENIOR CITIZENS

Retired Senior Volunteers Programs (RSVP)

H.F. 1131	Berglin, Carlson, L., Reding, Rose, Wieser
* S.F. 654	Staples, Benedict, Merriam, Solon, Chmielewski

Recognizes and supports retired senior volunteer programs. Appropriates \$200,000 to the Minnesota Board on Aging for financial grants to Retired Senior Volunteer Programs. Provides for grants to expand existing programs, to encourage the development of new programs in areas of the state where these programs do not exist, and to reimburse volunteers for their expenses. Requires the Board on Aging to submit an evaluation of the programs to the Legislature by July 1, 1981. Effective: July 1, 1980. C.455 (1980)

Senior Driver License and ID Cards

* S.F. 1937	Knoll
H.F. 1957	Peterson, Clark, Schreiber

Provides that eligible applicants 65 years of age or over be issued, at one-half the regular fee, for a Class C Driver's License, a Minnesota identification card of a distinguishing color and clearly marked "senior". Provides that such ID cards, or Minnesota driver licenses, will be valid identification for any state-funded senior programs.

Provides that individuals over 65 may request that their driver's license be marked "senior".

Also allows instruction permit holders under the age of 16 to operate a motor vehicle while accompanied (in the seat beside the permit holder) by a licensed adult driver authorized by the parent or guardian. Effective: immediately. C.446 (1980)

SEE ALSO:

Health Category	p. 57
Medical Assistance Eligibility	p. 74
No-Fault Insurance - Coordination of Benefits with Medicare & Workers' Comp.	p. 78
Pensions and Retirement Category	p. 92
Reverse Mortgage Loans	p. 68
Senior Citizen/Handicapped Crossings	p.118

TAXES

Duluth: City Sales Tax

* H.F. 2436	Jaros, Berkelman, Munger, Lehto
S.F. 2369	Ulland, J., Solon

Permits the City of Duluth to levy a one percent sales or use tax upon all sales and uses taxed by the state. Allows the city to charge an additional 1% tax on food and drinks and on certain motel and hotel receipts and an additional 1% tax until December 31, 1982, on the sale of certain food and drinks. Revenues from the additional hotel-motel and food and drink tax are to be used to promote tourism in Duluth and to subsidize Spirit Mountain and the Duluth Arena-Auditorium. Effective: January 1, 1981, with Duluth City Council Approval. C.511 (1980)

Native Prairie Property Tax Credit

H.F. 2003	Eken, Mehrkens, Anderson, G., Aasness
* S.F. 1675	Peterson, Moe, Sillers, Olhoft, Hanson

Creates a new exemption from property taxes for native prairie as defined by the Commissioner of Natural Resources, and provides a state-paid credit to owners of such land who agree to preserve the prairie in its natural state during the year for which the credit is received. Chapter 432 also makes certain technical changes in the state-paid wetlands credit passed by the 1979 Legislature. Effective: taxes payable in 1981. C.432 (1980)

Omnibus Tax Bill

* H.F. 1495	Sieben, H., Searles, Anderson, I., Kvam, Tomlinson
S.F. 1567	McCutcheon, Coleman, Johnson, Setzepfandt, Merriam

Provides over \$775M of income, property, inheritance, sales and business tax relief — the largest tax relief bill in Minnesota's history. Major provisions include:

Income Tax Relief (\$538M)

1. Bracket Indexing (\$289M): will occur annually beginning 1/1/79 based on 85% of the annual increase in the Twin Cities consumer price index.
2. Personal and Dependent Credits (\$178M): increased from \$40 to \$55 for taxes payable 1980 and to \$60 for 1981. Seniors, blind, deaf, and quadriplegic receive an additional full credit. Fully indexed 1/1/81.
3. Standard Deduction (\$12M): increased for taxes payable 1980 from 10% of Minnesota gross income up to \$1,000 to 10% up to \$2,000 and fully indexed beginning 1/1/81.

4. Low Income Credit (\$13.8M): exclusion levels increased 1/1/79 and fully indexed beginning 1/1/81. A single individual may earn up to \$5,500 (now \$4,800) before paying state income taxes; a family of four may earn up to \$8,900, was \$7,800. (Levels raised and indexing repealed in 1980 Bill)
5. Military Pay (12.5M): restored pre-1977 exclusion of \$3,000 for instate pay and the next \$2,000 of military pay if earned outside the state. National guard credit repealed.
6. Pension Income Tax Relief (\$16.3M): increases the private and public pension exclusion from \$7,200 to \$10,000; eliminates current social security and railroad pension income offsets; increases total income offset from the current \$13,000 (FIGA) to \$17,000.
7. Capital Gains on Sale of Home (\$7.5M): provides for a one-time exclusion of up to \$100,000 on sale of homes for those over 55.
8. Residential Energy Credit (\$1.6M): up to 20% of the first \$10,000 spent on a renewable energy source, an earth-sheltered dwelling or a passive solar energy system. Limited to buildings of six units or less, condominiums or townhouses when used by taxpayer as a residence.
9. Political Contribution Credit (\$1.0M): doubled to \$50 for single filers and \$100 for joint filers.

Unless otherwise indicated, income tax provisions are effective for tax years beginning after 12/31/78.

