

(i) Any person who acquires such real estate for the purpose of engaging in and does engage in, or who is engaged in the business of constructing residential, commercial or industrial buildings for the purpose of resale, provided that no more than 25 such transactions occur in any 12 month period and that the person complies with section 82.24 ;

(j) Any person who offers to sell or sells an interest or estate in real estate which is a security registered pursuant to chapter 80, when acting solely as an incident to the sale of such securities;

(k) Any person who offers to sell or sells a business opportunity which is a franchise registered pursuant to chapter 80C, when acting solely to sell the franchise.

Approved April 9, 1976.

CHAPTER 231—H.F.No.1130

[Coded in Part]

An act relating to the organization, operation and financing of state government; establishing an indirect cost billing system; requiring revolving fund billing rates to be determined by the commissioner of finance; transferring certain powers and duties relating to finance and recordation from and to the department of finance; appropriating money; amending the expense provisions for district court judges; amending Minnesota Statutes 1974, Sections 3.30, Subdivision 2; 15.191, Subdivision 2; 16A.055; 16A.129; 16A.15, Subdivision 3; 16A.17, Subdivisions 1, 4, 5, 6, 7, and by adding a subdivision; 16A.28; 84A.04; 93.12; 276.09; 276.10; 293.10; 348.04; 379.05; 379.07; 379.09; 385.21; 473F.07, Subdivisions 1 and 2; Chapter 16, by adding a section; and Chapter 16A, by adding sections; Minnesota Statutes, 1975 Supplement, Section 484.54; repealing Minnesota Statutes 1974, Sections 3.30, Subdivision 2a; 10.16; 16.141; 16.16; 16.161; 16.164; 16.18; 16.19; 16A.09; 16A.125, Subdivisions 1, 2, 3, 7, 8, 9, and 10; 16A.17, Subdivision 2; and 136.06.

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

Section 1. Minnesota Statutes 1974, Section 3.30, Subdivision 2, is amended to read:

Subd. 2. **STATE GOVERNMENT; INDIRECT COST BILLING SYSTEM; MEMBERS; DUTIES.** The chairman of the senate committee on taxes and tax laws, the chairman of the senate committee on finance, the chairman of the house committee on taxes and tax laws, and the chairman of the house committee on appropriations shall constitute ~~a committee to be known as~~ the legislative advisory committee. The governor shall preside over the meetings of the committee but shall not be a member thereof. If any of the legislative members elect not to serve on the committee, the house of which they are members,

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if in session, shall select some other member for such vacancy. If the legislature is not in session, vacancies in the legislative membership of the committee shall be filled by the last speaker of the house or, if he be not available, by the last chairman of the house rules committee, in case of a house vacancy, and by the last senate committee on committees or other appointing authority designated by the senate rules in case of a senate vacancy. The commissioner of finance shall act as secretary of the committee and shall keep a permanent record and minutes of its proceedings, which shall be ~~made available for examination upon request of any interested citizen~~ public records. The commissioner of finance shall transmit, under the provisions of section 3.195, a report to the next legislature of all actions of said committee. The members of the committee shall receive travelling and subsistence expenses in attending meetings of the committee. ~~From the appropriation made for the committee there shall be paid the travelling and subsistence expenses of members of the committee in attending meetings thereof and for the payment of stenographic services which if performed by a person in the classified service of the state shall be in addition to his regular salary.~~ The committee shall meet from time to time upon the call of the governor or upon the call of the secretary at the request of three or more of its members.

Sec. 2. Minnesota Statutes 1974, Section 15.191, Subdivision 2, is amended to read:

Subd. 2. **APPROVAL.** Before an imprest cash fund is established an application showing the need therefor shall be presented to the ~~state auditor~~ commissioner of finance who shall fix the amount of the fund for the department or agency. Upon the approval of the application by the commissioner of ~~administration~~ finance, the imprest cash fund is established and the commissioner of finance shall notify the applicant.

Sec. 3. Minnesota Statutes 1974, Section 16A.055, is amended to read:

16A.055 DUTIES OF COMMISSIONER. The commissioner of finance shall exercise the rights, powers, and duties vested in and imposed upon his office. He shall have charge of the administration of the financial affairs of the state. He shall keep the general books of account of the state. The general books of account shall be on a double entry control basis, with such revenue, expenditure, asset and liability accounts as will give complete control over all financial and expenditure operations of the state and over all officials, departments, and agencies of the state government. Accounts shall be set both as to expenditures and revenue according to generally accepted practice in governmental accounting. The commissioner of finance shall formulate and prescribe for all departments and other state agencies a system of uniform records, accounts, statements, estimates, revenue receipt forms, vouchers, bills, and demands with suitable instructions governing the installation and use thereof. The accounting system and form

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so prescribed shall be adopted and employed by all officials, departments, and agencies of the state government. The commissioner of finance shall exercise constant supervision and control thereof. All accounting and financial records shall be kept on the fiscal year basis of 12 months ending at midnight between June 30 and July 1. The commissioner of finance and his designated agents shall at all times have free access to the books, records, accounts, and papers of the several departments and agencies.

