

Subd. 6. TECHNICAL ASSISTANCE. The commissioner shall provide technical assistance within available resources to workshops and programs based on the need reflected in an evaluation.

Sec. 3. REPORT TO LEGISLATURE.

The commissioner shall report to the legislature by March 1, 1985, on the progress in implementing section 2, subdivision 5. The report shall include a draft of the proposed rule and current information on the status of rule development.

Sec. 4. APPROPRIATION.

The sum of \$51,000 is appropriated from the general fund to the commissioner of economic security for purposes of this act.

Approved May 2, 1984

CHAPTER 628 — S.F.No. 2046

An act relating to statutes; revising the text of certain laws to remove redundant and obsolete language, to simplify grammar and syntax, and to improve the style of language without causing changes in the meaning of the laws affected; requiring the revisor of statutes to editorially change criminal fines in a manner consistent with 1983 regular session changes made in maximum authorized fines; amending Minnesota Statutes 1982, chapters 1, as amended; 16A, as amended; 177, as amended; and 300, as amended; and Minnesota Statutes 1982, sections 10.39; 15.375; 80A.22, subdivision 1; 152.15, subdivision 1; 609.20; Minnesota Statutes 1983 Supplement, sections 609.21; 609.52, subdivision 3; 609.582; 617.246, subdivisions 2, 3, and 4; repealing Minnesota Statutes 1982, sections 10.02; 10.03; 16A.02; 16A.04, subdivisions 2 and 3; 16A.07; 16A.08; 16A.125, subdivision 6; 16A.132; 16A.52; 16A.55; 16A.65, subdivision 3; and Minnesota Statutes 1983 Supplement, section 609.0341, subdivision 3.

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

REVISOR'S BILL

ARTICLE 1

Section 1. Minnesota Statutes 1982, chapter 1, as amended by Laws 1983, chapter 119, sections 1, 2, and 4, and chapter 305, section 1, is amended to read:

1.01 EXTENT.

The sovereignty and jurisdiction of this state shall extend to all places within the its boundaries thereof as defined in the constitution and, concurrently, to the waters forming a common boundary between this and adjoining states,

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subject only to such rights of jurisdiction as have been or shall be acquired by the United States over places therein in it.

1.02 JURISDICTION OVER WATERS.

All Courts and officers now or hereafter having and exercising jurisdiction in any a county which is now or may hereafter be formed in any part of this state bordering upon Big Stone Lake, Lake Traverse, Bois de Sioux River, or the Red River of the North, shall have and exercise jurisdiction in all civil and criminal cases upon such those waters concurrently with the courts and officers of other states bordering on such waters them, so far and to such the extent as any of these bodies of water form them forms a common boundary between this state and any other state.

1.03 WATERS INCLUDED.

The concurrent jurisdiction of any a county now or hereafter formed and of all courts and officers exercising jurisdiction throughout the county shall extend it extends over such the water area as that would be included if the boundary lines of the county were produced in the direction of their approach and extended across these the waters to the opposite shore.

1.041 CONCURRENT JURISDICTION OF STATE AND UNITED STATES.

Subdivision 1. **RIGHTS OF STATE.** Except as otherwise expressly provided, the jurisdiction of the United States over any land or other property within in this state now owned or hereafter acquired for national purposes is concurrent with and subject to the jurisdiction and right of the state to cause its civil and criminal process to be executed therein there, to punish offenses against its laws committed therein there, and to protect, regulate, control, and dispose of any property of the state therein there.

Subd. 2. **LAND EXCHANGE COMMISSION MAY CONCUR.** In any case not otherwise provided for, the consent of the state of Minnesota to the acquisition by the United States of any land or right or interest therein, in land in this state, desired for any authorized national purpose, with concurrent jurisdiction as defined in subdivision 1, may be given by concurrence of a majority of the members of the Land Exchange Commission created by the Constitution of the State of Minnesota, Article XI, Section 10, upon finding that such the acquisition and the methods thereof of the acquisition and the exercise of such the jurisdiction are consistent with the best interests of the state, provided if application for such the state's consent is made by an authorized officer of the United States, setting forth a description of the property, with a map when necessary for its proper identification thereof, and the authority for, purpose of, and method used or to be used in acquiring the same it. The commission may prescribe the use of any specified specify the method of acquisition as a condition of such its consent.

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In case of acquisition by purchase or gift, ~~such~~ the state's consent shall be obtained ~~prior to~~ before the execution of any instrument conveying the lands involved or any interest ~~therein~~ in them to the United States. In case of condemnation, ~~such~~ consent shall be obtained ~~prior to~~ before the commencement of any a condemnation proceeding ~~therefor~~.

1.042 CONSENT OF STATE.

Subdivision 1. **GIVEN FOR CERTAIN PURPOSES.** The consent of the State of Minnesota is hereby given in accordance with the Constitution of the United States, Article I, Section 8, Clause 17, to the acquisition by the United States in any manner of any land or right or interest ~~therein~~ in land in this state required for sites for customs houses, courthouses, hospitals, sanatoriums, post offices, prisons, reformatories, jails, forestry depots, supply houses, or offices, aviation fields or stations, radio stations, military or naval camps, bases, stations, arsenals, depots, terminals, cantonments, storage places, target ranges, or any other military or naval purpose of the United States.

Subd. 2. **JURISDICTION CEDED TO UNITED STATES.** So far as jurisdiction, exclusive or partial, in or over any land or place in ~~this state now owned or hereafter~~ Minnesota acquired by the United States for any purpose specified in subdivision 1 ~~heretofore has been accepted or hereafter is accepted~~ by the head or other authorized officer of any department or independent establishment or agency of the United States as provided by the laws of the United States, ~~such~~ the jurisdiction is hereby ceded to the United States, subject to the conditions and reservations of subdivision 3. When the premises abut upon the navigable waters of ~~this state~~ Minnesota, ~~such~~ the jurisdiction shall ~~extend to and include~~ the underwater lands adjacent ~~thereto~~ to them lying between the line of low-water mark and the bulkhead or pier-head line as now or hereafter established.

Subd. 3. **CONDITIONS AND RESERVATIONS.** The right of the state to cause its civil and criminal process to be executed in any ~~such~~ ceded land or place is hereby reserved to the state. The state ~~further~~ also reserves the right to impose the following taxes:

(A) an income tax on persons residing in ~~such~~ the land or place or receiving income from transactions occurring or services performed ~~in such land or place~~ there;

(B) a sales or use tax levied on or measured by sales, receipts from sales, purchases, storage, or use of tangible personal property in ~~such~~ the land or place;

(C) a tax on personal property situated ~~within such~~ in the land or place, or on the use of personal property by a private individual, association, or corporation ~~within such land or place~~ there, except ~~such~~ personal property as is owned by the United States or is by law exempt from taxation; and

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(D) a tax on the use of real property within ~~such~~ the land or place by a private individual, association, or corporation.

1.043 JURISDICTION, WHEN TO VEST.

The jurisdiction granted or ceded to the United States over any place in the state under sections 1.041 or 1.042 shall not vest until the United States has acquired the title to or right of possession of the premises affected, and shall continue only while the United States owns or occupies ~~the same~~ them for the ~~purpose or~~ purposes to which ~~such~~ the jurisdiction appertains as specified in those sections or until the United States relinquishes to the state full or partial jurisdiction ~~pursuant to~~ under section 1.0431.

1.0431 RETROCESSION.

Subdivision 1. Notwithstanding any ~~other law to the contrary~~, all or any part of the jurisdiction acquired by the United States over any land or place in the state ~~pursuant to~~ under sections 1.041 or 1.042 or any other statute may be retroceded to the state in the manner provided ~~herein~~ in this section.

Subd. 2. Retrocession of jurisdiction shall be initiated by written offer to the governor by an authorized officer of the United States agency having supervision over the land. Retrocession shall not take effect until

(a) the governor, after consulting with the governing bodies of counties or municipalities ~~within whose boundaries lie~~ where all or part of the federal lands ~~are situated~~, has accepted jurisdiction on behalf of the state ~~and~~,

(b) a certificate evidencing acceptance ~~has been~~ is filed with the secretary of state, and

(c) a duplicate is recorded in the office of the county recorder of each county ~~in which~~ where the lands or any part ~~thereof~~ of them are situated.

Subd. 3. The jurisdiction ceded to the state under subdivision 1 shall be exercised by the appropriate state authorities and by the local governmental ~~unit~~ or units ~~within whose boundaries lie~~ where all or part of the affected federal lands ~~are situated~~.

1.044 UPPER MISSISSIPPI RIVER WILD LIFE AND FISH REFUGE.

Consent of the State of Minnesota is given to the acquisition by the United States by purchase, gift, or lease of ~~such~~ the areas of land or water, or both, in this state as the United States ~~may deem~~ deems necessary for the establishment of the Upper Mississippi River Wild Life and Fish Refuge in accordance with and for the purposes of the act of congress approved June 7, 1924, entitled "An act to establish the Upper Mississippi River Wild Life and Fish Refuge," reserving to the state full and complete jurisdiction and authority over ~~all such~~ the areas ~~not~~

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~~incompatible~~ compatible with ~~the~~ their maintenance and control ~~thereof~~ by the United States for the purposes and under the terms of that act of congress.