Property Tax Relief (\$178M)
Direct Relief to Taxpayers (\$107.4M)

1. Two-Year Phase Out of Limited Market Value: higher values and assessed values will result. However, the effect of 2 through 6 (below) will result in decreased taxes in most cases.
2. Homestead Base Value: future increases will be at the rate of \$1,000 (currently \$500) for every 3½ point increase in the homestead base index. (Repealed by 1980 Bill)
3. Assessment Classification Ratios: reduced on agricultural non-homestead and seasonal residential (3), commercial seasonal with homestead (3a), agricultural homestead (3b), non-agricultural homestead (3c) and blind, paraplegic veterans and disabled homestead (3cc) and non-homestead residential of three units or less (3dd).
4. Agriculture Homestead Base: increased from 160 to 240 acres for taxes payable in 1980.
5. Agriculture Mill Credit (\$3.5M): homestead base credit increased from 15 to 17 mills for taxes payable in 1981.

TAXES

Omnibus Tax Bill - Con't.

6. Homestead Credit (\$109.8M): increased from current 45% of property tax up to a maximum of \$325, to 50% up to a maximum of \$550 for taxes payable 1980, and 55% to a maximum of \$600 for taxes payable 1981. (1980: Raised to \$650 for 1981 taxes)
7. Property Tax Refund (-\$23M): maximum increased from \$475 to \$650 (\$675 to \$850 for seniors). Coinsurance rate increased from 35% to 50% up to a maximum of \$1,000 (now \$800) for taxes payable in 1980.
8. Rent Credit (\$17.9M): increased from 22% to 23% of rent beginning 1980 and renters covered under coinsurance.
9. Wetlands Credit (\$1M): reduces tax liability and provides a state-paid credit for taxes payable 1981. Local governments reimbursed for taxes lost.

Indirect Relief (\$70.6M)

1. Local Government Aid (\$32.7M)
 - A. Increased from \$59 per capita to \$64 (up 8%) per capita in 1980 and \$70 (up 9%) per capita in 1981. In addition, county governments' aid is increased \$1 per capita for 1980 and \$2 per capita for 1981 — over the aid amounts received in 1979.
 - B. A new aid distribution formula adopted that relies less on population and spending and more on fiscal capacity to determine local aid. Distribution is from a single pot of money. All cities and towns receive their 1979 aid level plus an additional per capita amount that varies with their equalized mill rate. However, the percent increase allowed in any year varies with the actual per capita amount received in the previous year. (See 1979 book for a more detailed summary)
2. Minneapolis Municipal Employees Retirement Fund (\$5.6M): payment schedule adopted to eliminate unfunded liability, and a gradual phase-out approved:
 - A. increases employer and employee contributions and provides an annual state appropriation of \$5.6M until 2017 to reduce the unfunded liability of the MERF basic program.
 - B. transfers all new employees and all existing members of the coordinated plan program, as well as their employer/employee contributions and assets, to PERA;

TAXES

Omnibus Tax Bill Con't.

3. State Share of State-Local Welfare Costs Increased (\$23.6M): (Further changed in 1980)

State Share

	<u>Present</u>	<u>1980</u>	<u>1981</u>
AFDC	60%	70%	80%
GA	50%	60%	70%
MSA	50%	70%	80%

4. In Lieu Payments (\$8.7M): to counties for DNR or state-owned land. Amount of payment varies, depending upon type of land and who administers it. Payments designated for property tax relief and a county resource development fund. (Effective: July 1, 1979.)

Inheritance Tax (\$11.2M)

Abolished and replaced with an estate tax effective for decedents dying after December 31, 1979. As a result of these changes, the tax will be eliminated for about 94% of the estates that pay the existing inheritance tax. The tax is patterned after the federal estate tax.

Filing Requirement: 1980 — federal gross estate in excess of \$161,000. 1981 — and thereafter, federal gross estate in excess of \$175,000.

Deduction: \$200,000

Marital Deduction: 50% of the estate or \$250,000 whichever is greater. (In addition to the \$200,000 deduction.)

Rates: Ranges from 7% on the first \$100,000 of Minnesota taxable estate to 12% on the excess over \$1M.

Filing Deadline: Nine months after date of death.

Gift Tax (\$4.8M)

The gift tax paid by the donee upon the transfer of property by means of a gift is abolished effective 12/31/79.

Business Tax Relief (\$41.8M not including #4 below)

1. Eliminates the 17% bracket on the personal income tax (\$6.1M). Top bracket will be 16% for taxable income over \$27,500, effective for taxes payable in 1981.
2. Pollution Control Credit (\$4.0M): 5% of equipment cost but not to exceed \$75,000 in any taxable year but allowing a 4-year carry-forward. (Effective immediately for corporate income tax and 1/1/79 for occupation tax.)

TAXES

Omnibus Tax Bill Con't.

3. Railroad Taxes (\$31.7M): repeals the gross earnings tax (as required by federal law) and places railroads on the property tax. For 1980 and 1981 only, the state will collect the tax.

4. Property Taxes: benefits commercial-industrial properties through the change to estimated market value. In addition, they also benefit from the general relief provided through increased aids to local government and schools.

Sales Tax Relief (\$4.7M)

Provides an exemption for residential sewer and water sales after 6/30/79.

Effective: varies by provision. See specific section. C.303

1980 Omnibus Tax Bill

* H.F. 1121	Sieben, H., Anderson, I., Tomlinson, Pehler, Berglin
S.F. 883	Stokowski, E., McCutcheon, Merriam, Frederick, Jensen

Provides over \$16M in tax relief bringing the total for this biennium to approximately \$750M.

Effective dates and costs this biennium of each provisions are in parens.

C.607 (1980)

Personal Income Tax (\$10.8M)

Most of the relief is directed toward certain kinds of taxpayers, not general relief:

—increases the pension exclusion from \$10,000 to \$11,000 reduced by federal adjusted gross income over \$17,000 (1980; \$.1M).

—increases the exclusion levels for the low-income alternative tax (previously called credit), simplifies its calculations and repeals indexing of income levels (1980; \$4.2M).

