a charge upon the county of commitment.

Sec. 13. Minnesota Statutes 1976, Section 401.16, is amended to read:

401.16 WITHDRAWAL FROM PROGRAM. Any participating county may, at the beginning of any calendar quarter, by resolution of its board of commissioners, notify the commissioner of its intention to withdraw from the subsidy program established by sections 401.01 to 401.16, and such the withdrawal shall be effective the last day of the last month of the quarter in which such the notice was given. Upon withdrawal, the unexpended balance of moneys allocated to the county, or that amount necessary to reinstate state correctional services displaced by that county's participation, including complement positions, may, upon approval of the legislative advisory commission, be transferred to the commissioner for the reinstatement of the displaced services and the payment of any other correctional subsidies for which the withdrawing county had previously been eligible.

Sec. 14. Minnesota Statutes 1976, Sections 242.01; 242.02; 242.03; 242.12; 242.13; 242.15; 242.16; 242.17; 242.19, Subdivision 1; 242.25; 242.26; 242.27; 242.28; 242.29; 242.30; 242.33; 242.34; 242.35; 242.36; 242.38; and 242.46, Subdivisions 1 and 2, are repealed.

Approved June 2, 1977.

CHAPTER 393-H.F.No.756

[Not Coded]

An act relating to public lands; authorizing sale of certain state owned and tax forfeited lands for use in a taconite tailings disposal facility.

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

Section 1. CONVEYANCE OF STATE OWNED LANDS; RESERVE MINING; TACONITE TAILINGS; DISPOSAL FACILITIES. Subdivision 1. Before February 1, 1978, and after the issuance of all necessary permits for the construction and operation of a taconite tailings disposal facility for Reserve Mining Company, the commissioner of natural resources may sell at public auction in the manner specified in Minnesota Statutes, Sections 92.12 to 92.16, any state owned lands located within the counties of Lake and St. Louis, including school trust fund lands and lands bordering on or adjacent to meandered lakes and other public waters and watercourses, located within the site which the state of Minnesota and Reserve Mining Company agree is suitable for disposal of the latter's taconite tailings.

Subd. 2. Notwithstanding Minnesota Statutes, Sections 94.09 to 94.16, before February 1, 1978, and after the issuance of all necessary permits for the construction and operation of a taconite tailings disposal facility for Reserve Mining Company, the commissioner of natural resources may sell at public auction in the manner specified in

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Minnesota Statutes, Sections 92.12 to 92.16, any lands acquired pursuant to Laws 1941, Chapter 511, regardless if they are determined to be surplus state lands, which are located within the site which the state of Minnesota and Reserve Mining Company agree is suitable for disposal of the latter's taconite tailings if the executive council by an affirmative vote of four members authorizes the commissioner to convey such lands. The public meeting of the executive council shall be based only on the commissioner's record of the proceedings concerning permits issued by the commissioner pursuant to Minnesota Statutes, Section 105.42.

Sec. 2. Before February 1, 1978, and after the issuance of all necessary permits for the construction and operation of a taconite tailings disposal facility for Reserve Mining Company, the boards of commissioners of Lake and St. Louis counties may, with the prior approval of the commissioner of natural resources, sell at public auction pursuant to Minnesota Statutes, Section 282.01, Subdivision 3, any conservation or non-conservation tax forfeited lands within their respective jurisdiction and supervision, including lands bordering on or adjacent to meandered lakes and other public waters and watercourses, located within the site which the state of Minnesota and Reserve Mining Company agree is suitable for disposal of the latter's taconite tailings.

Sec. 3. This act is effective the day following its final enactment.

Approved June 2, 1977.

CHAPTER 394—H.F.No.772

[Coded in Part]

An act relating to state contracts; regulating bid and performance bonds for small businesses and minority small businesses; appropriating money; amending Minnesota Statutes 1976, Chapter 574, by adding a section.

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

Section 1. Minnesota Statutes 1976, Chapter 574, is amended by adding a section to read:

[574.262] SMALL BUSINESS; STATE CONTRACTS. Subdivision 1. BONDS. To carry out the programs, established elsewhere by law, for awarding certain portions of state construction and procurement contracts and subcontracts to small businesses and small businesses owned by economically and socially disadvantaged persons, the commissioners of administration and transportation may, when deemed appropriate, arrange, through competitive bidding or negotiation, to partially indemnify bonding companies which provide bid and performance bonds covering all or any part of the construction and procurement contracts or subcontracts which are designated for award to small businesses and small businesses owned by economically and socially disadvantaged persons. The amount of the indemnity on each contract shall not exceed \$100,000. Bonds which are subject to indemnity shall be provided to contractors at a cost

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