1.045 STATE, CONSENT TO ACQUISITION OF LANDS.

Consent of the State of Minnesota is given to the acquisition by the United States in any manner authorized by act of congress of lands lying within the original boundaries of the Chippewa National Forest and the Superior National Forest for any purpose incident to the development or maintenance of those forests, subject to concurrent jurisdiction of the state and the United States as defined in section 1.041.

1.046 EVIDENCE OF CONSENT.

The consent of the state given by or ~~pursuant to the provisions of~~ under sections 1.041 to 1.048 to the acquisition by the United States of any land or right or interest ~~therein in land~~ in this state or to the exercise of jurisdiction over any place in this state shall be evidenced by the certificate of the governor, ~~which shall be issued in duplicate, under the great seal of the state, upon application by an authorized officer of the United States and upon proof that title to the property has vested in the United States.~~ The certificate shall set forth

(a) a description of the property,

(b) the authority for, purpose of, and method used in acquiring ~~the same~~ it, and

(c) the conditions of the jurisdiction of the state and the United States ~~in and over the same~~ it,

and shall declare the consent of the state ~~thereto in accordance with the provisions of~~ under sections 1.041 to 1.048, as the case may require. When necessary for proper identification of the property a map may be attached to the certificate, and the applicant may be required to furnish ~~the same~~ it. One duplicate of the certificate shall be filed with the secretary of state. The other shall be delivered to the applicant, who shall ~~cause the same to be recorded~~ record it in the office of the county recorder of each county in which the land or any part ~~thereof~~ of it is situated.

1.047 CONDEMNATION PROCEEDINGS MAY BE BROUGHT IN STATE COURTS BY UNITED STATES.

~~In any case where~~ When consent to the acquisition by the United States of any land or any right or interest ~~therein in land~~ by condemnation is given by or ~~under the provisions of~~ sections 1.041 to 1.048, the United States may effect ~~such~~ condemnation in the courts of this state in accordance with the laws of this state relating to eminent domain, or may effect ~~such~~ condemnation in the courts of the United States, as ~~may be authorized by act of congress.~~ In any case where When consent by the Land Exchange Commission is required ~~under~~ by section 1.041 the commission may specify which method of condemnation shall be used as a condition of ~~such~~ its consent.

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1.048 EFFECT OF REPEAL OF CERTAIN LAWS.

Mason's Minnesota Statutes of 1927, Sections 4 and 5, as amended by Laws 1941, Chapter 66, and Mason's Minnesota Statutes of 1927, Sections 6, 6-2, 6-3, 6-4, 6-5, and 6-6, and Mason's Supplement 1940, Section 6-1, are hereby repealed, but ~~such~~ their repeal shall not affect any case in which the consent of the state to the acquisition of property or the exercise of jurisdiction by the United States was given by ~~or under~~ any of said provisions them and the acquisition of the property was completed before the taking effect of Laws 1943, Chapter 343, nor any case in which the consent of the state was given under by Laws 1941, Chapter 66, before the taking effect of Laws 1943, Chapter 343.

1.049 ACQUISITION OF LANDS IN TAMARAC NATIONAL WILDLIFE REFUGE BY UNITED STATES.

Consent of the State of Minnesota is given to the acquisition by the United States in any manner authorized by act of Congress of lands lying within the original boundaries of the Tamarac National Wildlife Refuge as established by Executive Order No. 7902 dated May 31, 1938, of the President of the United States for any purpose incident to the development or maintenance of that refuge, all other acts ~~or parts of acts~~ to the contrary notwithstanding.

1.12 FEDERAL FLOWAGE EASEMENTS OVER HIGHWAYS.

When ~~so~~ requested by the commissioner of transportation the governor, in behalf of the state, may, ~~from time to time~~, grant, bargain, sell, and convey to the United States of America any easement for flowage in and upon any easement or fee owned by the State of Minnesota for trunk highway right of way purposes when ~~the same shall be~~ it is required by the United States in to aid of any a public improvement.

1.13 MONEYS RECEIVED CREDITED TO HIGHWAY FUND.

Any payment so received for the granting of an easement shall be deposited in and become a part of the trunk highway fund.

1.141 OFFICIAL STATE FLAG.

Subdivision 1. The design of the state flag as proposed by the legislative interim commission acting under Laws 1955, Chapter 632, is adopted as the official state flag.

Subd. 2. The secretary of state shall ~~secure and~~ file a photograph of the state flag ~~as adopted by this section~~. He shall also ~~secure and~~ retain custodial control over the sample design flag of the commission for use by the public for ~~copy purposes~~ copies.

Subd. 3. The design of the flag shall conform substantially to the following description: The staff is surmounted by a bronze eagle with outspread wings; the flag is rectangular in shape and is on a medium blue background with a narrow gold border and a golden fringe. A circular emblem is contained in the

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center of the blue field. The circular emblem is on a general white background with a yellow border. The word MINNESOTA is inscribed in red lettering on the lower part of the white field. The white emblem background surrounding a center design contains 19 five pointed stars arranged symmetrically in four groups of four stars each and one group of three stars. The latter group is in the upper part of the center circular white emblem. The group of stars at the top in the white emblem consists of three stars of which the uppermost star is the largest and represents the north star. A center design is contained on the white emblem and is made up of the scenes from the great seal of the state of Minnesota, surrounded by a border of intertwining *Cypripedium reginae*, the state flower, on a blue field of the same color as the general flag background. The flower border design contains the figures 1819, 1858, 1893.

The coloring is the same on both sides of the flag, but the lettering and the figures appear reversed on one side.

Subd. 4. ~~From and after the passage of this section~~ The state flag as ~~above~~ described shall be above is the official flag of the state of Minnesota.

Subd. 5. The official state flag shall be flown on the state capitol grounds at all times between ~~the hours~~ of sunrise and sunset.

1.142 STATE FLOWER.

Subdivision 1. The pink and white lady slipper, *Cypripedium reginae*, is ~~adopted~~ as the official flower of the state of Minnesota.

Subd. 2. A photograph of the pink and white lady slipper, ~~to be~~ obtained and approved by the commissioner of natural resources, shall be preserved in the office of the secretary of state.

1.143 STATE TREE, DESIGNATION.

The Red pine (*Pinus resinosa*), more commonly known as Norway pine, is ~~hereby~~ designated as the official state tree of the state of Minnesota.

1.145 STATE BIRD.

Subdivision 1. The loon, *Gavia immer*, is ~~adopted~~ as the official bird of the state of Minnesota.

Subd. 2. A photograph of the loon shall be preserved in the office of the secretary of state.

1.146 STATE FISH.

Subdivision 1. The walleye, *Stizostedion v. vitreum*, is ~~adopted~~ as the official fish of the state of Minnesota.

Subd. 2. A photograph of the walleye shall be preserved in the office of the secretary of state.

1.147 STATE GEMSTONE.

Subdivision 1. The Lake Superior agate is ~~adopted~~ as the official gemstone of the state of Minnesota.

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Subd. 2. A photograph and a typical specimen of the Lake Superior agate shall be preserved in the office of the secretary of state.

1.148 STATE GRAIN.

Subdivision 1. *Zizania aquatica*, commonly known as wild rice or manomin, is adopted as the official state grain of the state of Minnesota.

Subd. 2. A photograph of *zizania aquatica*, commonly known as wild rice or manomin, may be displayed in the office of the secretary of state.

1.15 BOUNDARY COMPACT; MICHIGAN, WISCONSIN, MINNESOTA.

The following compact is hereby ratified and approved:

A COMPACT

Entered into by and between the State of Michigan, the State of Minnesota and the State of Wisconsin, states signatory hereto.