—increases the dependent care credit to conform with federal credit of 20% of qualifying expense up to a maximum—\$400 for one dependent (previously \$150) and \$800 for two or more (previously \$300), except that the state credit is decreased by 5% of the income above \$15,000 (previously \$12,000) (1981; no cost this biennium; \$5.5M annually).

—selectively updates state law to conform with federal tax code changes since 1978. Federal treatment of long-term capital gains and taxation of Unemployment Compensation were not included (1980; \$5.6M).

—creates a wildlife check-off on income tax and property tax refund forms that allows a taxpayer to designate \$1 or more of his refund for the DNR's non-game wildlife management fund (1980).

TAXES

Omnibus Tax Bill - Con't,

Property Tax (3.56MM Net Cost With Police & Fire Aid)

The new relief should assure that most homeowners and homesteaded farms will have little or no increase in 1981 taxes, and ease the burden for taxpayers most severely hit by the elimination of limited market value.

- increases state share of state-county welfare programs: AFDC from 80% to 85%; MSA from 80% to 85%; GA from 70% to 75% (1/1/81; \$2.85M; \$5.7M annually).

- provides state reimbursement for reduced taxes paid by owners of federally subsidized rental housing for low and moderate income or elderly persons (Title II) and disabled homeowners under 3cc provisions. Previously, these reductions were paid for by other taxpayers. (Pay 1981; no cost this biennium; \$4.6M annually.)

- State-paid amortization aid for cities that elect to phase-out their local police and fire pension plans. See below for details (1981; \$1.6M).

- minimizes the shift in tax burden between classes of property that would have occurred on taxes payable in 1981 due to the elimination of limited market value, through selective adjustments in the classification ratios on: creation of a three-tier classification system for non-age homesteads and an increase in the ag homestead base value from \$25,000 to \$50,000 (Automatic indexing of the homestead base value was repealed.).

- increases the maximum homestead credit for pay 1981 to 58% of the gross tax up to a maximum \$650 (currently, 50% up to \$550).

- establishes (for pay 1981 only) a "targeting" credit for homesteads with an increase in net taxes greater than 10%, after deducting all credits, including the property tax refund. The credit is equal to 50% of the excess over the 10% increase, up to a maximum of \$300.

- increases for pay 1981 the homestead base for 3cc property from \$28,000 to \$33,000, extends 3cc classification to mobile homes and continues it for the surviving spouse of a disabled veteran who retains a special housing unit.

Corporate Income Tax (\$50,000)

- eliminates the \$100 minimum tax on all corporations required to file (1981).

- repeals the \$500 exemption provided all corporations (1981).

Omnibus Tax Bill - Con't.

Sales and Excise Taxes (\$1.5M)

- exempts from state sales tax admission charges to performances of non-profit arts organizations (8/1/80; \$1M).

- exempts sales tax to veteran organizations or auxiliaries on items used for a charitable, civic, educational or non-profit purpose (6/30/80; \$.5M).

- provides that "agricultural alcohol gasoline" (gasohol) will be taxed at 4¢ per gallon less than the regular gas tax rate, provided the alcohol used is distilled in Minnesota from Minnesota-grown agricultural products (5/1/80 to 12/31/84).

Local Government

- raises the maximum annual increase in the levy limit base from six to eight percent, except for first-class cities or a county containing a first-class city (1980 levies).

- reenacts the one-time adjustment of up to 10% in the levy limit base, subject to a reverse referendum (1980 levies).

- increases the maximum interest rate on municipal General Obligation bonds from 7% to 12% until December 31, 1982, after which it becomes 9% (immediately).

- provides that industrial revenue bonds which currently have no interest limit will have a maximum rate of 9% after December 31, 1982.

- mandates a phase-out of 29 locally-funded police and fire pension funds through inclusion of all new employees in PERA, unless the municipality adopts a contrary resolution before August 15, 1980. Municipalities that elect the phase-out will be given state aid sufficient to amortize the unfunded accrued liability of the local plan by December 31, 2010, and are also authorized to make certain benefit increases. Failure to elect the phase-out does not cancel requirement to eliminate unfunded liability by December 31, 2010 (state aid: 1981; \$1.65M FY 1981; \$6.6M annually if all eligible cities phase-out).

- provides that counties may impose a gravel tax not to exceed 10¢ per cubic yard, to be used for roads and bridges or restoration of abandoned gravel pits (7/1/80).

- adopts a League of Cities special assessment proposal requiring written objection to assessment by property owner at public hearing. Failure to object at hearing waives right to appeal in district court, unless reasonable cause can be shown for failure to do so (8/1/80).

TAXES

Omnibus Tax Bill - Con't.

Public Employees Pensions

—recodifies the statutes governing the investment of state and pension funds by the State Board of Investment and makes several structural and policy changes designed to improve earnings. The principal changes which are effective immediately include:

1. broader discretion to the board to make certain types of investments previously disallowed.
2. report by the executive director by January 1, 1981, on whether more funds "could be invested in ways directly beneficial to all Minnesotans"—so-called social investments.
3. expansion of the Investment Advisory Council to include the executive directors of the major state pension funds (MSRS, TRA, PERA) and the Minneapolis Municipal Employees Retirement Fund (MMERF).
4. consolidation of all post-retirement funds and establishment of a method to use 25% of any excess earnings (beyond reserves required for every annuitant and benefit recipient) to reduce unfunded liability and 75% to provide a post-retirement adjustment to retirees with at least one year in the post-retirement fund, payable each January 1. Current projections indicate as much as a 2.5% adjustment January 1, 1981.

Taconite Tax

—redefines taconite tax relief area to eliminate certain counties and school districts while providing a General Fund appropriation to replace lost school district funds and taconite homestead credits (payable 1981).