To accomplish the above duties, the commissioner may assign a designee to any department or agency of the state to monitor the fiscal activities therein, insure compliance with statutes and administrative requirements promulgated by the commissioner and provide any additional assistance he deems appropriate. Development of a budget consistent with a department or agency's goals, responsibilities and priorities and supervision of a department or agency's personnel shall be the responsibility of the department or agency head.

Sec. 4. Minnesota Statutes 1974, Chapter 16A, is amended by adding a section to read:

[16A.095] PROGRAM BUDGETING. Subdivision 1. LEGISLATIVE POLICY. The legislature finds that in the present era of increasing cost and complexity of state governmental operations with the attendant increase in sums requested and appropriated at each legislative session to enable state departments and agencies to perform their functions of service to the public, it is highly desirable that budgets considered by the legislature be stated in terms of services to the people in order to present fiscal policies in the context of services to be accomplished. The legislature therefore finds it desirable that future budgets and appropriations be stated in terms of programs and anticipated accomplishment rather than in terms of objects of expenditure. Program budgeting, herein defined as the arrangement of budgetary information into program categories in such a way as to emphasize the purposes for which state moneys are to be spent, will be of invaluable assistance to the legislature in its consideration of budgets and appropriations requests. It is believed that it will also assist departments and agencies in clearly stating and properly emphasizing their budgetary needs.

Subd. 2. ESTABLISHMENT OF PROGRAM. The commissioner of finance shall develop the budget process to accomplish the policy as stated in subdivision 1 for state departments and agencies, provided, that such process need not comply with other provisions of law relating to the setting forth of expenditures by organizational units, character and objects of expenditure. The commissioner of finance shall promulgate regulations and instructions applicable to budget preparation governing the classification of expenditures and the content, and submission of budget requests and appropriation measures. The commissioner of finance shall select agencies and departments to implement the budget system. The commissioner of finance shall make rec-

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ommendations to the legislature on the subject of any legislation or special appropriations which may be required for implementation of the budgeting system for all state departments and agencies. Such budget system shall, to the greatest extent practicable, emphasize alternative approaches in the program development and criteria for performance evaluation and measurement. All state departments and agencies shall cooperate with the commissioner of finance to assure implementation of budgets which meet the requirements of the commissioner of finance and which give due regard to the requirements of the various departments and agencies involved. No state agency shall begin or install any system of program or programmatic budgeting until they have first secured the explicit permission of the commissioner of finance.

Subd. 3. WAIVER OF REQUIREMENT OF SUBMITTING BUDGET. Notwithstanding any other law to the contrary, the commissioner of finance after consulting the committee on appropriations of the house of representatives and the committee on finance of the senate may waive the requirements for submitting a budget by object of expenditure for agencies and departments which are, at his direction, requesting programmatic appropriations.

Sec. 5. Minnesota Statutes 1974, Chapter 16A, is amended by adding a section to read:

[16A.126] COMMISSIONER TO APPROVE BILLING RATES FOR REVOLVING FUNDS. The commissioner of finance shall approve the rates at which services are billed state departments or agencies by any revolving fund.

Sec. 6. Minnesota Statutes 1974, Chapter 16A, is amended by adding a section to read:

[16A.127] INDIRECT COSTS. Subdivision 1. DEFINITIONS. As used in this section the following terms shall have the meanings given them:

(a) "State agency" means a state department, board, council, committee, authority, commission or other entity in the executive branch of state government;

(b) "Nongeneral fund moneys" means any moneys any state agency is authorized to receive and expend from a source other than the general fund;

(c) "Statewide indirect costs" means all operating costs incurred by the state treasurer and the departments of administration, finance and personnel which are attributable to the provision of services to any state agency;

(d) "Commissioner" means the commissioner of finance.

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Subd. 2. STATEWIDE INDIRECT COST PLAN. Each year the commissioner shall prepare a statewide indirect cost plan showing the category and amount of statewide indirect costs attributable to each state agency for the current fiscal year. The commissioner shall submit copies of the plan to the governor and to the legislature pursuant to section 3.195.

Subd. 3. TRANSFER OF FUNDS. Pursuant to the statewide indirect cost plan the commissioner shall transfer to the general fund that portion of the statewide indirect costs applicable to nongeneral funds moneys received by any state agency for the previous fiscal year. Upon making such a transfer, the commissioner is authorized and directed to make appropriate entries in the records of the funds involved in the transfer. Notwithstanding the foregoing, the commissioner may determine, for reasons of sound fiscal management, to waive the transfer to the general fund of the indirect costs for certain nongeneral fund moneys. The commissioner shall report any waivers under this subdivision to the governor and the legislature at the time of his submission of the statewide indirect cost plan for the following fiscal year.

Subd. 4. FEDERAL INDIRECT COST PROPOSALS. Whenever a state agency applies or submits a budget for or receives federal moneys, the state agency shall prepare and submit to the appropriate federal agency an indirect cost proposal and make such further submissions necessary to obtain both statewide and state agency indirect cost moneys. Any indirect cost proposals and related documents must be submitted to and approved by the commissioner prior to the time they are submitted to the appropriate federal agency. A state agency need not prepare and submit an indirect cost proposal if it establishes to the commissioner's satisfaction that such submission is not economically feasible.