The contracting states solemnly agree:

1. That the boundary between the State of Michigan and the State of Wisconsin in the center of Lake Michigan be and it hereby is finally fixed and established as the line marked A-B-C-D-E-F-G on the map, Exhibit A, annexed hereto, which line is more particularly described as follows:

Starting at Point A, a point equi-distant from either shore on the line which is the eastward continuation of the boundary line between Wisconsin and Illinois or latitude 42 degrees 29 minutes 37 seconds North;

Thence to Point B, a point equi-distant from either shore on the line drawn through the Port Washington Fog Signal and Storm Signal and the White Lake Storm Signal, on a true azimuth of 354 degrees 12 minutes 00 seconds a distance of 61.55 statute miles;

Thence to Point C, a point equi-distant from either shore on a line drawn through the Sheboygan Coast Guard Storm Signal, Fog Signal, Radio Beacon and Little Sable Point Light, on a true azimuth of 03 degrees 01 minute 15 seconds, a distance of 22.18 statute miles;

Thence to Point D, a point equi-distant from either shore on a line drawn through the Twin River Point Light and Fog Signal and Big Sable Fog and Light Signal, on a true azimuth of 10 degrees 04 minutes 30 seconds, a distance of 30.33 statute miles;

Thence to Point E, a point equi-distant from either shore on a line from Bailey's Harbor Inland Light and Point Betsie Fog Signal, Radio Beacon, and Distance Finding Station, on a true azimuth of 17 degrees 09 minutes 55 seconds, a distance of 54.20 statute miles;

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Thence to Point F, a point equi-distant from either shore on a line drawn through the Pilot Island Light and Fog Signal and Sleeping Bear Point Light, on a true azimuth of 33 degrees 29 minutes 10 seconds, a distance of 17.24 statute miles;

Thence to Point G, the point determined by the United States Supreme Court decree of March 12, 1936 which is a point 45,600 meters from the center of Rock Island Passage on a bearing of South 60 degrees East, on the true azimuth of 40 degrees 34 minutes 10 seconds, a distance of 15.66 statute miles. The latitude and longitude of the named control points is as follows:

Point A	- Latitude	42 degrees 29' 37"
	Longitude	87 degrees 01' 15"
Point B	- Latitude	43 degrees 22' 50"
	Longitude	87 degrees 08' 50"
Point C	- Latitude	43 degrees 42' 00"
	Longitude	87 degrees 07' 20"
Point D	- Latitude	44 degrees 07' 55"
	Longitude	87 degrees 00' 45"
Point E	- Latitude	44 degrees 52' 50"
	Longitude	86 degrees 41' 10"
Point F	- Latitude	45 degrees 05' 20"
	Longitude	86 degrees 29' 30"
Point G	- Latitude	45 degrees 14' 10"
	Longitude	86 degrees 14' 55"

2. That the western boundary of the State of Michigan in the waters of Lake Superior and the eastern boundary in the waters of Lake Superior of the states of Minnesota and Wisconsin be and it hereby is finally fixed and established as the line marked M-N on the map, Exhibit B, annexed hereto, which line is more particularly described as follows:

Starting at Point M, the point where the line through the middle of the main channel of the Montreal River enters Lake Superior,

Thence in a direct line to Point N, the point where a line drawn through the most easterly point of Pigeon Point and the most southerly point of Pine Point intersects the international boundary, on a true azimuth of 23 degrees 27 minutes 24 seconds and a distance of 108.86 statute miles.

The latitude and longitude of the named control points is:

Point M	- Latitude	46 degrees 34' 05"
	Longitude	90 degrees 25' 05"
Point N	- Latitude	48 degrees 00' 50"
	Longitude	89 degrees 29' 00"

3. That the boundary between the State of Minnesota and the State of Wisconsin in the center of Lake Superior be and it hereby is finally fixed and established as the line marked A-B-C-D on the map, Exhibit B, annexed hereto, which line is more particularly described as follows:

Starting at Point A which is the midpoint on the line M-N described in paragraph 2, supra;

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Thence to Point B, the midpoint in a direct line between the mouth of Cross River, Minnesota and the Lighthouse on Outer Island in Wisconsin, on a true azimuth of 272 degrees 17 minutes 10 seconds, a distance of 33.15 statute miles;

Thence to Point C, the midpoint in a direct line between the Lighthouse on shore at Two Harbors, Minnesota and the light on the lakeward end of the government east pier at Port Wing, Wisconsin on a true azimuth of 235 degrees 27 minutes 40 seconds, a distance of 49.60 statute miles;

Thence to Point D, the midpoint in a direct line at right angles to the central axis of the Superior entry between the tops of the eastern ends of the pierheads at the lakeward ends of the United States government breakwaters at the Superior entry of Duluth Superior Harbor, on a true azimuth of 239 degrees 50 minutes 20 seconds, a distance of 26.43 statute miles;

The latitude and longitude of the named control points is as follows:

Point A - Latitude	47 degrees 17' 30"
Longitude	89 degrees 57' 00"
Point B - Latitude	47 degrees 18' 35"
Longitude	90 degrees 39' 15"
Point C - Latitude	46 degrees 54' 10"
Longitude	91 degrees 31' 25"
Point D - Latitude	46 degrees 42' 39.875"
Longitude	92 degrees 00' 24.571"

4. All azimuths are measured clockwise from true north.

5. That this compact shall become operative immediately upon its ratification by any state as between it and the other state or states so ratifying. Ratification shall be made by act of the legislature of the ratifying state.

6. That immediately upon ratification of this compact by all three states, each state will appoint two members to a Joint Survey Commission to survey and mark the boundaries defined in this compact by establishing and perpetuating monuments at the reference points on shore by means of which the control points of said boundaries are located. The expense of marking the Lake Michigan Boundary shall be borne jointly by the states of Michigan and Wisconsin; the expense of marking the boundary line described in paragraph 2 above shall be borne equally by the states of Minnesota, Michigan and Wisconsin. The expense of marking the Lake Superior and Superior Bay boundary between Minnesota and Wisconsin shall be borne jointly by the states of Minnesota and Wisconsin.

1.16 MAPS ON FILE.

The maps referred to in the ~~above~~ compact in section 1.15 as Exhibits A, B, and C are the original maps on file with the report of the Michigan-Minneso-

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ta-Wisconsin boundary conference in the office of the Secretary of State of Wisconsin, of which duplicate original maps are on file in the office of the Secretary of State of Minnesota.

1.17 RATIFICATION.

The Governor of Minnesota is authorized and directed to shall witness the ratification of this compact by the State of Minnesota by executing the final draft thereof in his own name as Governor ~~for and on behalf~~ of the State of Minnesota and affixing the seal of the State of Minnesota.

1.21 GREAT LAKES BASIN COMPACT.

The Great Lakes Basin Compact is hereby ratified, enacted into law, and entered into by this state as a party ~~thereto~~ with any other state or province which, pursuant to Article II of ~~said~~ the compact, has legally joined ~~therein~~ in it in the form substantially as follows:

The party states solemnly agree:

ARTICLE I

The purposes of this compact are, through means of joint or cooperative action:

1. To promote the orderly, integrated, and comprehensive development, use, and conservation of the water resources of the Great Lakes Basin (hereinafter called the Basin),

2. To plan for the welfare and development of the water resources of the Basin as a whole as well as for those portions of the Basin which may have problems of special concern.

3. To make it possible for the states of the Basin and their people to derive the maximum benefit from utilization of public works, in the form of navigational aids or otherwise, which may exist or which may be constructed from time to time.

4. To advise in securing and maintaining a proper balance among industrial, commercial, agricultural, water supply, residential, recreational, and other legitimate uses of the water resources of the Basin.

5. To establish and maintain an intergovernmental agency to the end that the purposes of this compact may be accomplished more effectively.

ARTICLE II

A. This compact shall enter into force and become effective and binding when it has been enacted by the legislatures of any four of the States of Illinois,

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Indiana, Michigan, Minnesota, New York, Ohio, Pennsylvania, and Wisconsin and thereafter shall enter into force and become effective and binding as to any other of said states when enacted by the legislature thereof.

B. The Province of Ontario and the Province of Quebec, or either of them, may become states party to this compact by taking such action as their laws and the laws of the Government of Canada may prescribe for adherence thereto. For the purpose of this compact the word "state" shall be construed to include a province of Canada.

ARTICLE III

The Great Lakes Commission created by Article IV of this compact shall exercise its powers and perform its functions in respect to the Basin which, for the purposes of this compact, shall consist of so much of the following as may be within the party states:

1. Lakes Erie, Huron, Michigan, Ontario, St. Clair, Superior, and the St. Lawrence River, together with any and all natural or man-made water interconnections between or among them.

2. All rivers, ponds, lakes, streams, and other watercourses which, in their natural state or in their prevailing condition, are tributary to Lakes Erie, Huron, Michigan, Ontario, St. Clair, and Superior or any of them or which comprise part of any watershed draining into any of said lakes.

ARTICLE IV

A. There is hereby created an agency of the party states to be known as The Great Lakes Commission (hereinafter called the Commission). In that name the commission may sue and be sued, acquire, hold and convey real and personal property and any interest therein. The commission shall have a seal with the words "The Great Lakes Commission" and such other design as it may prescribe engraved thereon by which it shall authenticate its proceedings. Transactions involving real or personal property shall conform to the laws of the state in which the property is located, and the commissioner may by bylaws provide for the execution and acknowledgment of all instruments in its behalf.

B. The commission shall be composed of not less than three commissioners nor more than five commissioners from each party state designated or appointed in accordance with the law of the state which they represent and serving and subject to removal in accordance with such law.

C. Each state delegation shall be entitled to three votes in the commission. The presence of commissioners from a majority of the party states shall constitute a quorum for the transaction of business at any meeting of the commission. Actions of the commission shall be by a majority of the votes cast

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except that any recommendations made pursuant to Article VI of this compact shall require an affirmative vote of not less than a majority of the votes cast from each of a majority of the states present and voting.

D. The commissioners of any two or more party states may meet separately to consider problems of particular interest to their states but no action taken at any such meeting shall be deemed an action of the commission unless and until the commission shall specifically approve the same.