Ballot Questions

These provisions of the tax bill are identical to those included in the implementing statute for the initiative amendment except for two provision that exempts contributions and expenditures made by a candidate to promote or defeat ballot questions from the candidate's contribution and expenditure limits.

Effective: immediately.

TAXES

Omnibus Tax Bill Con't.

Miscellaneous

—provides for the withholding of tax refunds to collect debts owed to the state or payments ordered by a court, for example, child support payments or post-secondary student loans (1981 refunds; \$580,000 net revenue gain).

—appropriates \$150,000 to the Metropolitan Council for a feasibility study of light rail transit in the metro area, to be presented to the next session of the Legislature.

Line Item Vetoes

The Governor vetoed two appropriations in the Tax Bill: a \$50,000 study by the Department of Transportation of the feasibility of commuter rail service between St. Cloud and the Twin Cities, and \$30,000 to the Revenue Department to purchase heat-applied stamp machines for marking cigarette packages.

Property Tax Administration

* S.F. 1764	Frederick, Setzepfandt, Olhoft
H.F. 1975	Kvam, Tomlinson, Dempsey, Jacobs, Eken

Provides that Commissioner of Revenue hearings relating to the assessed valuation of property shall not be covered by the Administrative Procedures Act. Requires assessors to notify property owners of reclassification of their property (7/1/80). Increases acreage of family farm corporations eligible for homestead credit to 240 acres (1981 Taxes). Changes the meeting dates of county boards of equalization. Changes penalties for late payment of property tax. Permits abatement of penalties on homesteads in hardship cases if taxes are paid within 30 days after becoming due. Increases from 4% to 8% the interest charged on tax-forfeited land sales paid off in installments (7/1/80). Allows towns or cities to block sale of tax-forfeited land, subject to certain time limitations (7/1/80).

Effective: April 4, 1980, unless indicated above.

C.437 (1980)

SEE ALSO:

Gas Tax Increase	p. 114
Individual Housing Accounts	p. 65
Revised Stadium Bill	p. 99
Tax Increment Financing	p. 88

TRANSPORTATION

Airport Bonding

* S.F. 2110	Purfeerst, Stern, Keefe, S., Engler, Kirchner
H.F. 2156	Sieben, H., Casserly, Voss, Schreiber, Weaver

Increases bonding authority of Metropolitan Airports Commission to \$75M (from \$30M) over and above amount of bonds outstanding February 1, 1980. Sets deadline of December 30, 1980, for design selection of aircraft noise suppressing equipment at Minneapolis-St. Paul International Airport.

Effective: immediately.

C.450

Bridge Bonding

* H.F. 597	Patton, Anderson, D., McEachern, Fudro, Friedrich
S.F. 664	Laufenburger, Purfeerst, Engler, Chmielewski, Schmitz

Authorizes sale and issuance of an additional \$52M in state transportation bonds for grants to counties, cities and towns for construction and reconstruction of bridges. Grants cannot exceed \$8.5M to counties, \$1M to cities and \$21M to towns. An additional \$19.5M is to help political subdivisions match federal-aid bridge grants, and \$2M is for grants to political subdivisions for preliminary engineering and environmental studies for bridge projects.

Effective: July 1, 1979.

C.280(1979)

County and Municipal State-Aid Roads

* H.F. 982	Kostohryz, Fudro, Metzen, Zubay, Searles
S.F. 1045	Bernhagen, Engler, Schmitz, Purfeerst, Laufenburger

Increases mileage of municipal state-aid street system to 2,500 miles (was 2,000 miles). Allows MnDOT to grant variances from rules and engineering standards to political subdivisions for county state-aid highways or municipal state-aid streets and provides procedures for doing so. Variances granted shall be reflected in determination of money needs for a county's state-aid highway system or a city's state-aid street system.

Effective: immediately, except municipal state-aid street mileage increase is effective August 1, 1979.

TRANSPORTATION

Department of Public Safety

* H.F. 1835	Schreiber, Sarna, Jude, Rose, Evans
S.F. 1680	Laufenburger, Engler, Setzepfandt, Kirchner, Purfeerst

Provides that where the motor vehicle tax is paid in installments, the second installment is due on the first day of the fifth month of the registration period and the third installment is due on the first day of the ninth month. Requires coroner's report on automobile accident deaths to be made within 15 days (was 5) days after death.

Authorizes cities and towns to lower the speed limit to 30 m.p.h. on roads in an "urban district" which currently have a posted speed limit in excess of 30 m.p.h. set pursuant to an engineering and traffic study.

Requires bumpers on all passenger vehicles and trucks under 9,000 pounds. Repeals statutory motor vehicle manufacturer's warranty on bumpers.

Effective: immediately.

C. 498

Department of Transportation Appropriations

* H.F. 1	Norton (Special Session)
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Appropriates \$965M from various funds to Mn/DOT for the 1979-81 biennium (including 1979 salary increases) and represents a 9% increase over last biennium's \$885M as initially appropriated.

Appropriations highlights:

	1977-79 Biennium	1979-81 Biennium
<u>Highway Operations</u>	\$ 820.5M	\$ 793.7M
Includes:		
Trunk Highway Improvement	\$ 313.2M	\$ 310.0M
County State-Aid Highways	\$ 162.0M	\$ 188.45M
Municipal State-Aid Streets	\$ 50.1M	\$ 61.6M
<u>Public Transportation Operations</u>	\$ 45.3M	\$ 48.4M
Includes:		
MTC Transit Ass't.	\$ 25.4M	\$ 24.8M
MTC Project Mobility	\$ 2.0M	\$ 5.0M
Outstate Transit Assistance	\$ 4.0M	\$ 4.0M
Metro Area Private Bus Operator Subsidy	\$.9M	\$ 1.5M
Paratransit Services	\$ 5.5M	\$ 5.5M
Rail Service Improvement	\$ 3.0M	\$ 3.0M

TRANSPORTATION

Department of Transportation Appropriations - Con't.