Subd. 5. TRANSFER OF FUNDS; FEDERAL INDIRECT COST PROPOSAL. If the appropriate federal agency approves a state agency's indirect cost proposal, the commissioner shall transfer to the general fund that portion of the federal moneys received by the state agency attributable to statewide indirect costs. If the federal agency approves only a portion of the state agency's indirect cost proposal, the commissioner shall transfer to the general fund all or such part, if any, of that portion of the federal moneys received by the state agency attributable to statewide indirect costs that the commissioner deems appropriate. If the federal agency fails to approve any portion of the state agency's indirect cost proposal, the state agency shall submit documentation of the failure to approve and a statement of the reasons therefor to the commissioner.

Subd. 6. REPORTS. The commissioner shall require such information and reports from each state agency as he deems necessary to carry out the duties of this section.

Subd. 7. LEGISLATIVE AUDITOR. Unless otherwise specified by

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law, a state agency whose financial affairs are audited by the legislative auditor shall transfer to the general fund that portion of the cost of the audit applicable to the moneys received by the agency from sources other than the general fund. The collection by the legislative auditor of the cost of an audit may be waived in whole or in part by the legislative audit commission upon recommendation by the legislative auditor.

Sec. 7. Minnesota Statutes 1974, Section 16A.129, is amended to read:

16A.129 COMMISSIONER TO MAKE RULES. The commissioner of finance shall have the following powers: to approve or reject the compensation schedules submitted by the personnel board for the various classes, grades, and titles of the employees of the various officials, departments, and agencies of the state government and institutions under their control; ~~power~~ to require a complete record of the officers, assistants, and employees appointed thereby or employed therein, and to require the salaries of the same to be in conformity with the scale of compensation established pursuant to law; and to prepare and prescribe classes of expenditures and revenue for the purpose of budget-making and accounting; to procure by lease, with the approval of the governor, office space and buildings for the use of the state government or any department, office, or institution thereof; to purchase, except as otherwise provided in Laws 1925, Chapter 426, as amended, all supplies and equipment for all state officials, departments, and agencies of the state government, including tools, machinery, and materials to be used by the state in the construction and maintenance of state highways; but the commissioner, in his discretion, may designate an officer or employee of any such department to make, under the general supervision and direction of the commissioner, such purchases for the department in which such designation is so made as he may specify.

The authority of the commissioner to approve or reject a scale of compensation therefor shall not apply to the unclassified service as prescribed by the state civil service law.

Sec. 8. Minnesota Statutes 1974, Chapter 16A, is amended by adding a section to read:

[16A.14] ALLOTMENT AND ENCUMBRANCE. Subdivision 1. ALLOTMENT PERIOD. For the purposes of operation of the allotment system, each fiscal year shall be one fiscal year of 12 months which shall end at midnight between each June 30 and July 1, provided, that the commissioner of finance may prescribe a different period suited to the circumstances, not exceeding 12 months nor extending beyond the end of the fiscal year. This provision does not apply to allotments made with respect to appropriations made for constructions or permanent improvement.

Subd. 2. FUNDS TO WHICH SYSTEM APPLIES. Except as other-

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wise expressly provided therein, the provisions of chapter 16A relating to the allotment system and to the encumbering of funds shall apply to appropriations and funds of all kinds, including standing or annual appropriations and dedicated funds from which expenditures are to be made, from time to time, by or under the authority of any agency, but shall not apply to appropriations for the courts or the legislature, nor to payment of unemployment compensation benefits nor to the funds deposited in the state treasury for disbursement by the commissioner of highways when acting as the agent of a political subdivision pursuant to law. In the case of construction or other permanent improvement contracts and transactions for the acquisition of real estate, equipment, repair, rehabilitation, appurtenances or utility systems to be used for public purposes, where periodical allotments are impracticable, the commissioner may dispense therewith and prescribe such regulations as will insure proper application and encumbering of funds. Contingent funds appropriated for the governor or the attorney general shall not be subject to the provisions thereof relating to allotment, but shall be subject to the other provisions thereof relating to expenditure and encumbering of funds.

Subd. 3. APPROPRIATIONS AVAILABLE FOR ALLOTMENT; SPENDING PLANS. No appropriation to any agency shall become available for expenditure thereby during any allotment period until such agency shall have submitted to the commissioner of finance a spending plan in advance, in such form as the commissioner shall prescribe, for such allotment period next ensuing, of the amount required for each activity to be carried on and each purpose for which money is to be expended during that period, and until such spending plan shall have been approved, increased, or decreased by the commissioner of finance and funds allotted therefor.