E. In the absence of any commissioner, his vote may be cast by another representative or commissioner of his state provided that said commissioner or other representative casting said vote shall have a written proxy in proper form as may be required by the commission.

F. The commission shall elect annually from among its members a chairman and vice-chairman. The commission shall appoint an executive director who shall also act as secretary-treasurer, and who shall be bonded in such amount as the commission may require. The executive director shall serve at the pleasure of the commission and at such compensation and under such terms and conditions as may be fixed by it. The executive director shall be custodian of the records of the commission with authority to affix the commission's official seal and to attest to and certify such records or copies thereof.

G. The executive director, subject to the approval of the commission in such cases as its bylaws may provide, shall appoint and remove or discharge such personnel as may be necessary for the performance of the commission's functions. Subject to the aforesaid approval, the executive director may fix their compensation, define their duties, and require bonds of such of them as the commission may designate.

H. The executive director, on behalf of, as trustee for, and with the approval of the commission, may borrow, accept, or contract for the services of personnel from any state or government or any subdivision or agency thereof, from any intergovernmental agency, or from any institution, person, firm or corporation; and may accept for any of the commission's purposes and functions under this compact any and all donations, gifts, and grants of money, equipment, supplies, materials, and services from any state or government or any subdivision or agency thereof or intergovernmental agency or from any institution, person, firm or corporation and may receive and utilize the same.

I. The commission may establish and maintain one or more offices for the transacting of its business and for such purposes the executive director, on behalf of, as trustee for, and with the approval of the commission, may acquire, hold and dispose of real and personal property necessary to the performance of its functions.

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J. No tax levied or imposed by any party state or any political subdivision thereof shall be deemed to apply to property, transactions, or income of the commission.

K. The commission may adopt, amend and rescind bylaws, rules and regulations for the conduct of its business.

L. The organization meeting of the commission shall be held within six months from the effective date of this compact.

M. The commission and its executive director shall make available to the party states any information within its possession and shall always provide free access to its records by duly authorized representatives of such party states.

N. The commission shall keep a written record of its meetings and proceedings and shall annually make a report thereof to be submitted to the duly designated official of each party state.

O. The commission shall make and transmit annually to the legislature and Governor of each party state a report covering the activities of the commission for the preceding year and embodying such recommendations as may have been adopted by the commission. The commission may issue such additional reports as it may deem desirable.

ARTICLE V

A. The members of the commission shall serve without compensation, but the expenses of each commissioner shall be met by the state which he represents in accordance with the law of that state. All other expenses incurred by the commission in the course of exercising the powers conferred upon it by this compact, unless met in some other manner specifically provided by this compact, shall be paid by the commission out of its own funds.

B. The commission shall submit to the executive head or designated officer of each party state a budget of its estimated expenditures for such period as may be required by the laws of that state for presentation to the legislature thereof.

C. Each of the commission's budgets of estimated expenditures shall contain specific recommendations of the amount or amounts to be appropriated by each of the party states. Detailed commission budgets shall be recommended by a majority of the votes cast, and the costs shall be allocated equitably among the party states in accordance with their respective interests.

D. The commission shall not pledge the credit of any party state. The commission may meet any of its obligations in whole or in part with funds available to it under Article IV (H) of this compact, provided that the commission takes specific action setting aside such funds prior to the incurring of any

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obligations to be met in whole or in part in this manner. Except where the commission makes use of funds available to it under Article IV (H) hereof, the commission shall not incur any obligations prior to the allotment of funds by the party states adequate to meet the same.

E. The commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established under the bylaws. However, all receipts and disbursements of funds handled by the commission shall be audited yearly by a qualified public accountant and the report of the audit shall be included in and become a part of the annual report of the commission.

F. The accounts of the commission shall be open at any reasonable time for inspection by such agency, representative or representatives of the party states as may be duly constituted for that purpose and by others who may be authorized by the commission.

ARTICLE VI

The commission shall have power to:

A. Collect, correlate, interpret, and report on data relating to the water resources and the use thereof in the Basin or any portion thereof.

B. Recommend methods for the orderly, efficient, and balanced development, use, and conservation of the water resources of the Basin or any portion thereof to the party states and to any other governments or agencies having interests in or jurisdiction over the Basin or any portion thereof.

C. Consider the need for and desirability of public works and improvements relating to the water resources in the Basin or any portion thereof.

D. Consider means of improving navigation and port facilities in the Basin or any portion thereof.

E. Consider means of improving and maintaining the fisheries of the Basin or any portion thereof.

F. Recommend policies relating to water resources including the institution and alteration of flood plain and other zoning laws, ordinances and regulations.

G. Recommend uniform or other laws, ordinances, or regulations relating to the development, use and conservation of the Basin's water resources to the party states or any of them and to other governments, political subdivisions, agencies or intergovernmental bodies having interests in or jurisdiction sufficient to affect conditions in the Basin or any portion thereof.

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H. Consider and recommend amendments or agreements supplementary to this compact to the party states or any of them, and assist in the formulation and drafting of such amendments or supplementary agreements.

I. Prepare and publish reports, bulletins, and publications appropriate to this work and fix reasonable sale prices therefor.

J. With respect to the water resources of the Basin or any portion thereof, recommend agreements between the governments of the United States and Canada.

K. Recommend mutual arrangements expressed by concurrent or reciprocal legislation on the part of Congress and the Parliament of Canada including but not limited to such agreements and mutual arrangements as are provided for by Article XIII of the Treaty of 1909 Relating to Boundary Waters and Questions Arising Between the United States and Canada. (Treaty Series, No. 548.)

L. Cooperate with the governments of the United States and of Canada, the party states and any public or private agencies or bodies having interests in or jurisdiction sufficient to affect the Basin or any portion thereof.

M. At the request of the United States, or in the event that a province shall be a party state, at the request of the Government of Canada, assist in the negotiation and formulation of any treaty or other mutual arrangement or agreement between the United States and Canada with reference to the Basin or any portion thereof.

N. Make any recommendation and do all things necessary and proper to carry out the powers conferred upon the commission by this compact, provided that no action of the commission shall have the force of law in, or be binding upon, any party state.

ARTICLE VII

Each party state agrees to consider the action the commission recommends in respect to:

- A. Stabilization of lake levels.
- B. Measures for combating pollution, beach erosion, floods, and shore inundation.
- C. Uniformity in navigation regulations within the constitutional powers of the states.
- D. Proposed navigation aids and improvements.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

E. Uniformity or effective coordinating action in fishing laws and regulations and cooperative action to eradicate destructive and parasitical forces endangering the fisheries, wild life and other water resources.

F. Suitable hydroelectric power developments.

G. Cooperative programs for control of soil and bank erosion for the general improvement of the Basin.

H. Diversion of waters from and into the Basin.

I. Other measures the commission may recommend to the states pursuant to Article VI of this compact.

ARTICLE VIII

This compact shall continue in force and remain binding upon each party state until renounced by act of the legislature of such state, in such form and manner as it may choose and as may be valid and effective to repeal a statute of said state, provided that such renunciation shall not become effective until six months after notice of such action shall have been officially communicated in writing to the executive head of the other party states.

ARTICLE IX

It is intended that the provisions of this compact shall be reasonably and liberally construed to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence or provision of this compact is declared to be contrary to the constitution of any party state or of the United States, or in the case of a province, to the British North America Act of 1867 as amended, or the applicability thereof to any state, agency, person or circumstance is held invalid, the constitutionality of the remainder of this compact and the applicability thereof to any state, agency, person or circumstance shall not be affected thereby, provided further that if this compact shall be held contrary to the constitution of the United States, or in the case of a province, to the British North America Act of 1867 as amended, or of any party state, the compact shall remain in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters.

1.22 COMMISSIONERS.

In pursuance of Article IV of the compact, there shall be five commissioners on the Great Lakes commission from this state. ~~Four of whom~~ Two shall be ~~members of the legislature, two being~~ members of the house of representatives and ~~two being~~ shall be members of the state senate; ~~and~~. One member shall be appointed by and serve at the pleasure of the governor. The ~~said~~ house members shall be appointed by the speaker of the house and the members of the senate

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shall be appointed by the committee on committees. The commissioners ~~so appointed~~ shall exercise all voting rights conferred by the compact on the commissioners from the party state as provided in Article IV, (B and C) of the compact.

1.23 STATE OFFICERS, DUTIES.

All officers of this state are ~~hereby authorized and directed to shall~~ do all things falling within their respective jurisdictions necessary to or incidental to the carrying out of ~~said the~~ compact in every particular; ~~it being hereby declared to be.~~ It is the policy of this state to perform and carry out the said compact and to accomplish the its purposes ~~thereof~~. All officers, bureaus, departments and persons of ~~and in~~ the state government or administration of this state are ~~hereby authorized and directed shall,~~ at reasonable times and upon request of said the commission ~~to,~~ furnish the said commission it with information and data possessed by them ~~or any of them~~ and ~~to aid said commission it~~ by loan of personnel or other means ~~lying~~ within their legal powers ~~respectively~~.