Aeronautics Operations	\$ 18.9M	\$ 18.5M
Technical Support Services	—	\$ 46.4M
General Support	—	\$ 30.4M
Policy and Planning	—	\$ 8.3M
1980 & 1981 Salary Increases*	—	\$ 19.1M
TOTAL	\$ 885.0M	\$ 965.0M

*Was not appropriated but is available for salary increases.

Creates a public transit capital grant assistance program to help provide local match for federal (80-20 matching) grants to purchase or refurbish transit vehicles.

Requires paratransit projects receiving state assistance to make at least one vehicle accessible to the handicapped. Directs investigation of the high liability insurance costs of providing paratransit services, and assistance to paratransit providers in obtaining liability insurance coverage at the lowest possible cost. Requires coordination of public and private special transportation services serving the elderly and handicapped.

Allows contracts or grants made under the rail service improvement act to pay up to 50% of the non-federal match in any federal rail continuation project in Minnesota. Authorizes expenditures of existing state rail service improvement funds for technical assistance to rail users, payment of interest adjustments on loans under the state rail user loan guarantee program, payment of costs of capital improvement projects to improve rail service, and acquisition of certain railroad rights-of-way. Changes limits on MTC bus fares during non-peak hours for persons under age 18 from 10¢ to 20¢, and for the elderly from free fare to 10¢.

Effective: Generally, July 1, 1979; paratransit liability insurance, special transportation services, and rail service improvement provisions effective immediately.

C.1 (1979 special session)

Gas Tax Increase

* H.F. 8	Fjoslien, Kalis, Den Ouden, Mann, McDonald
S.F. 4	Nichols, Hanson, Moe, Strand, Peterson

Increases the gasoline tax from 9¢ to 11¢ per gallon. Generates \$42M in new revenues to the Highway User Distribution Tax Fund, of which \$26M can be expended on trunk highways and the remainder will be distributed to county and municipal state-aid roads.

Effective: May 1, 1980, for all gasoline in distributor storage.

C.608

TRANSPORTATION

Highways

* H.F. 1190	Mehrkens, Dempsey, Anderson, B., Ludeman, Kempe
S.F. 1940	Penny, Renneke, Nichols, Olson

Authorizes Commissioner of Transportation to lease airspace above and subsurfaces below right-of-way and dispose of lands no longer needed for trunk highway purposes; limits required consent by municipalities for trunk highway improvements which alter access, change traffic capacity or require acquisition of rights-of-way; adds two routes to highway system and substitutes two other routes; removes Route 327 from highway system; prohibits depositing snow or ice on a highway; requires that preliminary plats for land abutting existing or proposed highways be submitted for Department review 30 days before local governments approve plats.

Effective: immediately.

C.533

Moped Operator's Permit Fees

* H.F. 1353	Nelsen, B., Esau, Novak, Jacobs, Blatz
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Allows mopeds (motorized bicycles) to park in the same manner as bicycles. Exempts mopeds from seat belt requirements. Establishes fees for moped operators' permits (initial exam and permit is \$2.50, renewal permit to age 18 is \$3, renewal permit after age 18, valid for 4 years, is \$5).

Effective: immediately.

C.227(1979)

Motor Carrier Regulation

* S.F. 1679	Laufenburger, Engler, Setzepfandt, Kirchner, Purfeerst
H.F. 2331	Novak

Exempts for-hire carriers with revenues of less than \$50,000 from filing annual reports with the Commissioner of Transportation. Provides that permit holders shall have one annual renewal date for all permits. Allows issuance of up to five special "floater" identification cards per motor carrier. The "floater" cards may be freely transferred between vehicles used under short-term leases by the motor carrier. Motor carrier must pay a \$100 fee for each floater card issued. Department of Transportation representatives are given enforcement powers over pipeline carriers, interstate operations and commuter vans.

Effective: immediately.

C.465

TRANSPORTATION

Motor Vehicles

* H.F. 1408	Mehrkens, Luknic, Hokanson, Dempsey, Elioff
S.F. 1430	Bang, Engler, Olson

Revises pro-rated fees for motor vehicles from a calendar year to a tax registration period. Provides for dealers' licenses for moped dealers. Authorizes suspension or revocation of a person's driver's license for having been convicted of violating state or federal odometer law. Adjusts the bond requirement for licensed motorcycle dealers from \$2,500 to \$10,000.

Effective: August 1, 1980.

C.427

Paratransit; Metro Transit Commission (MTC) Operations

H.F. 1802	Osthoff, Sieben, M., Dean, Norton, Rose
* S.F. 1619	Staples, Vega, Bang, Purfeerst, Schaaf

Allows the Commissioner of Transportation to provide 100% financing for projects under the paratransit grant program, if the projects are beneficial but lack necessary local financial support. (Prior to this change, paratransit projects could be funded only to two-thirds of operating deficit or one-half of non-federal share of capital costs; and demonstration projects could be funded up to 90% of the capital cost and operating deficit.)

Authorization to the MTC to issue bonds is extended to January 1, 1980, so it can issue an additional \$9M in bonds for purchasing buses and constructing bus shelters.

Also allows the MTC to annually set aside 5% of the value of its anticipated total procurement of goods and services for awarding to businesses owned by socially or economically disadvantaged persons (including handicapped persons) and allows any political subdivision of the state to set aside a percentage of its anticipated total goods and services for awards to businesses owned by socially or economically disadvantaged persons.