Subd. 4. SPENDING PLANS WITHIN APPROPRIATION; APPROVAL; PROCEDURE. If the spending plan is within the terms of the appropriation as to amount and purposes, having due regard for the probable further needs of the agency for the remainder of the fiscal year or other term for which the appropriation was made, and if there is a need for such appropriation for the next ensuing allotment period, the commissioner of finance shall approve the estimated amount for expenditure. Otherwise the commissioner of finance shall modify the spending plan so as to conform with the terms of the appropriation and the prospective needs of the agency and shall reduce the amount allotted accordingly. The commissioner of finance shall act promptly upon all spending plans, and shall notify every agency of its allotments at least five days before the beginning of each allotment period. The total amount allotted to any agency for the fiscal year or other terms for which the appropriation was made shall not exceed the amount appropriated for such year or term.

Subd. 5. MODIFICATION. The commissioner of finance shall also have authority at any time to modify or amend any spending plan previously approved by him, upon application of or upon notice to the

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agency concerned, and upon a showing of emergency or other cause; provided, no deficit or undue reduction of funds to meet future needs of such agency will result therefrom.

Sec. 9. Minnesota Statutes 1974, Chapter 16, is amended by adding a section to read:

[16.243] COMMISSIONER; ADDITIONAL POWERS. The commissioner of administration shall have the following powers: to procure by lease, with the approval of the governor, office space and buildings for the use of the state government or any department, office, or institution thereof; to purchase, except as otherwise provided in chapter 16, all supplies and equipment for all state officials, departments, and agencies of the state government, including tools, machinery, and materials to be used by the state in the construction and maintenance of state highways; but the commissioner, in his discretion, may designate an officer or employee of any such department to make, under the general supervision and direction of the commissioner, such purchases for the department in which such designation is so made as he may specify.

Sec. 10. Minnesota Statutes 1974, Section 16A.15, Subdivision 3, is amended to read:

Subd. 3. **PAYMENT WITHIN ALLOTMENT AND ENCUMBRANCE; EXCEPTIONS.** No payment shall be made ~~and without~~ prior obligation. No obligation shall be incurred against any fund, allotment, or appropriation unless the commissioner of finance shall first certify that there is a sufficient unencumbered balance in such fund, allotment, or appropriation to meet the same. Every expenditure or obligation authorized or incurred in violation of the provisions of ~~Laws 1930, Chapter 431, chapter 16A~~ shall be presumed invalid and shall be ineligible for payment until its validity is established as hereinafter provided. Every payment made in violation of the provisions of ~~Laws 1930, Chapter 431, chapter 16A~~ shall be deemed illegal, and every official authorizing or making such payment, or taking part therein, and every person receiving such payment, or any part thereof, shall be jointly and severally liable to the state for the full amount so paid or received. If any appointive officer or employee of the state shall knowingly incur any obligation or shall authorize or make any expenditure in violation of the provisions of ~~Laws 1930, Chapter 431, chapter 16A~~ or take part therein, it shall be grounds for his removal by the officer appointing him, and, if the appointing officer be other than the governor and shall fail to remove such officer or employee, the governor may exercise such power of removal, after giving notice of the charges and opportunity for hearing thereon to the accused officer or employee and to the officer appointing him. Claims presented against existing appropriations without prior allotment or encumbrance may, upon investigation, review, and approval by the commissioner of finance be determined valid where the services, materials, and supplies for which payment is claimed have been actually rendered or furnished to the

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state in good faith without collusion and without intent to defraud. Thereafter the commissioner of finance may draw his warrant in payment of such claims in the same manner in which other claims, properly allotted and encumbered prior to inception thereof, are paid.

Subject to approval by the commissioner of finance and pursuant to increases authorized by Minnesota Statutes, Section 16.07, Subdivision 1, the payment amount for materials and supplies may exceed the obligation amount.

Sec. 11. Minnesota Statutes 1974, Chapter 16A, is amended by adding a section to read:

[16A.155] BUDGET AND ALLOTMENT SYSTEM, REFUNDS. Notwithstanding the provisions of section 8 of this act and section 16A.15, or any other law to the contrary, the payment of a refund for any purpose authorized by law shall be chargeable against the fund, appropriation, allotment or encumbrance for the period in which the refund is paid.

Sec. 12. Minnesota Statutes 1974, Section 16A.17, Subdivision 1, is amended to read:

16A.17 PREPARATION OF STATE PAYROLL. Subdivision 1. **COMMISSIONER TO DETERMINE PAY PERIOD.** The commissioner of finance, with the approval of the governor, shall fix the time for payment of salaries due elective and appointive officers and employees of the state government. ~~As herein determined said~~ Salaries shall be paid either monthly, semi-monthly or for each two week period; provided, however, that no employee whose salary is less than ~~\$500 a month~~ the amount prescribed by Title 29, Code of Federal Regulations, Part 541, as amended through December 31, 1974, shall be paid on a monthly or longer basis.

Sec. 13. Minnesota Statutes 1974, Section 16A.17, Subdivision 4, is amended to read:

Subd. 4. EQUAL SALARY PAYMENTS; ALLOCATION. If the commissioner provides for equal payments of salaries throughout the year, the payroll shall be allocated as provided in this subdivision.

(1) If the payroll period extends beyond one quarter of the year and into another quarter of the year, the amount of the payroll for such payroll period shall be chargeable to the respective allotments and encumbrances according to procedures to be established by the commissioner of finance.