1.25 SECRETARY OF STATE, DUTIES.

The secretary of state is ~~hereby authorized and directed to shall~~ transmit a duly authenticated copy of sections 1.21 to 1.25 and the compact contained ~~therein in them~~ to each jurisdiction ~~now which is or becomes~~ a party to the compact and ~~to each jurisdiction which subsequently shall become party to the compact.~~

1.26 ENEMY ATTACK, TEMPORARY RELOCATION OF SEATS OF GOVERNMENT.

Subdivision 1. **POLITICAL SUBDIVISION DEFINED.** As used in this section, "political subdivision" includes counties, ~~cities,~~ home rule charter and statutory cities, towns, townships, school districts, authorities, and other public corporations and entities whether organized and existing under charter or general law.

Subd. 2. **STATE GOVERNMENT.** ~~Whenever~~ When, due to an emergency resulting from the effects of enemy attack, or the anticipated effects of a threatened enemy attack, it becomes imprudent, inexpedient or impossible to conduct the affairs of state government ~~at the normal location of the seat thereof~~ in the city of St. Paul, Ramsey county, Minnesota, the governor shall, as often as the exigencies of the situation require, by proclamation, declare an emergency temporary location, or locations, for the seat of government at ~~such a~~ place, or places, ~~within in or without this out of the~~ state as he ~~may deem~~ deems advisable under the circumstances, and shall take ~~such~~ action and issue ~~such~~ orders as ~~may~~ be necessary for an orderly transition of the affairs of state government to ~~such the~~ emergency temporary location, or locations. ~~Such~~ The emergency temporary location, or locations, shall remain as the seat of government until the legislature shall by law ~~establish~~ establishes a new location, or locations, or until the

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emergency is declared to be ended by the governor and the seat of government is returned to its normal location:

Subd. 3. **VALIDITY OF OFFICIAL ACTS OF STATE GOVERNMENT.** ~~During such time as~~ While the seat of government remains at ~~such an~~ emergency temporary location, or locations, all official acts ~~now or hereafter~~ required by law to be performed at the seat of government by any officer, agency, department or authority of this state, including the convening and meeting of the legislature in regular, extraordinary, or emergency session, shall be as valid and binding when performed at ~~such the~~ emergency temporary location, or locations, as if performed at the normal location of the seat of government.

Subd. 4. **LOCAL GOVERNMENTS.** ~~Whenever~~ When, due to an emergency resulting from the effects of enemy attack, or the anticipated effects of a threatened enemy attack, it becomes imprudent, inexpedient or impossible to conduct the affairs of local government at ~~the their~~ regular or usual place or places ~~thereof~~, the governing body of each political subdivision of this state may meet at any place ~~within in or without out of~~ the territorial limits of ~~such the~~ political subdivision on the call of the presiding officer or any two members of ~~such the~~ governing body, and shall ~~proceed to establish and~~ designate by ordinance, resolution or other manner, alternate or substitute sites ~~or places~~ as the emergency temporary location, or locations, of government where all, or any part, of the public business may be ~~transacted and~~ conducted during the emergency situation. ~~Such sites or~~ The places may be ~~within in or without out of~~ the territorial limits of ~~such the~~ political subdivision and ~~may be within or without this the~~ state.

Subd. 5. **VALIDITY OF ACTS OF LOCAL GOVERNMENTS.** ~~During the period when~~ While the public business is being conducted at the emergency temporary location, or locations, the governing body and other officers of a political subdivision of this state shall ~~have and possess and shall~~ exercise, at ~~such the~~ location, or locations, all of the executive, legislative, and judicial powers and functions conferred upon ~~such body it and its~~ officers by ~~or under its charter, and~~ the laws and constitution of this state. ~~All Acts of such the governing body and officers shall be as valid and binding as if performed within the territorial limits of their political subdivision.~~

Subd. 6. **CONFLICTING LAWS.** ~~The provisions of~~ This section shall control and be supreme in the event ~~if it shall be is~~ employed notwithstanding any statutory ~~other statute, charter or ordinance provision to the contrary or in conflict herewith.~~

1.27 LOCAL INTERIM EMERGENCY SUCCESSION ACT.

Subdivision 1. **SHORT TITLE.** This section shall be known as is the local interim emergency succession act.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 2. **DECLARATION OF POLICY.** Because of the existing possibility of a nuclear attack or a natural disaster requiring the declaration of a state of emergency, it is found urgent and necessary to insure the continuity of duly elected and lawful leadership of the political subdivisions of the state of ~~Minnesota~~.

Subd. 3. **SUCCESSION TO LOCAL OFFICES.** The governing body of any county or municipality in the state of ~~Minnesota~~ may enact such ordinances or resolutions as ~~may~~ be necessary to provide for the continuity of ~~their~~ its government and the emergency interim succession of ~~their~~ its key government officials. ~~Such~~ The ordinances and resolutions shall provide a method for temporary emergency appointments to local public offices.

Subd. 4. **DUTIES AND TERM OF SUCCESSOR.** An "interim emergency successor," when so designated by the governing body of ~~that~~ a political subdivision as ~~provided for in~~ under subdivision 3 shall exercise the ~~powers and duties~~ of that office until the duly elected or appointed officer ~~shall resume~~ resumes the office or a successor is designated as required by law.

1.31 MINNESOTA-WISCONSIN BOUNDARY COMPACT; POLICY.

A compact for the purpose of present and future protection, use and development in the public interest, of the boundary lands, river valleys, and waters comprising the boundaries of this state is ~~hereby~~ ratified, enacted into law and entered into with the state of Wisconsin and ~~with~~ all other jurisdictions legally joining ~~therein~~ in it in the form substantially as follows:

COMPACT

Sec. 1. **COMPACT; PURPOSE AND INTENT.** In order to conduct studies and to develop recommendations relating to the present and future protection, use and development in the public interest, of the lands, river valleys and waters which form the boundary between this state and any other state party to this compact; and

In order to assist in coordinating the studies, conservation efforts and planning undertaken by the several departments, agencies or municipalities of the states parties to this compact with respect to such lands, river valleys and waters; and

In order to assist in the participation by states parties to this compact in federal programs which relate to the present and future protection, use and development in the public interest, of such boundary lands, river valleys or waters;

This state hereby solemnly agrees:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

To cooperate with any neighboring state party to this compact for the purposes of, and subject to the limitations provided by, this compact;

To establish a boundary area commission;

To consider, and to promote the consideration by its municipalities of, the recommendations of the boundary area commission with respect to:

- (1) Joint regional planning for the development of boundary areas;
- (2) Measures for controlling air and water pollution, maintaining water quality, and controlling water use;
- (3) Programs for control of soil and river bank erosion and the general improvement of the river basins;
- (4) Diversion of waters from and into the rivers;
- (5) Restrictions and regulation of land use development designed to preserve the scenic and recreational attributes of the river basins;
- (6) Other restrictions, regulations or programs the commission may recommend to the party states.

Sec. 2. COMMISSION CREATED. Subdivision 1. **MEMBERS.** There is hereby created an interstate commission to be known as the boundary area commission of the states parties to this compact. Each party state shall appoint five commissioners. The manner of appointing such commissioners, terms of office and provisions for removal and suspension of commissioners or appointments to fill vacancies shall be determined by each party state pursuant to the laws thereof but each commissioner shall be a resident of the state from which he is appointed.

Subd. 2. **COMPENSATION.** The members of the commission shall serve without compensation, but the actual and necessary expenses incurred by any commissioner in the performance of his duties shall be met by the state which he represents, according to the laws thereof.

Subd. 3. **OFFICERS.** The commission shall annually elect from among its members a chairman who cannot succeed himself, a vice chairman who shall not be a citizen of the state represented by the chairman, and a secretary treasurer.

Subd. 4. **MEETINGS.** The commission shall meet at the call of the chairman, or at the call of three of its members, upon five days' notice, but at least twice in each calendar year, and such mandatory meetings shall not be held in the same calendar quarter year.

Subd. 5. **ADVISORY COMMITTEES.** In order to assist the commission in the execution of its functions, each party state shall create a legislative advisory committee comprising not more than ten members, and shall create a

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technical advisory committee consisting of not to exceed ten state administrative officers or employees having expertise in the subject matter areas of this compact. Members of the advisory committees shall be reimbursed as provided in subdivision 2.

Sec. 3. POWERS AND DUTIES. Subdivision 1. **GENERAL POWERS AND DUTIES.** The boundary area commission shall make recommendations, review and correlate studies of the federal government and other agencies, develop plans and evolve findings and do all things necessary and proper to carry out the powers conferred upon the commission by this compact; provided that no recommendation, plan or finding of the commission shall have the force of law or be binding upon or limit the powers of any party state or its departments, agencies, or municipalities. The commission:

Subd. 2. **COOPERATION.** Shall cooperate with the federal government of the United States and with any public or private agencies having an interest in, or jurisdiction sufficient to affect, the present and future protection, use and development in the public interest, of the lands, river valleys or waters comprising the boundary of this state with any other party state;

Subd. 3. **RECOMMENDATIONS.** (a) May make recommendations with regard to land and water use in such boundary areas to the proper department, agency or municipality of any party state, including proposed laws, administrative rules, ordinances or other regulations.