Effective: immediately.

C.462

Permits for Semi-Trailers

* S.F. 525	Purfeerst, Frederick, Engler, Peterson, Schmitz
H.F. 1911	Kalis, Nelsen, B., Peipho, Johnson, C., Fudro

Allows Commissioner of Transportation to issue permits for semi-trailers over 45 feet long—if the distance from the kingpin to the center of the rearmost axle of the semi-trailer does not exceed 40 feet, and if a combination of vehicles, which includes a semi-trailer, in excess of 45 feet, does not exceed other length limits.

Annual fee for such a permit is \$36.

C.513

TRANSPORTATION

Pickup Trucks—Drawing Two Trailers

H.F. 1742	Niehaus, Mann, Redalen, Welker, McEachern
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Authorizes pickup trucks used primarily for transporting agricultural commodities to draw up to two empty trailers providing the resulting combination does not exceed size and weight limitations otherwise prescribed by law. Limits such pickups to an area within 35 miles of home post office of pickup owner, and sets speed limits at 35 miles per hour.

Effective: August 1, 1980.

C.491

Rail Assistance Bonds

* H.F. 1813	Anderson, B., Sviggum, Nelsen, M., Kalis, Anderson, D.
S.F. 1669	Penny, Stern, Strand, Kleinbaum, Laufenburger

Authorizes sale and issuance of \$13,500,000 in state General Obligation bonds for the state rail service improvement program, which is designed to prevent rail abandonment, by allowing the Department of Transportation to enter into three-way contracts with shippers and railroad companies to rehabilitate rail lines in Minnesota.

Effective: July 1, 1980.

C.610

Railroad Regulations—Hay and Straw Inspection

* S.F. 1541	Penny, Schaaf, Laufenburger
H.F. 1591	Sviggum, Mehrkens, Simoneau, Fudro

Gives the Commissioner of Agriculture general supervision over the inspection, grading and sampling of hay and straw. Creates a Board of Hay and Straw Standards. Eliminates railroad regulatory laws relating to intrastate rail passenger service. Deletes obsolete provisions dealing with livestock rail rates, livestock care, weights and measures, truck scales, costs of supervision and weighing, test cars, livestock weighers and public notice of schedules. Provides that federal track and safety standards shall apply to all railroad trackage. Requires railroads to keep grade crossings in safe and passable condition with crossings extending the full width of the highway. Prohibits railroads from blocking public roads during a switching movement for more than ten minutes. Provides that assumption of risk or contributory negligence shall not be defenses where a railroad employee is killed or injured due to improperly adjusted and filled frogs, switches and guard rails or due to a locomotive's use contrary to federal or state railroad safety laws and standards. Gives the Division of Weights and Measures the power to inspect railroad track scales.

Effective: immediately.

C.460

TRANSPORTATION

Regional Rail Authorities Act

* S.F. 507 Pillsbury, Merriam

Allows one or more counties to organize a regional rail authority so that counties may, with available state and federal aids, preserve and improve local rail service for agricultural, industrial, or passenger traffic—especially in cases of rail line abandonment.

A regional rail authority is governed by a board of not less than five commissioners and constitutes a political subdivision of the state. It is authorized to acquire and operate railroads and railroad facilities; to impose a property tax up to 4 mills within its jurisdiction, subject to a reverse referendum; to enter into joint powers agreements with the counties comprising the authority or other cities or towns within these counties (and any county, city or town within the authority's jurisdiction may lend money to the authority); and to issue revenue bonds.

Effective: immediately.

C.616 (1980)

Reverting County Highways to Town Roads

* H.F. 1695 Berkelman, Johnson, D., Wieser,
Long, Waldorf
S.F. 1756 Chmielewski, Renneke, Engler,
Setzepfandt, Schmitz

Provides that a resolution of a county board revoking a county highway that would revert to a town is not effective until the county completes repairs or improvements on the highway necessary to meet county standards for a comparable road in the county in which the town is located.

Effective: August 1, 1980.

C.402

Senior Citizen/Handicapped Crossings

* H.F. 898 Kaley, Heinitz, Berkelman,
Zubay, Fudro
S.F. 1037 Brataas, Laufenburger,
Frederick, Lewis, Engler

Authorizes local authorities to establish senior citizen/handicapped street crossings near housing or residential care facilities for such persons, and requires commissioner of transportation to adopt uniform specifications for senior citizen/handicapped crossings. Also allows authorized emergency vehicles to use oscillating white lights (in addition to red lights) when responding to emergency calls.

Effective: August 1, 1979.

C.185(1979)

TRANSPORTATION

State Rail Bank for Abandoned Rail Lines

H.F. 1898 Lehto, Munger, Laidig, Dean,
Anderson, D.
* S.F. 1843 Stern, Willet, Nelson, Nichols,
Dunn

Establishes state rail bank for abandoned rail lines and right-of-way for future commercial transportation or transmission needs of the state. Authorizes Commissioner of Transportation to acquire abandoned rail right-of-way which provides or might provide access to energy-producing or consuming facilities, marketing facilities for farm and forest products, extractive resources, or to surrounding states; or which is or might be a corridor for transportation uses or electrical transmission. Commissioner of Transportation must maintain the right-of-way and preserve existing rail track. May also lease rail right-of-way in the rail bank, but if right-of-way is not leased or used for a specific, identified transportation use within 30 years of acquisition, the Commissioner must offer it for sale to adjacent private property owners before offering it to another state department or agency. Places a general 20-year moratorium on the sale of any right-of-way acquired for the state rail bank.

Effective: immediately.

