

all remaining funds to the general fund of the city of Columbia Heights, and the trust shall terminate.

Notwithstanding the provisions of any other law to the contrary, the trustee of the paid division shall have all the powers and duties that the board of trustees of the paid division would have had if said board would have continued to manage and administer the affairs of the paid division.

Sec. 59. The board of trustees of the paid division of the Columbia Heights fire department relief association, or the trustee acting in its place as provided in section 58, shall have full and permanent charge of and the responsibility for the proper management and control of its special fund.

Sec. 60. REPEALER. Laws 1965, Chapter 605, Section 6; and Laws 1975, Chapter 424, Section 3, are repealed.

Sec. 61. This act shall become effective upon approval of the Columbia Heights city council and upon compliance with Minnesota Statutes, Section 645.021.

Approved June 2, 1977.

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#### CHAPTER 375—H.F.No.415

*An act relating to privacy of data on individuals; definitions; emergency classifications by commissioner; rights of individuals; amending Minnesota Statutes 1976, Sections 15.162, Subdivisions 2a, 3, 4, 5, and 6; 15.1642; and 15.165.*

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

Section 1. Minnesota Statutes 1976, Section 15.162, Subdivision 2a, is amended to read:

Subd. 2a. **PRIVACY OF DATA.** "Confidential data on individuals" means data which is: (a) made not public by statute or federal law applicable to the data and is inaccessible to the individual subject of that data; or (b) collected by a civil or criminal investigative agency as part of an active investigation undertaken for the purpose of the commencement of a legal action, provided that the burden of proof as to whether such investigation is active or in anticipation of a legal action is upon the agency. Confidential data on individuals does not include arrest information that is reasonably contemporaneous with an arrest or incarceration. The provision of clause (b) shall terminate and cease to have force and effect with regard to the state agencies, political subdivisions, statewide systems, covered by the ruling, upon the granting or refusal to grant an emergency classification pursuant to section 15.1642 of both criminal and civil investigative data, or on ~~June 30, 1977~~ July 31, 1978, whichever occurs first.

Sec. 2. Minnesota Statutes 1976, Section 15.162, Subdivision 3, is amended to read:

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Subd. 3. "Data on individuals" includes all records, files and processes which contain any data in which an individual is or can be identified and which ~~is kept~~ are retained or intended to be kept retained on a permanent or temporary basis. It includes ~~that data~~ collected, stored, and or disseminated by manual, mechanical, electronic or any other means. Data on individuals ~~includes data~~ are classified as public, private or confidential.

Sec. 3. Minnesota Statutes 1976, Section 15.162, Subdivision 4, is amended to read:

Subd. 4. "Individual" means a natural person. In the case of a minor ~~individual under the age of 18~~, "individual" ~~shall mean~~ includes a parent or guardian ~~acting in a representative capacity, except where such minor individual indicates otherwise or an individual acting as a parent or guardian in the absence of a parent or guardian, except that the responsible authority shall withhold data from parents or guardians, or individuals acting as parents or guardians in the absence of parents or guardians, upon request by the minor if the responsible authority determines that withholding the data would be in the best interest of the minor.~~

Sec. 4. Minnesota Statutes 1976, Section 15.162, Subdivision 5, is amended to read:

Subd. 5. "Political subdivision" ~~includes counties, municipalities~~ means any county, statutory or home rule charter city, school districts district, special district and any boards, commissions, districts or authorities board, commission, district or authority created pursuant to law, local ordinance or charter provision. It includes any nonprofit corporation which is a community action agency organized pursuant to the economic opportunity act of 1964 (P.L. 88-452) as amended, to qualify for public funds, or any nonprofit social service agency which performs services under contract to any political subdivision, statewide system or state agency, to the extent that the nonprofit social service agency or nonprofit corporation collects, stores, disseminates, and uses data on individuals because of a contractual relationship with state agencies, political subdivisions or statewide systems.

Sec. 5. Minnesota Statutes 1976, Section 15.162, Subdivision 6, is amended to read:

Subd. 6. "Responsible authority" ~~at the in a state level agency or statewide system~~ means any office established the state official designated by law or by the commissioner as the body individual responsible for the collection and, use and dissemination of any set of data on individuals or summary data. "Responsible authority" in any political subdivision means the person individual designated by the governing board body of that political subdivision as the individual responsible for the collection, use, and dissemination of any set of data on individuals or summary data, unless otherwise provided by state law. ~~With respect to statewide systems, "responsible authority" means the state official involved; or if more than one state official, the official designated by the commissioner.~~

Sec. 6. Minnesota Statutes 1976, Section 15.1642, is amended to read:

15.1642 EMERGENCY CLASSIFICATION. Subdivision 1. APPLICATION. The Changes or additions indicated by underline deletions by ~~strikeout~~

responsible authority of a state agency, political subdivision or statewide system may apply to the commissioner for permission to classify data or types of data ~~under section 15-162, subdivision 2a or 5a~~ on individuals as private or confidential, for its own use and for the use of other similar agencies, political subdivisions or statewide systems on an emergency basis until a proposed statute can be acted upon by the legislature. The application for emergency classification is public data.

Upon the filing of an application for emergency classification, the data which is the subject of the application shall be deemed to be classified as set forth in the application for a period of 30 days, or until the application is disapproved or granted by the commissioner, whichever is earlier.

Subd. 2. CONTENTS OF APPLICATION. An application for emergency classification shall include and the applicant shall have the burden of clearly establishing at least the following information:

(a) That no statute currently exists which either allows or forbids classification ~~under section 15-162, subdivision 2a or 5a~~ as private or confidential;

(b) That ~~the data similar to that for which the emergency classification is sought on individuals~~ has been treated as either private or confidential by ~~custom of long standing which has been recognized by other similar state agencies or other similar political subdivisions, if any,~~ and by the public; and

(c) That a compelling need exists for immediate emergency classification, which if not granted could adversely affect the public interest or the health, safety, well being or reputation of the data subject.

