

retirement or retirement with an annuity unreduced for early retirement are met with the additional service credit purchased. The calculation shall also assume future salary history that includes annual salary increases at the rate specified in Minnesota Statutes, section 356.215, subdivision 4d. The member must establish proof of the service for which the purchase of service credit is requested in the manner prescribed by the executive director of the teachers retirement association.

Subd. 3. PAYMENT; CREDITING SERVICE. Payment must be made in one lump sum. Allowable service may be credited only after receipt of full payment by the executive director.

Subd. 4. OPTIONAL EMPLOYER PARTIAL PAYMENT. Payment must be made by the member. However, the current or former employer of the member may, in its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rates in effect or required during the period of military service, applied to the actual salary rates in effect after the period of military service, plus interest at the rate of six percent a year compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made.

Sec. 3. EFFECTIVE DATE.

Section 2 is effective the day following final enactment.

Presented to the governor May 29, 1991

Signed by the governor June 1, 1991, 4:06 p.m.

CHAPTER 294—H.F.No. 181

An act relating to the environment; adding reimbursement requirements for the petroleum tank release cleanup account; providing for insurance subrogation rights; amending Minnesota Statutes 1990, sections 115C.04, subdivision 3; 115C.09, subdivision 3; and 115C.10, subdivision 1.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1990, section 115C.04, subdivision 3, is amended to read:

Subd. 3. AGENCY COST RECOVERY. Reasonable and necessary expenses incurred by the agency in taking a corrective action, including costs of investigating a release, administrative and legal expenses, and reimbursement costs described in subdivision 1, paragraph (b), may be recovered in a civil action in district court brought by the attorney general against a responsible person. The agency's certification of expenses is prima facie evidence that the

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expenses are reasonable and necessary. If the responsible person has petroleum tank leakage or spill insurance coverage that insures against the liability provided in this section, the agency is subrogated to the rights of the responsible person with respect to that insurance coverage, to the extent of the expenses incurred by the agency and described in this subdivision. The agency may request the attorney general to bring an action in district court against the insurer to enforce this subrogation right. Expenses that are recovered under this section must be deposited in the account.

Sec. 2. Minnesota Statutes 1990, section 115C.09, subdivision 3, is amended to read:

Subd. 3. **REIMBURSEMENT.** (a) The board shall reimburse a responsible person who is eligible under subdivision 2 from the account for 90 percent of the portion of the total reimbursable costs or \$1,000,000, whichever is less. Not more than \$1,000,000 may be reimbursed for costs associated with a single release, regardless of the number of persons eligible for reimbursement, and not more than \$2,000,000 may be reimbursed for costs associated with a single tank facility.

(b) A reimbursement may not be made from the account under this subdivision until the board has determined that the costs for which reimbursement is requested were actually incurred and were reasonable.

(c) A reimbursement may not be made from the account under this subdivision in response to either an initial or supplemental application for costs incurred after June 4, 1987, that are payable under an applicable insurance policy, except that if the board finds that the responsible person has made reasonable efforts to collect from an insurer and failed, the board shall reimburse the responsible person under this subdivision.

(d) If the board reimburses a responsible person for costs for which the responsible person has petroleum tank leakage or spill insurance coverage, the board is subrogated to the rights of the responsible person with respect to that insurance coverage, to the extent of the reimbursement by the board. The board may request the attorney general to bring an action in district court against the insurer to enforce the board's subrogation rights. Acceptance by a responsible person of reimbursement constitutes an assignment by the responsible person to the board of any rights of the responsible person with respect to any insurance coverage applicable to the costs that are reimbursed. Notwithstanding this paragraph, the board may instead request a return of the reimbursement under subdivision 5 and may employ against the responsible party the remedies provided in that subdivision, except where the board has knowingly provided reimbursement because the responsible person was denied coverage by the insurer.

(e) Money in the account is appropriated to the board to make reimbursements under this section. A reimbursement to a state agency must be credited to the appropriation account or accounts from which the reimbursed costs were paid.

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Sec. 3. Minnesota Statutes 1990, section 115C.10, subdivision 1, is amended to read:

Subdivision 1. **PAYMENT FROM THE ACCOUNT.** (a) If the cost of authorized actions under section 115C.03 exceeds the amount appropriated to the agency for the actions and amounts awarded to the agency from the federal government, the agency may apply to the board for money to pay for the actions from the account. The board shall pay the agency the cost of the proposed actions under section 115C.03 if the board finds that the conditions for the agency to be paid from the account have been met, and that an adequate amount exists in the account to pay for the corrective action. If the board pays the agency for the cost of authorized actions for which a responsible person has petroleum tank leakage or spill insurance coverage, the board is subrogated to the agency's rights with respect to the responsible person and the responsible person's insurer, to the extent of the board's payment of costs for which the responsible person has insurance coverage, subject to the limitations on an agency cost recovery action set forth in section 115C.04, subdivision 3. The board may request the attorney general to bring an action in district court against the responsible person or that person's insurer to enforce the board's subrogation rights. Acceptance of a payment from the board by the agency constitutes an assignment to the board of the subrogation rights specified in this subdivision.

(b) Money in the account is appropriated to the board for the purpose of this subdivision.

Sec. 4. **EFFECTIVE DATE.**

Sections 1, 2, and 3 are effective the day following final enactment and apply to applications pending on or filed after that date.

Presented to the governor May 29, 1991

Signed by the governor June 1, 1991, 4:08 p.m.

CHAPTER 295—H.F.No. 1088

An act relating to economic development; establishing the regional seed capital program; authorizing economic development authorities to provide seed capital to small businesses; amending Minnesota Statutes 1990, section 469.101, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116O.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[116O.122] SEED CAPITAL FUND.**

Subdivision 1. **ESTABLISHMENT.** The corporation shall, in consultation with private venture and seed capital companies and other public and private organizations as appropriate, implement a centrally managed seed capital fund to invest in early stage companies and small companies in Minnesota through

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