(2) This subdivision is applicable to salaries of state officers and employees payable in equal payments throughout the year notwithstanding any other provision in Minnesota Statutes ~~1957, Chapter 16,~~ and any act amendatory thereof relating to the budget, allotment, and

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~~encumbrance system~~. No provision of any subsequent law relating to the budget, allotment, and encumbrance system or to appropriations for the payment of salaries of state officers and employees shall be construed as inconsistent with this subdivision unless and except only so far as expressly provided in such subsequent act that the provisions of this subdivision shall not be applicable or shall be superseded, modified, amended, or repealed.

Sec. 14. Minnesota Statutes 1974, Section 16A.17, Subdivision 5, is amended to read:

Subd. 5. **PAYROLL DEDUCTIONS MADE BY FINANCE.** Whenever in any law the duty is imposed upon the head of a state department or agency to make deductions from, or employer contributions on, the salaries and wages of state officers and employees for such purposes as are authorized or directed by law and to prepare or issue vouchers in connection therewith and the payroll for such officers and employees is prepared by the ~~central payroll section of the~~ department of finance, such duties ~~as hereinbefore referred to~~ shall devolve upon the commissioner of finance. Notwithstanding any other law to the contrary, where a state officer or employee directs, in writing, that a voluntary deduction shall be made from his salary or wages, the officer or employee shall file an original and one copy of his written instruction with the credit union, organization, association, agency, or carrier to which the deduction is to be paid and the intended recipient of such deduction shall forward the original of the instruction, signed by the employee, together with such other information as the commissioner of finance may prescribe concerning the amount of the deduction or change therein to the head of the state department or agency who prepares the payroll involved.

Sec. 15. Minnesota Statutes 1974, Section 16A.17, Subdivision 6, is amended to read:

Subd. 6. **PAYROLL PREPARATION.** All payrolls for the compensation of work performed, by elective and appointive state officers and employees, ~~with the exception of the legislative and judicial branches, in the executive branch~~ shall be prepared by the ~~central payroll section of the~~ department of finance. Upon request of the rules committee of the senate or house of representatives or the supreme court, as appropriate, the commissioner shall also prepare payrolls for the legislative and judicial branches by using pay procedures similar to those used in the executive branch.

Sec. 16. Minnesota Statutes 1974, Section 16A.17, Subdivision 7, is amended to read:

Subd. 7. **REPORTING OF HOURS WORKED.** (1) ~~To facilitate the lowering of the payroll preparation cost,~~ The commissioner of finance may authorize certification by authorized officials as to hours worked for payroll purposes in anticipation of the hours actually worked. The

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commissioner shall prescribe such procedures as may be necessary to assure that no payment shall be made for hours not worked unless covered by leave in accordance with ~~civil service~~ rules and regulations of the department of personnel or as provided in clause (2).

(2) Upon certification by the commissioner of finance, any agency of the state government shall release part or all of any fund held for an employee to correct an overpayment to any officer or employee described in subdivision 6 who has been erroneously paid.

Provided, however, that employee contributions in a retirement fund shall not be released until such time as the former state employee or person otherwise entitled thereto would be eligible to apply for a refundment and has been given proper notice. Amounts paid under the provisions of this section shall be considered the equivalent of a refundment. If an employee or survivor is entitled to an immediate or deferred annuity or survivor benefit, no funds shall be paid from his retirement account under the provisions of this section.

Sec. 17. Minnesota Statutes 1974, Section 16A.17, is amended by adding a subdivision to read:

Subd. 9. PAYROLL COSTS. The moneys in the computer services revolving fund used for the costs of preparing the state payroll, and all the earnings accrued thereto, are appropriated to a central payroll revolving fund under the department of finance. In the instance of a direct appropriation for the costs of preparing the state payroll, all state departments and agencies shall be billed for their share of the payroll preparation costs through the indirect cost billing system, with the moneys collected being deposited in the general fund.

Sec. 18. Minnesota Statutes 1974, Chapter 16A, is amended by adding a section to read:

[16A.275] RECEIPTS DEPOSITED WITH STATE TREASURER. All receipts from any source shall be deposited with the state treasurer each day, except as otherwise provided by law, and unless such receipts are under \$50 in which event payment may be deferred until they aggregate such sum; and at the same time a report of all receipts since the last previous report and of the disposition thereof shall be made to the commissioner of finance by the depositing agency. All moneys received by the treasurer during any month shall be credited by him and by the commissioner of finance to the proper funds not later than the first day of the following month.

Sec. 19. Minnesota Statutes 1974, Section 16A.28, is amended to read:

16A.28 APPROPRIATIONS TO REVERT TO STATE TREASURY. Except as specifically provided for in appropriation acts, every appropriation or part thereof of any kind hereafter made subject to the pro-

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visions of this section remaining unexpended and unencumbered at the close of any fiscal year shall lapse and the commissioner shall cause same to be returned to the fund from which such appropriation was made; provided, that the commissioner, with the approval of the governor, may reinstate a lapsed appropriation within three months after the date the appropriation lapsed. An appropriation reinstated pursuant to this section shall lapse no later than three months after the date the appropriation has lapsed. No payment may be made pursuant to a reinstated appropriation except as provided under section 16A.15, subdivision 3. Notwithstanding the foregoing, an appropriation for construction or other permanent improvement shall not lapse until the purposes for which the appropriation was made shall have been accomplished or abandoned unless such appropriation has stood during the entire fiscal biennium without any expenditure therefrom or encumbrances thereon.