C.558 (1980)

Transportation Regulation Board

* H.F. 1443 Rose, Dempsey, Schreiber,
Simoneau, Novak
S.F. 1457 Laufenburger, Frederick, Vega,
Peterson, Ashbach

Establishes a Transportation Regulation Board of 3 members appointed by the Governor. Board has authority to set common carrier (railroads, buses, trucks) rates, charges and fares, and to issue franchises, permits and certificates of convenience and necessity. Transfers these transportation regulation powers and functions from the Public Service Commission to the Transportation Regulation Board. Certain duties and powers of the Commissioner of Transportation are also transferred to the Board (including those relating to rail and truck facility standards and safety devices and standards).

Effective: July 1, 1981.

C.534

TRANSPORTATION

Trunk Highway Bonding—Constitutional Amendment

* H.F. 2289	Osthoff, Anderson, G., Anderson, D., Anderson, B., Fudro
S.F. 2203	Schmitz, Purfeerst, Chmielewski, Laufenburger

Proposes an amendment to Article XIV, Section 11, of the Minnesota Constitution, to remove any restriction on the amount of trunk highway bonds outstanding (is currently \$150M) and the interest rate allowed for such bonds (is now 5% per year). Would provide the state Department of Transportation greater flexibility in meeting projected revenue needs.
Effective: upon approval by voters of the state of Minnesota at the 1980 general election.
C.549

SEE ALSO:	
Airport Zoning	p. 84
Parking Privileges for the Handicapped	p. 56

VETERANS

Disabled Vietnam Veterans Outreach

* S.F. 1848	Chmielewski, Sikorski
H.F. 1858	Osthoff, Anderson, B., Anderson, I., Laidig, Wigley

Establishes an outreach program in the state employment service to assist disabled Vietnam veterans secure suitable employment, until January 30, 1981. Program available to persons who served in the military between August 5, 1964, and May 7, 1975, who are disabled as defined by federal law.
Effective: immediately, retroactive to March 10, 1980.
C.350

Veterans Affairs—Voluntary Workers

* S.F. 1633	Ueland, Knaak, Keefe, J., Chmielewski, Schmitz
H.F. 2441	Anderson, I.

Authorizes the Commissioner of Veterans Affairs to accept uncompensated and voluntary services, and to enter into written agreement for the provision of such services with public or private agencies or persons, to provide departmental services. Authorizes reimbursement for travel expenses at the same rate as state employees and extends Workers' Compensation benefits to such persons. Requires Commissioner to report annually instead of quarterly on treatment of veterans in public institutions. Authorizes Probate Court to appoint Commissioner guardian of the state of a veteran, but not the person. Makes all persons discharged honorably from armed forces eligible for admission to Minnesota Veterans Home.
Effective: immediately.
C.414

SEE ALSO:	
On-Sale Liquor License Fees for Veterans' Organizations and Other Clubs	p. 15

WOMEN

Battered Women - "Spousal Rape"

*	H.F. 1981	McCarron, Forsythe, Anderson, I., Berglin, Reif
	S.F. 2027	Nelson, Hanson, Perpich, Spear, Brataas

Removes the status of marriage as a defense to criminal sexual conduct charges against the victim's spouse in cases involving adult spouses or adults who are cohabitating. Marriage remains a defense in the case of married minors or others unable to give legal consent.

Provides for direct vendor payments to battered women's shelters from general assistance funds. Standards for such payments will be the same as for AFDC eligibility. Effective: immediately.

C.544

WORKERS COMPENSATION

Claims Settlement

*	H.F. 1351	Kaley, Heinitz, Nelsen, B.
	S.F. 1047	Pillsbury, Laufenburger, Frederick, Staples

Provides that voluntary settlements of workers compensation claims shall be presumed fair, reasonable and in conformance with the state workers compensation laws when the parties to be contested claim are represented by an attorney. Requires insurers to furnish within 30 days of an employer's request a written explanation of the reasons for adjusting a workers compensation premium based on the employer's individual accident experience.

Effective: August 1, 1979.

C.271

Closely Held Corporation

*	H.F. 917	Anderson, R., McDonald, Evans Valan, Friedrich
	S.F. 276	Peterson, Nichols, Vega, Strand, Sillers

Minnesota Laws 1978, Chapter 757, extended elective workers compensation coverage to executive officers of closely-held corporations which employed less than 11 full-time employees in the previous calendar year and if the executive officer owned at least 25% of the stock of the corporation. Chapter 92 defines "closely-held corporation" as those corporations whose stock is held by no more than 10 people. The qualification of "11 full-time employees" is replaced by a payroll standard of less than 22,880 hours of payroll in the previous calendar year.

Effective: August 1, 1979.

C.92

WORKERS COMPENSATION

Omnibus Workers Compensation Act

* S.F. 1 Keefe, S., Laufenburger,
Nichols, Luther, Willet
Simoneau, Adams, Kaley, Niehaus

Benefits

Allows concurrent payment of weekly benefits and permanent partial benefits, but requires permanent partial benefits to be paid in 25% installments over a 4-month period with an employee receiving full permanent partial payment after returning to work. Requires the commissioner of labor and industry to establish a benefit schedule for the loss of internal organs. Extends death benefits to both spouses unless it can be demonstrated that the spouse was living independently at the time of the injury (previously only wives were presumed eligible for death benefits). Increases supplementary benefits from 60% to 65% of the statewide average weekly wage. Provides a comprehensive system to retrain injured workers under the supervision of the department of labor and industry. Eliminates the so-called "double-dip" of concurrent payment of temporary total and retraining benefits, but increases retraining benefits to 125% of the employee's temporary total benefit rate.