(b) For the purpose of obtaining information relative to land and water use in such areas, the commission may hold public hearings.

Subd. 4. **STUDIES.** (a) May study any land and water conservation, development and use factors which affect the boundary areas of the party states for the purpose of determining the most beneficial and practicable plan for:

1. Regional development;
2. Navigation, including public access to waters;
3. Dams and improvements for flood control and industry;
4. Agriculture;
5. Fish and wildlife;
6. Recreation, including protection of natural, scenic and other cultural resources;
7. The development of housing, commerce and industry;
8. Control of air and water pollution; and
9. Any other beneficial public purposes.

(b) May appoint subcommittees for the purpose of conducting specific studies under clause (a).

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Sec. 4. **STAFF.** Subdivision 1. **EMPLOYEES.** The commission shall, insofar as reasonably possible, maintain an even balance between the party states with respect to the number of employees and the responsibilities thereof, but this compact shall not create a self-executing obligation for the financing of a commission staff by the party states.

Subd. 2. **EXECUTIVE DIRECTOR.** The commission may appoint an executive director and such other staff as may be necessary, on a full or part time basis, and may engage consultants as needed. Subject to the control of the commission, the executive director shall be in complete charge of the administrative functions of the commission, and shall have such additional powers and duties as the commission may delegate to and require of him.

Subd. 3. **STATE DEPARTMENTS AND AGENCIES TO COOPERATE.** All officers, employees, departments and agencies of the states parties to this compact are by this compact encouraged to do all things within their respective jurisdictions, to assist the commission in carrying out the duties imposed upon it by this compact.

Sec. 5. **OPERATING REPORTS.** Subdivision 1. **MINUTES.** The commission shall compile and make available to the public a written record of its proceedings and recommendations. The commission may provide for the recording verbatim of any testimony given before it.

Subd. 2. **REPORTS.** On or before January 15 of each odd numbered year the commission shall make a report to the governor and legislature of each state party to this compact and such report shall include, without limitation because of enumeration, accounts of:

(a) The activities of the commission during the biennium then concluded, and its intended activities for the biennium then commenced; and

(b) The appropriations, gifts and grants, if any, received by the commission, and of the commission's expenditures from such funds as verified by the audit under section 6, subdivision 3 hereof.

Sec. 6. **FINANCE.** Subdivision 1. **DONATIONS, GIFTS, GRANTS AND APPROPRIATIONS.** The commission may accept, for any of its purposes and functions, donations, gifts, grants and appropriations of money, equipment, supplies, materials and services from the federal government of the United States, from any party state or from any department, agency or municipality thereof, or from any institution, person, firm or corporation.

Subd. 2. **EXPENDITURES.** All expenses incurred by the commission in exercising the powers conferred, or executing the duties imposed, upon it by this compact, unless otherwise provided in this compact, shall be paid by the commission out of the funds then available to it. The commission shall not go into debt. Except as provided in section 2, subdivision 2, nothing in this compact

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shall be construed as obligating any party state to commit its credit for the operation of the commission.

Subd. 3. **ANNUAL AUDIT.** The commission shall keep accurate accounts of all receipts and disbursements which shall be audited as of December 31 of each year by a qualified public accountant.

Subd. 4. **BUDGET.** The commission shall submit to the officer designated by the laws of each party state, at such times as required by the laws of each party state, a budget of its actual past and estimated future expenditures, for such periods as are required by the laws of each party state.

Sec. 7. **ENTRY INTO FORCE AND WITHDRAWAL.** Subdivision 1. **SIGNATURE.** The governor of each party state is authorized and directed to witness the ratification of this compact for his state by executing the final draft thereof in his own name as governor for and on behalf of his state and affixing thereto, pursuant to the laws of his state, the official seal of his state.

Subd. 2. **ENABLING LEGISLATION.** This compact shall become operative immediately after the passage of an act by any two party states incorporating the provisions of this compact into the laws of such states.

Subd. 3. **WITHDRAWAL.** Any state acceding to this compact reserves the right at any time to withdraw from such compact, but such withdrawal shall be based upon a law properly enacted according to the constitution and laws of the withdrawing party state.

Sec. 8. **CONSTRUCTION AND SEVERABILITY.** This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any party state or of the United States or the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person, or circumstance shall not be affected thereby. If this compact or any part thereof shall be held contrary to the constitution of any party state, the compact shall remain in full force and effect as to the remaining party states and, as to the state so affected, in full force and effect as to all severable matters. (End of Compact)

1.32 COMMISSION, AUTHORITY.

The Minnesota-Wisconsin boundary area commission shall ~~have~~ has the powers, duties, and functions provided in the compact set out in section 1.31.

1.33 REPRESENTATIVES, SELECTION.

~~In pursuance of section 1.31 creating~~ The Minnesota representation on the Minnesota-Wisconsin boundary area commission, the Minnesota representation thereon shall consist of five commissioners appointed by the governor, ~~by and~~

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with the advice and consent of the senate, each for a four year term. The terms of the commissioners shall be staggered. Vacancies shall be filled by appointment by the governor with the advice and consent of the senate for the unexpired term.

1.331 TERMS OF COMMISSIONERS.

In 1981, ~~when the current terms of the members of the Minnesota-Wisconsin boundary area commission expire,~~ two commissioners shall be appointed to four year terms and one commissioner each appointed to a one year term, a two year term, and a three year term. Thereafter all terms shall be for four years.

1.34 LEGISLATIVE ADVISORY COMMITTEE.

Subdivision 1. ~~In order~~ To assist the Minnesota-Wisconsin boundary area commission in the performance of its duties, ~~there is created~~ a legislative advisory committee is created to be comprised of five members of the house of representatives ~~to be~~ appointed by the speaker, and five members of the senate ~~to be~~ appointed by the committee on committees. The members of the advisory committee shall be selected by January 31 of each odd numbered year. Vacancies, when the legislature is not in regular session, shall be filled by appointment of the last duly elected speaker, in the case of members of the house of representatives, and the last duly elected members of the committee on committees, in the case of members of the senate.

Subd. 2. The members of the legislative advisory committee shall select a chairman and ~~such~~ other officers as ~~may~~ be deemed necessary.

1.35 TECHNICAL ADVISORY COMMITTEE.

Subdivision 1. ~~In order~~ To assist the Minnesota-Wisconsin boundary area commission in the performance of its duties, ~~there is created~~ a technical advisory committee comprised of ten members is created, to be appointed by the governor and ~~to~~ serve at his pleasure. Each member of the technical advisory committee shall have expertise in the subject matter of the duties of the Minnesota-Wisconsin boundary area commission, and ~~shall be either~~ an officer or employee of the executive branch of the state government, or of ~~any a~~ governmental subdivision, or body politic and corporate of the state.

Subd. 2. The members of the technical advisory committee shall select a chairman and ~~such~~ other officers as ~~may~~ be deemed necessary.

1.36 COMPENSATION AND REIMBURSEMENT FOR EXPENSES.

Subdivision 1. Members of the commission shall serve without compensation, but the actual and necessary expenses incurred by any member ~~thereof~~ in the performance of ~~his~~ its duties shall be reimbursed from the appropriations made for the support of the commission ~~by the state of Minnesota.~~

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 2. Members of the legislative advisory committee shall be compensated and reimbursed for expenses in the same manner that members of legislative standing committees are compensated and reimbursed pursuant to under section 3.102.

1.37 COOPERATION OF STATE OFFICERS.

All departments and agencies of the state shall cooperate with the commission and its advisory committees in the execution of their functions, and ~~shall assist the commission in carrying to carry out the its duties imposed upon it.~~

1.38 GIFTS.

The Minnesota commissioners may accept on behalf of the state a gift from any source, private or public, and ~~may use such gift it~~ for the purposes for which it is tendered, consistent with the duties of the Minnesota-Wisconsin boundary area commission. ~~Any~~ Money so received shall be deposited in the state treasury, and ~~the amount thereof is hereby~~ appropriated annually to the commissioners for the purpose of carrying to carry out the terms and provisions of such the gift.

1.39 BUDGET.

The Minnesota commissioners shall submit a budget of the estimated expenditures of the commission from time to time to the commissioner of administration for such the period and in such the form as he ~~shall require~~ requires.

1.40 APPROPRIATION.

Money appropriated by Minnesota for the support of the commission shall be paid ~~over~~ in such amounts and at such times as the Minnesota commissioners shall direct. A sufficient amount of the money of such appropriation, however, appropriated shall be withheld in order to reimburse the Minnesota members of the commission and the members of the advisory committees for their expenses. Expenses of the commissioners shall be paid on the authorization of the chairman of the commission, or upon the authorization of any other person designated by it. Expenses of the members of the two advisory committees shall be paid on the authorization of the respective chairmen or any other member designated by the respective committees.