On October 16 of each year all allotments and encumbrances for the preceding fiscal year shall be cancelled unless an agency certifies to the commissioner that there is an encumbrance incurred pursuant to law for services rendered or goods ordered in the preceding fiscal year. The commissioner may reinstate that portion of the cancellation needed to meet the certified encumbrance or he may charge the certified encumbrance against the current year's appropriation.

Except as otherwise expressly provided by law, the provisions of this section shall apply to every appropriation of a stated sum for a specified purpose or purposes heretofore or hereafter made ~~from the general fund~~, but shall not, unless expressly so provided by law, apply to any fund or balance of a fund derived wholly or partly from special taxes, fees, earnings, fines, federal grants, or other sources which are by law appropriated for special purposes by standing, continuing, or revolving appropriations.

Sec. 20. Minnesota Statutes 1974, Chapter 16A, is amended by adding a section to read:

[16A.30] APPLICATIONS FOR NONSTATE FUNDS. Subdivision 1. Every department or agency of the executive branch of state government shall, prior to the submission of any application for nonstate moneys, submit the original of the application to the commissioner of finance. The commissioner shall promptly return the application indicating his approval or disapproval. No application for nonstate moneys shall be submitted without the prior approval of the commissioner of finance. The commissioner of finance may promulgate rules, regulations, and directives to implement the provisions of this section.

Subd. 2. The provisions of this section shall not apply to the Minnesota historical society.

Sec. 21. Minnesota Statutes 1974, Section 84A.04, is amended to read:

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84A.04 LISTS OF LANDS. ~~Not later than September 1, 1929;~~ The auditor of each county in which a portion of this preserve and hunting ground is situated shall certify to the commissioner of ~~finance-natural~~ resources a list of all the lands within the boundaries of the preserve and hunting ground, except lands lying within the boundaries of any incorporated city, which have been bid in for the state at the delinquent tax sale held in the year 1928 for the non-payment of taxes or special drainage assessments and not redeemed or assigned to an actual purchaser, which certificate shall contain the following information:

(1) The legal description of each parcel of such lands;

(2) The amount of principal and interest of delinquent drainage assessments, if any, or instalments thereof; for all years prior to the date of such report, against each such parcel of land; and

(3) The amount of drainage assessments thereof assessed against each such parcel of land which have been or are to be extended upon the tax rolls of such county for collection with the taxes for the year 1927 and subsequent years.

On or before June fifteenth, of each year thereafter, such county auditor shall certify to the commissioner of ~~finance-natural~~ resources a supplemental report giving the information contained in the original report covering such lands within this preserve and hunting ground bid in for the state at the annual tax sale of that year and not included in the previous report.

When redemption is made of any parcel of such land within the preserve and hunting ground which has been bid in for the state at any tax sale for taxes heretofore levied or when the tax liens on such land are assigned to an actual purchaser, the county auditor shall report the same forthwith to the commissioner of ~~finance-natural~~ resources, and the county treasurer shall transmit forthwith the proceeds of such redemption to the state treasurer.

After each distribution has been made of the tax collections on the June and November tax settlements, such county auditor shall certify to the commissioner of ~~finance-natural~~ resources the following information relating to bonds issued to finance or refinance public drainage ditches lying wholly or partly within this preserve and hunting ground and the collection of assessments levied on account of such ditches:

(1) The amount of principal and interest to become due on such bonds prior to the next ensuing tax settlement and distribution;

(2) The amount of moneys collected from such drainage assessments and credited to the funds of these ditches; and

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(3) The amount of the deficit in the ditch fund of the county chargeable to such ditches.

Upon the approval of this certificate by the commissioner of ~~finance~~ natural resources, he shall draw a warrant or warrants on the state treasurer, payable out of the Red Lake game preserve fund, for the amount of the deficit in favor of such county.

As to all public drainage ditches which lie wholly within this preserve and hunting ground, the maximum amount of money which shall be paid to or for the benefit of such county, in the manner above provided, shall never exceed the principal and interest of the bonds issued to finance and refinance such ditches outstanding at the time of the passage and approval of sections 84A.01 to 84A.11, less moneys on hand in the county ditch fund to the credit of such ditches, and such liability shall be reduced, from time to time, by the amount of any and all payments of assessments hereafter extended, made by the owners of lands heretofore assessed for benefits on account of such ditches. As to all public drainage ditches which lie partly within and partly without the boundaries of this preserve and hunting ground, the maximum amount which shall be paid to or for the benefit of such county shall never exceed the percentage of bonds issued to finance and refinance such ditches so outstanding, less moneys on hand in the county ditch fund to the credit of such ditches at the time of the passage and approval of sections 84A.01 to 84A.11, which bears the same proportion to the whole amount of such bonds as the original benefits assessed against lands within the game preserve bear to the original total benefits assessed to the entire system of such ditches, and such liability shall be reduced, from time to time, by the payments of all assessments hereafter extended, made by the owners of lands in this preserve and hunting ground, of assessments for benefits heretofore assessed on account of any such ditch. The commissioner of ~~finance~~ natural resources shall have authority to provide and prescribe the forms for any reports required by sections 84A.01 to 84A.11 to be made to him, and to require any further and additional information from any officials of these counties which he deems necessary for the proper administration of sections 84A.01 to 84A.11.