Rate-Making Process

The Minnesota compensation rating bureau is renamed the workers compensation rating association of Minnesota. Provides a comprehensive hearing procedure under the contested case procedure of the administrative procedures act to establish workers compensation rates. Authorizes the commissioner to hire an actuary. Requires the rating bureau to make available to the commissioner more detailed information on losses, investment income on reserve funds, and reserves of over \$50,000. Prohibits assessment of additional premium retroactively. Permits insurers to offer rates lower than those established the commissioner of insurance.

Insurance Coverage

Establishes a mandatory reinsurance association of all workers compensation insurers and self-insurers to pay claims over \$300,000 or \$100,000, at the member's option, beginning October 1, 1979, financed by premium assessments. Establishes a joint legislative commission of six members from each body to study the feasibility of creating a state insurance fund to report to the legislature by January 1, 1981. Transfers responsibility for the regulation of self-insured employers from the department of labor and industry to the commissioner of insurance. Grants additional authority to the commissioner of insurance to establish standards and regulations for groups of employers which self-insure.

Makes several changes to the special compensation fund which is administered by the department of labor and industry on behalf of insurers to pay workers compensation benefits for certain injuries. Encourages self-insurance by political subdivisions and associations of political subdivisions by allowing the special compensation fund to indemnify losses which they cannot finance with available assets.

WORKERS COMPENSATION

Omnibus Workers Compensation Act - Con't.

Creates a reopened case fund administered by the department of labor and industry and financed by assessments against insurers to assume liability for workers compensation claims that have been reopened after seven years from the date of injury or death (when no previous compensation had been paid) and seven years after the date of injury or death or three years from the date of the last benefit payment (when benefits had previously been paid).

Administration

Directs the commissioner of administration to conduct a study of the department of labor and industry's recordkeeping system for workers compensation claims and appeals. Expands the court of appeals from three to five members with no more than two of the judges to be non-attorneys. Requires the commissioner of labor and industry to prepare a brochure for injured employees and employers explaining their respective rights and duties under the law.

Medical Costs

Requires employees to obtain two medical opinions prior to undergoing non-emergency surgery. Requires the commissioner of labor and industry to conduct a study of the effect of requiring second medical opinions and to report to the legislature by January 1, 1983. Authorizes the commissioner of labor and industry to identify excessive charges for certain medical procedures and to establish reasonable charges for those procedures. Requires the commissioner of labor and industry to maintain a list of neutral physicians for consultation in contested claims.

Other Major Provisions

Authorizes the commissioner of insurance to study the extension of experience-rating to smaller employers (those with premiums under \$750/year). Prohibits the practice of permitting higher expense allowances on assigned risk pool policies. Permits overpayments to be recovered from future employee benefits not to exceed 20% of the employee's weekly wage. Permits the commissioner of insurance to establish by rule a formula for determining the portion of an independent contractor's charges to be assessed for workers compensation premium when actual payroll cannot be determined.

Appropriations:	1980	1981
Attorney General (4)	\$ 35,000	\$ 72,500
Commissioner of Insurance (7)	\$ 189,700	\$ 184,100
Commissioner of Labor (8)	\$ 383,600	\$ 323,700
State Competitive Fund		
Study Commission		\$ 25,000

(Numbers in parentheses are additional positions.)

WORKERS COMPENSATION

Omnibus Workers Compensation Act - Con't.

Effective: rate-making provisions — immediately; reinsurance association, rating bureau name change, benefit changes — October 1, 1979; all future workers compensation benefit changes will be effective October 1st in the year of enactment; appropriations, all other provisions — July 1, 1979.
C.3 Special Session

Partnerships

H.F. 1157	Kalis, Stadum, Anderson, G., Biersdorf, Lehto
* S.F. 1149	Penny

Extends elective workers compensation coverage to partners of a partnership or farm, their immediate relatives and relatives of sole proprietors. Previously, coverage was elective only for sole proprietors, executive officers of closely-held corporations and relatives employed by family farm corporations and closely-held corporations. Effective: August 1, 1979.

Workers Compensation

* H.F. 1837	Carlson, L., Heinitz, Swanson, Rees, Brinkman
S.F. 2029	Luther, Tennessen, Brataas, Sikorski

Medical Malpractice Insurance

Extends expiration date of Chapter 62F, which provides back-up medical malpractice insurance through an association to those who could not be insured by other means, from September 1, 1980, to September 1, 1982.

Workers Compensation Rates

Suspended and voided the rate hearing in process and would have prohibited the Commissioner from approving any rate increase until a revised insurance company request based on Minnesota experience was filed. Further specified the data requirements of the 1979 Workers Compensation Act to include:

—incurred by not reported losses on Minnesota business and other related information.
C.: Vetoed.

WORKERS COMPENSATION

Workers Compensation

H.F. 1780	Simoneau, Norman, Rodriguez, Begich
* S.F. 1775	Keefe. S.

Establishes a special fund, financed by assessments against insurance companies, to provide up-front funding for the costs of the Workers Compensation rate hearing process and to pay the expenses of a business representative and labor representative who will intervene in the rate hearing process and will be selected within five days of a rate filing by majority vote of the Commissioner of Insurance and the Chairs of the Senate Employment Committee and the House Labor Management Relations Committee. Clarifies the intent of 1979 law by requiring division of payroll along rate classifications closest to the work actually performed by employees, if the employer can provide adequate documentation.

Increases family farm exclusion from \$4,000 to \$8,000 in wages paid to farm laborers (excluding family farm members and executive officers of the family farm corporation) in the previous calendar year.
Effective: immediately; intervenors' fund provisions will expire June 30, 1982.

SEE ALSO:

Workers' Compensation - Farmers

P. 4