Subd. 3. The commissioner shall either grant or disapprove the application for emergency classification within 30 days after it is filed. If the commissioner disapproves the application, he shall set forth in detail his reasons for the disapproval, and shall include a statement of what classification he believes is appropriate for the data which is the subject of the application. Ten days after the date of the commissioner's disapproval of an application, the data which is the subject of the application shall become public data on individuals, unless the responsible authority submits an amended application for emergency classification which requests the classification deemed appropriate by the commissioner in his statement of disapproval or which sets forth additional information relating to the original proposed classification. Upon the filing of an amended application, the data which is the subject of the amended application shall be deemed to be classified as set forth in the amended application for a period of 15 days or until the amended application is granted or disapproved by the commissioner, whichever is earlier. The commissioner shall either grant or disapprove the amended application within 15 days after it is filed. Five working days after the date of the commissioner's disapproval of the amended application, the data which is the subject of the application shall become public data on individuals. No more than one amended application may be submitted for any single file or system which contains data on individuals.

If the commissioner grants the an application for emergency classification, it shall

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~~be submitted with become effective immediately, and the complete record relating to the application shall be submitted to the attorney general, who shall review the classification as to form and legality. The attorney general shall, Within 20 days, either the attorney general shall approve the classification, disapprove a classification as confidential but approve a classification as private, or disapprove the classification. If the attorney general disapproves a classification, the data which is the subject of the classification shall become public data five working days after the date of the attorney general's disapproval.~~

Subd. 4. All applications for emergency classification which are pending on the effective date of this section shall be deemed to have been filed on the effective date of this section.

Subd. 3 5. EXPIRATION OF EMERGENCY CLASSIFICATION. All emergency classifications granted under this section and still in effect shall expire on ~~June 30, 1977~~ July 31, 1978. No emergency classifications shall be granted after ~~June 30, 1977~~ July 31, 1978.

Sec. 7. Minnesota Statutes 1976, Section 15.165, is amended to read:

15.165 RIGHTS OF SUBJECTS OF DATA. Subdivision 1. The rights of individuals on whom the data is stored or to be stored shall be as follows: ~~set forth in this section.~~

~~(a)~~ Subd. 2. An individual asked to supply private or confidential data concerning himself shall be informed of: ~~(1) both (a) the purpose and intended use of the requested data; (2) within the collecting state agency, political subdivision or statewide system; (b) whether he may refuse or is legally required to supply the requested data; and (3); (c) any known consequence arising from his supplying or refusing to supply private or confidential data; and (d) the identity of other persons or entities authorized by state or federal law to receive the data.~~

~~(b)~~ Subd. 3. Upon request to a responsible authority, an individual shall be informed whether he is the subject of stored data on individuals, and whether it ~~be~~ is classified as public, private or confidential. Upon his further request, an individual who is the subject of stored ~~public or~~ private data on individuals shall be shown the data without any charge to him and, if he desires, shall be informed of the content and meaning of that data. After an individual has been shown the private data and informed of its meaning, the data need not be disclosed to him for six months thereafter unless a dispute or action pursuant to this section is pending or additional data on the individual has been collected. The responsible authority shall provide copies of the private data upon request by the individual subject of the data; ~~provided that~~. The cost of providing copies ~~is~~ shall be borne by the requesting individual.

The responsible authority shall comply immediately, if possible, with any request made pursuant to this subdivision, or within five days of the date of the request, excluding Saturdays, Sundays and legal holidays, if immediate compliance is not possible. If he cannot comply with the request within that time, he shall so inform the individual, and may have an additional five days within which to comply with the request, excluding

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Saturdays, Sundays and legal holidays.

(e) Subd. 4. An individual may contest the accuracy or completeness of public or private data concerning himself. To exercise this right, an individual shall notify in writing the responsible authority describing the nature of the disagreement. The responsible authority shall within 30 days either: (a) correct the data if ~~the data~~ is found to be inaccurate or incomplete and attempt to notify past recipients of inaccurate or incomplete data, including recipients named by the individual; or (b) notify the individual of disagreement that he believes the data to be correct. Data in dispute shall ~~not~~ be disclosed ~~except under conditions of demonstrated need and then~~ only if the individual's statement of disagreement is included with the disclosed data.

The determination of the responsible authority is appealable in accordance with may be appealed pursuant to the provisions of the administrative procedure act relating to contested cases.

Sec. 8. This act is effective the day following final enactment.

Approved June 2, 1977.

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CHAPTER 376—H.F.No.437

[Coded in Part]

*An act relating to taxation; altering the definition of gross income for income tax purposes for individuals, trusts and estates; placing restrictions on certain deductions and allowing certain tax free distributions; extending time for certain sales or exchanges of residential property; making certain changes in treatment of small business corporations; amending Minnesota Statutes 1976, Sections 290.01, Subdivision 20; 290.032, by adding a subdivision; 290.09, Subdivisions 2 and 29; 290.23, by adding a subdivision; 290.26, by adding a subdivision; 290.971, Subdivisions 1 and 3, and by adding subdivisions; 290.972, Subdivision 5; and 290A.03, Subdivision 3 and Chapter 290, by adding a section; repealing Minnesota Statutes 1976, Section 290.13, Subdivision 9.*

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

Section 1. Minnesota Statutes 1976, Section 290.01, Subdivision 20, is amended to read:

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

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