Sec. 22. Minnesota Statutes 1974, Section 93.12, is amended to read:

93.12 FORFEITURE OF PERMITS AND LEASES. In the event the holder of such permit or lease shall fail to comply with all the provisions contained in sections 93.08 to 93.12 to be by him performed or observed and such default shall continue for a period of 30 days the commissioner of natural resources upon 30 days notice to the holder of such permit or lease by registered mail to the address of such holder as shown by the records of the commissioner of ~~finance~~ natural resources may declare such permit or lease and all rights acquired thereunder forfeited. Upon the filing of the order of forfeiture with the commissioner of ~~finance~~ natural resources all rights under such lease or

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permit shall cease.

Sec. 23. Minnesota Statutes 1974, Section 276.09, is amended to read:

276.09 SETTLEMENT BETWEEN AUDITOR AND TREASURER.

On the last day of February, May, and October, of each year, the county treasurer shall make full settlement with the county auditor of his receipts and collections for all purposes, from the date of the last settlement up to and including each day mentioned, and the auditor shall, within 30 days after each settlement, send an abstract of same to the ~~commissioner of finance-state auditor~~ auditor in such form as the ~~commissioner of finance-state auditor~~ auditor may prescribe. At each settlement the treasurer shall make complete returns of his collections on the current tax list, showing the amount collected on account of the several funds included in the list.

Sec. 24. Minnesota Statutes 1974, Section 276.10, is amended to read:

276.10 APPORTIONMENT AND DISTRIBUTION OF FUNDS.

On the last day of February, May, and October, of each year, the county auditor and county treasurer shall make distribution of all undistributed funds remaining in the treasury, apportioning the same, as provided by law, and placing the same to the credit of the state, town, city, or school district, and each county fund. Within 20 days after such distribution is completed, the county auditor shall make report thereof to the ~~commissioner of finance-state auditor~~ auditor, in such form as the ~~commissioner of finance-state auditor~~ auditor may prescribe. The county auditor shall issue his warrant for the payment of any moneys remaining in the county treasury to the credit of the state, town, city, or school district on application of the persons entitled to receive the same.

Sec. 25. Minnesota Statutes 1974, Section 293.10, is amended to read:

293.10 DRAFT ON DELINQUENT; EVIDENCE. On or before the tenth day of June, in each year, the commissioner of ~~finance-revenue~~ shall ~~make his draft upon the issue his order to any~~ person delinquent in the payment of such tax for the amount of taxes and penalty due thereon and ~~place the same in the hands of the state treasurer for collection. The draft of the commissioner of finance for the tax and penalty imposed by the provisions of this chapter-~~ this order shall be prima facie evidence in any court where proceedings may be brought for its enforcement that the amount therein stated is due from the person ~~against whom the same is drawn.~~

Sec. 26. Minnesota Statutes 1974, Section 348.04, is amended to read:

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348.04 PROOFS SENT TO COMMISSIONER OF NATURAL RESOURCES. Before August first the county auditor shall compare the proofs furnished by the claimant with the assessor's report, and, if they correspond in substance, he shall immediately forward to the commissioner of ~~finance~~ natural resources the original proofs of claim and a certified list of all plats filed.

Sec. 27. Minnesota Statutes 1974, Section 379.05, is amended to read:

379.05 RECORD OF DESCRIPTION OF TOWN, WHERE KEPT; ABSTRACT SENT TO COMMISSIONER OF REVENUE. Each county auditor shall within 30 days after any such town is organized transmit by mail to the commissioner of ~~finance~~ revenue an abstract of such report, giving the name and boundaries of such town and record in a book kept for that purpose a full description of each such town.

Sec. 28. Minnesota Statutes 1974, Section 379.07, is amended to read:

379.07 TOWNS WITH SAME NAME. If the commissioner of ~~finance-revenue~~ , on comparing the abstracts of the reports from the several counties, finds that two or more towns have the same name, he shall transmit to the auditor of the proper county the name to be altered, and the county board shall, at its next meeting thereafter, adopt for such town a different name. When such name is adopted the county auditor shall inform the commissioner of ~~finance-revenue~~ , as before directed.

Sec. 29. Minnesota Statutes 1974, Section 379.09, is amended to read:

379.09 ORDER OF BOARD. ~~The prayer of the~~ Petition being granted, the board shall make a formal order to that effect, which shall be filed with the county auditor and thereupon the official name of such town shall be the one so adopted. The auditor shall within 20 days after any such change of name of town transmit by mail to the commissioner of ~~finance-revenue~~ an abstract of all the proceedings and orders of the county commissioners relative to such change of name.