ARTICLE 2

Section 1. Minnesota Statutes 1982, chapter 16A, as amended by Laws 1983, chapters 289, section 5; 299, section 36; 301, sections 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, and 99; 342, article 18, sections 1, 2, 3, and 4 is amended to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

16A.01 CREATION DEPARTMENT OF FINANCE; COMMISSIONER; DEPUTIES; EMPLOYEES.

Subdivision 1. **COMMISSIONER.** ~~The commissioner of finance manages the department of finance is hereby created under the control and supervision of the commissioner of finance, which office is hereby established. The commissioner is the state's controller and chief accounting officer, the principal and financial officer and the state controller.~~

Subd. 2. **APPOINTMENT; QUALIFICATION.** ~~The governor appoints the commissioner of finance is appointed by the governor under the provisions of section 15.06. The commissioner shall must have broad experience as an executive financial manager.~~

Subd. 3. **DEPUTY; CONFIDENTIAL SECRETARY.** ~~The commissioner may appoint one a deputy commissioner, and a confidential secretary. Each of whom shall serve serves at the commissioner's pleasure of the commissioner in the unclassified service.~~

Subd. 4. **ORGANIZE, HIRE, DELEGATE.** ~~Subject to the provisions of Laws 1973, Chapter 492 and to other applicable laws governing a state department or agency, The commissioner shall:~~

(1) ~~organize the department and;~~

(2) ~~employ such other officers, employees, and agents as he may deem hire the agents and classified civil service employees necessary to discharge run the functions of his department;~~

(3) ~~define the their duties of such officers, employees, and agents; and to delegate to them any of his~~

(4) ~~set conditions for, and control, delegation of the commissioner's powers, duties, and responsibilities subject to his control and under such conditions as he may prescribe. Personnel employed pursuant to this subdivision are in the classified service of the state civil service to them.~~

[16A.011] DEFINITIONS.

Subdivision 1. **IN THIS CHAPTER.** ~~In this chapter, the words and phrases listed in this section have the meanings or inclusions given them here.~~

Subd. 2. **AGENCY.** ~~Except when otherwise modified, "agency" includes an office, department, board, council, committee, authority, or commission of state government.~~

Subd. 3. **ALLOTMENT.** ~~"Allotment" means a limit placed by the commissioner on the amount to be spent or encumbered during a period of time pursuant to an appropriation.~~

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 4. APPROPRIATION. "Appropriation" means an authorization by law to spend or encumber an amount in the treasury.

Subd. 5. APPROPRIATIONS COMMITTEE. "Appropriations committee" means the appropriations committee of the House of Representatives.

Subd. 6. BIENNIUM. "Biennium" means a period of two consecutive fiscal years beginning in an odd-numbered calendar year and ending in the next odd-numbered calendar year. On July 1, 1984, the current biennium is the 1983-1985 biennium.

Subd. 7. COMMISSIONER. "Commissioner" means the commissioner of finance unless a different commissioner is specified.

Subd. 8. CONSTITUTION. "Constitution" means the state Constitution.

Subd. 9. DEPARTMENT. Except in subdivision 2, "department" means the department of finance unless a different department is specified.

Subd. 10. EMPLOYEE. "Employee" includes elected officials, officers, and employees of the state, or agency, as the context requires.

Subd. 11. EXECUTIVE AGENCY. "Executive agency" means an agency in the executive branch of state government.

Subd. 12. FINANCE COMMITTEE. "Finance committee" means the finance committee of the Senate.

Subd. 13. FISCAL YEAR. "Fiscal year" means the period beginning at midnight between June 30 and July 1 and ending 12 months later. On July 1, 1984, the current fiscal year is 1985.

Subd. 14. TREASURER. "Treasurer" means the state treasurer.

Subd. 15. TREASURY. Unless otherwise modified, "treasury" means the state treasury.

16A.04 TRANSFER OF POWERS FROM DEPARTMENT OF ADMINISTRATION BUDGET AND CASH PROJECTION; RULEMAKING.

Subdivision 1. TO PREPARE, CONSULT, SUPERVISE. The department of finance commissioner shall prepare a the biennial budget and with a ten-year cash receipts and disbursement disbursements projection. In consultation with doing so, the commissioner shall consult the commissioner of administration under the supervision of the governor. In even numbered years immediately before the inauguration of a new governor, such budget and a ten year cash receipts and disbursement projection shall be prepared under the supervision of the governor-elect The governor shall supervise the preparation unless there is a governor-elect, who then shall provide the supervision.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 2. All the powers, duties, and responsibilities now vested in and imposed upon the commissioner of administration by sections 3.30, relating to the contingent fund; 16.027, relating to payrolls; 16.138, relating to reimbursements; 16.14, 16.15, and 16.155 relating to budgets and the budget, are transferred to, vested in and imposed upon the department of finance.

Subd. 3. All the powers, duties, and responsibilities now vested in and imposed upon the commissioner of administration by sections 16.20, 16.245, 16.25, 16.62, 16.63, 16.64 and any other law relating to the supervision and control of accounts and expenditures of the state government, its departments and agencies including but not limited to fees, payroll deductions, tax withholding, and compensation schedules, are hereby transferred to, vested in, and imposed upon the department of finance.

Subd. 4. **RULEMAKING.** The department of finance commissioner may make rules and regulations governing on the powers, duties, and responsibilities transferred to it under the terms of by Laws of Minnesota 1973, chapter 492.

16A.055 DUTIES SOME OF COMMISSIONER THE COMMISSIONER'S DUTIES.

Subdivision 1. **LIST.** The commissioner of finance shall:

(1) exercise the rights, powers, and duties vested in and imposed upon his of the office. He shall have charge of the administration of;

(2) manage the state's financial affairs of the state. He shall;

(3) keep the state's general account books of account of the state. The general books of account shall be on a double entry control basis, with such according to generally accepted government accounting principles;

(4) 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 keep expenditure and revenue accounts according to generally accepted practice in governmental government accounting principles. The commissioner of finance shall formulate and;

(5) develop, provide instructions for, prescribe for all departments and other state agencies, and manage a state uniform accounting system of uniform records, accounts, financial statements, estimates, revenue receipt forms, vouchers, bills, and demands with suitable instructions governing the installation and use thereof. The accounting system and form 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. He shall; and

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(6) provide to the state officials, departments and agencies the expertise necessary to assure ensure that all state funds are accounted for in a manner consistent with under generally accepted government accounting principles. 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.

Subd. 2. ACCOUNTING SYSTEM REQUIRED. An agency must use the uniform accounting system prescribed by the commissioner.

Subd. 3. ACCESS TO RECORDS. The commissioner of finance and his designated agents shall at all times have An agency must give the commissioner or a designee of the commissioner free access to the books, records, accounts, and papers of the several departments and agencies its financial documents.

Subd. 4. COMMISSIONER'S DESIGNEE. To accomplish the above duties, The commissioner may assign a designee to any department or an agency of the state to monitor the fiscal its financial activities therein, insure and to ensure compliance with statutes and administrative requirements promulgated by the commissioner and provide any additional assistance he deems. The designee may assist the agency as the commissioner considers appropriate. Development of a budget consistent with a department or The agency's head shall supervise its employees and develop a budget consistent with its goals, responsibilities, and priorities and supervision of a department or agency's personnel shall be the responsibility of the department or agency head.

Subd. 5. RETIREMENT FUND REPORTING. Nothing in this section shall be construed as authorizing The commissioner of finance to may not require any a public retirement fund to adopt or implement use financial or actuarial reporting practices or procedures that do not conform with the provisions of different from those required by section 356.20 or 356.215.

16A.06 OTHER COMMISSIONER DUTIES AND POWERS.

Subdivision 1. AGENCY TO COMPLY. The commissioner has the duties and powers stated in this section. An executive agency must do what the commissioner requires of it under this section.

Subd. 2. FINANCIAL REPORTS. The commissioner of finance:

(1) from time to time shall require each department in the require an executive branch agency to prepare financial reports in such form, and to be made at such intervals, as he may prescribe which will permit administrative and legislative comparisons of on department forms so the administration and the legislature can compare spending plans in relation to with appropriations for programs and activities;

(2) Subd. 3. EVALUATE AND COMPARE COSTS. The commissioner shall formulate and prescribe provide a system of measuring to measure the effect

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of fund expenditures which will permit the evaluation and comparisons of so as to evaluate and compare the cost of functions or programs;

(3) Subd. 4. **OBJECTIVES.** The commissioner from time to time shall require each department executive agency to state in writing write objectives of each activity or function on the department's form for its authorized against which performance may be measured activities and functions. The objectives shall must be specific as to amount and time and for a period including so that their performance can be measured. The objectives must cover the current and the following next biennium and reported at such times and in such form as the commissioner shall direct;

(4) Subd. 5. **ESTIMATES FOR FINANCIAL CONDITION.** The commissioner from time to time shall require the department of revenue and other departments in the require an executive branch agency to report at his designated intervals concerning estimates of its income and receipts whether from taxes or otherwise, and use such information in evaluating the financial condition and affairs of the state; The commissioner shall use the estimates to evaluate the state's financial condition.