Sec. 30. Minnesota Statutes 1974, Section 385.21, is amended to read:

385.21 ACTION AGAINST. If any county treasurer fails to make return or settlement, or to pay over all money with which he stands charged, at the time and in the manner prescribed by law, the county auditor, on receiving instructions for that purpose from the ~~commissioner of finance-state~~ auditor or from the county board of his county, shall cause an action to be commenced against such treasurer and his sureties in the district court of his county; and judgment may be rendered therein against them for the amount due from such treasurer,

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with interest and a penalty of ten percent thereon.

Sec. 31. Minnesota Statutes 1974, Section 473F.07, Subdivision 1, is amended to read:

473F.07 COMPUTATION OF AREA-WIDE TAX BASE. Subdivision 1. Each county auditor shall certify the determinations pursuant to sections 473F.04, 473F.05, and 473F.06 to the administrative auditor on or before November 20 of ~~1972~~ and each ~~subsequent~~ year. The administrative auditor shall determine the sum of the amounts certified pursuant to section 473F.06, and divide that sum by two and one half. The resulting amount shall be known as the "area-wide tax base for(year)."

Sec. 32. Minnesota Statutes 1974, Section 473F.07, Subdivision 2, is amended to read:

Subd. 2. The commissioner of ~~finance-revenue~~ shall certify to the administrative auditor, on or before November 20 of ~~1972~~ and each ~~subsequent~~ year, the population of each municipality for the preceding year, the proportion of that population which resides within the area, the average fiscal capacity of municipalities for the preceding year, and the fiscal capacity of each municipality for the preceding year.

Sec. 33. Minnesota Statutes, 1975 Supplement, Section 484.54, is amended to read:

484.54 EXPENSES OF JUDGES. The judges of the district court shall be paid, in addition to the amounts now provided by law, all sums they shall hereafter pay out ~~as necessary traveling and hotel expenses~~ while absent from their places of residence in the discharge of their official duties, ~~and except that a judge shall not be paid such travel expenses for travel from his place of residence to and from his permanent chambers. Judges shall be compensated for travel expenses in the same manner and amount as state employees. Additionally, judges of the district court shall be reimbursed for all sums, not reimbursed by counties,~~ they shall necessarily hereafter pay out for only the following purposes: telephone tolls, postage, expressage, and stationery, including printed letterheads and envelopes for official business ~~except that a judge shall not be paid such traveling expenses for travel from his place of residence to and from his permanent chambers ; membership dues in the American bar association and affiliated sections, the state bar association and affiliated local district associations, and state and local district judges association; registration fees, tuition, travel and subsistence for attending educational programs, attendance at which is approved by the supreme court; and, for delegates as designated by the supreme court, travel and subsistence for attending regular meetings of the American bar association and its affiliated sections . Travel and subsistence expenses shall be paid in the same manner and amount as for state employees.~~ Each judge claiming reimbursement for allowable expenses may file with the supreme court monthly

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and shall file ~~within not~~ later than 90 days after the expenses are incurred, ~~unless the time is extended by the commissioner of finance,~~ with the commissioner of finance an itemized statement, verified by ~~him—the judge~~, of all ~~such~~ allowable expenses actually paid by him ~~which shall be audited by the commissioner of finance and paid upon his warrant~~. All statements shall be audited by the supreme court and, if approved by the supreme court, shall be paid by the commissioner of finance from appropriations for this purpose.

Sec. 34. **REPEALER.** Minnesota Statutes 1974, Sections 3.30, Subdivision 2a; 10.16; 16.141; 16.16; 16.161; 16.164; 16.18; 16.19; 16A.09; 16A.125, Subdivisions 1, 2, 3, 7, 8, 9, and 10; 16A.17, Subdivision 2; and 136.06, are repealed.

Sec. 35. **EFFECTIVE DATE.** This act is effective the day following its final enactment.

Approved April 9, 1976.

CHAPTER 232—H.F.No.1271

An act relating to labor and employment; providing for transfer of pension or retirement fund contributions; amending Minnesota Statutes 1974, Section 179.254, Subdivision 2.

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

Section 1. Minnesota Statutes 1974, Section 179.254, Subdivision 2, is amended to read:

Subd. 2. **EMPLOYMENT; LABOR; CONSTRUCTION WORKERS BENEFIT FUNDS.** "Benefit fund" means any trust fund established and operated for the purpose of providing medical, hospitalization, and other types of insurance, and other health ~~and~~, welfare and pension benefits for construction workers. ~~It does not mean pension or retirement fund.~~

Approved April 9, 1976.

CHAPTER 233—H.F.No.1382

[Coded in Part]

An act relating to transportation; authorizing the commissioner of administration to acquire vehicles for the car pooling of state employees; removing, restricting or clarifying certain laws which discourage use of shared ride commuter vans to transport employees to and from work; providing certain incentives; excluding in-

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