(5) Subd. 6. **REPORT ON FINANCIAL AFFAIRS.** The commissioner shall make such reports concerning, when directed, report on the financial state's financial affairs of the state as to the governor or to the commissioner of administration may direct in addition to such reporting as may be otherwise prescribed by law;

(6) Subd. 7. **INFORMATION FOR POLICY MAKING.** The commissioner shall require such reports and other information of the state treasurer and other departments and agencies in the obtain from an executive branch as will permit formulation of agency any information needed to make state financial policy on all fiscal and financial matters of state government.

16A.065 ADVANCE PAYMENTS AND DEPOSITS ADVANCES FOR SOFTWARE ALLOWABLE.

Notwithstanding any other law to the contrary, Despite section 16A.41, subdivision 1, the commissioner of finance may allow an agency to make advance deposits or payments by any department for the procurement of software or software maintenance services for state-owned or leased electronic data processing equipment.

16A.095 STATE BUDGET SYSTEM.

Subd. 2 Subdivision 1. **ESTABLISHMENT OF PROGRAM RULES AND INSTRUCTIONS.** The commissioner of finance shall promulgate regulations make rules and instructions applicable to for budget preparation governing the classification of. They must deal with classifying expenditures and with the content, and submission of budget requests and appropriation measures.

Changes or additions are indicated by underline, deletions by strikeout.

Subd. 2. BUDGET IMPROVEMENTS. The commissioner of finance shall from time to time select may choose executive agencies and departments to implement test improvements in the budget system. The commissioner of finance shall make recommendations to the legislature on the subject of any legislation or special appropriations which may be required for implementation of recommend required legislation to install improvements in the budgeting budget system for all state departments and executive agencies. The budget system shall must, to the greatest extent practicable, emphasize alternative approaches in the program development and criteria for performance evaluation and measurement to evaluate and measure performance.

Subd. 2a. MUTUAL COOPERATION; DUE REGARD. All state departments and Executive agencies shall must cooperate with the commissioner of finance to assure implementation of budgets which in making a budget. The budget must meet the commissioner's requirements of the commissioner of finance and which give while giving due regard to the executive agencies' requirements of the various departments and agencies involved. No state agency shall begin or install any system of program or programmatic budgeting until it has first secured the explicit permission of the commissioner of finance.

Subd. 3. WAIVER OF REQUIREMENT OF SUBMITTING BUDGET PROGRAM BUDGETS. 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 may require an executive agency to request programmatic appropriations. For that executive agency, the commissioner may waive the requirement to request appropriations by object of expenditure. Before acting, the commissioner must consult with the appropriations and finance committees. An executive agency may not install a programmatic budget system without written permission of the commissioner.

16A.10 COMMISSIONER TO PREPARE BUDGET PREPARATION.

Subdivision 1. **BUDGET ESTIMATE FORMS BY MAY 1 AND SEPTEMBER 1.** It shall be the duty of Each even-numbered calendar year the commissioner, or his designated deputy, to shall prepare the budget for all state departments and agencies, subject to the approval of the governor. By May 1 of each even-numbered year, the commissioner shall furnish the committee on finance of the senate and the committee on appropriations of the house of representatives with copies of send the proposed budget forms he proposes to use in the appropriations and finance committees detailed budget estimates presented by the governor to the legislature and shall receive their advisory recommendations on possible improvements in the forms. The recommendations are advisory only. By September 1, the commissioner shall furnish every department, official, and send each agency of the state authorized to expend state moneys with a

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sufficient number of budget estimate enough forms for to make its use by September first of each even-numbered year budget estimates. The budget forms shall be so drawn as to must show actual expenditures and receipts for the two preceding most recent fiscal years, estimated expenditures and receipts for the current fiscal year, and estimates for each fiscal year of the succeeding next biennium, the same data in respect to departmental receipts, and an estimated appropriation balance at the end of the current fiscal year. The Estimated expenditures shall must be classified to set forth the data by funds and character of expenditures, and the agency may be subclassified by programs and activities. The department Agency revenue estimates shall must show how the basis upon which the estimates were made and the what factors involved in the same, and shall were used. Receipts must be classified so as to show receipts by funds, programs, and activities. The Expenditure and revenue estimates of expenditures and revenue shall must be based upon the on the law in existence at the time the estimates are prepared.

Subd. 2. **FILING BUDGET ESTIMATES BY OCTOBER 1 AND NOVEMBER 15**. Each state department, official, or By October 1, an agency shall, not later than the first day of October preceding the convening of the legislature, must file the following with the commissioner:

- (1) its budget estimates in the form provided, including;
- (2) a concise explanation of its any requests for any increased appropriations and for the, expansion of services, and the addition of or new activities;
- (3) a statement of the work accomplished done during the preceding current biennium and the work proposed to be done for the next biennium; and
- (4) a list of all employees, their titles, and their salaries each employee's name, title, and salary.

The commissioner shall prepare and file the budget estimates for all departments, boards, and agencies that fail an agency failing to file requests them. By November 15, the commissioner shall transmit a copy send copies of the budget estimates and accompanying information for the biennial budget as submitted by each department or agency to the commissioner to the committee on finance of the senate and to the committee on appropriations of the house of representatives on or before the 15th day of November of each even-numbered year filed material to the appropriations and finance committees.

Subd. 3. **REPORT DUTIES TO GOVERNOR-ELECT**. Immediately after the election of a new governor, the commissioner shall report the budget estimates and make available to the governor-elect immediately after his election, and shall make available to him all information, staff, and facilities in the department relating to the budget all department information, staff, and facilities relating to the budget.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

16A.11 BUDGET SUBMITTED TO LEGISLATURE.

Subdivision 1. **WHEN TO BE SUBMITTED.** The governor shall, within three weeks after the first Monday in January in each odd-numbered year, submit the a two-part budget to the legislature by the fourth Monday in January in each odd-numbered year. It shall include recommendations as to capital expenditure, but these they need not be submitted until April 15. The budget shall include two parts.

Subd. 2. **BUDGET PART ONE; MESSAGE.** Part 1 one of the budget, the governor's message, shall consist of a budget message prepared by the governor, including his include the governor's recommendations with reference to on the fiscal financial policy of the state government for the coming biennium, describing the important features of the budget plan, embracing a general budget summary setting forth the aggregate figures of the budget so as to show the balanced relation between the total proposed expenditures and the total anticipated income, with the basis and factors on which the estimates are made, the amount to be borrowed, and other means of financing the budget for the ensuing coming biennium, compared with the corresponding figures for at least the last two completed fiscal years and the current year. The budget plan shall be supported by explanatory schedules or statements, classifying the its expenditures contained therein by agencies and funds, and the income by agencies, sources, funds, and the proposed amount of new borrowing, as well as proposed new tax or revenue sources. The budget plan shall be submitted for all special and dedicated funds, as well as the general fund, and shall include the estimated amounts of federal aids, for whatever purpose provided, together with estimated expenditures therefrom from them.

Subd. 3. **PART TWO; DETAILED BUDGET ESTIMATES.** Part 2 two of the budget shall embrace, the detailed budget estimates both of expenditures and revenues., It shall also include statements of the bonded indebtedness of the state government, showing the actual amount of the debt service for at least the past two completed fiscal years, and the estimated amount for the current fiscal year and for the next two fiscal years, the debt authorized and unissued, the condition of the sinking funds, and the borrowing capacity. It shall also contain any statements relative to on the financial plan which the governor may deem believes desirable or which may be required by the legislature. The detailed estimates shall include the budget request of each department or agency arranged in tabular form so it may readily be compared with the governor's budget for each department or agency. They shall also include, as part of each agency's organization chart, a summary of the personnel employed by the agency, showing the complement approved by the legislature for the current biennium, additional complement positions authorized through the governor or the commissioner of finance, positions transferred into or out of the agency, additional part-time and seasonal positions and the number of employees of all kinds actually employed by the agency on June 30 of the last complete fiscal year. To the extent practical,

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the summary of personnel shall also be shown for each functional division of the agency, and for each fund and type of appropriation.

Subd. 4. **FURTHER INFORMATION FURNISHED; HEARINGS.** The commissioner shall, upon on request, furnish give the governor or the legislature with any further information required concerning on the budget, and shall, upon request, attend legislative budget hearings of committees of the legislature in regard thereto.

16A.123 APPROVED COMPLEMENT.

Subdivision 1. LIMIT; NO CONTRACTORS. The An agency's approved complement set for an agency by law limits the number of its personnel positions in the agency at any one time. It includes a position regardless of which fund or appropriation pays for it. The approved complement does not apply to include independent contractors. In addition to the approved complement, part-time employees, seasonal or intermittent employees as defined by the commissioner of employee relations, summer student help, service workers, preservice trainees employed pursuant to affirmative action programs approved by the commissioner of employee relations, CETA employees, or employees engaged in repair or construction projects may be employed with the advance approval of the commissioner of finance who shall determine the need for them and that money is available. The approved complement applies to positions in the agency regardless of the fund or appropriation from which they are paid.

Subd. 2. MORE THAN ONE. If When more than one approved complement figure for an agency is shown in a law, the figures may be taken as cumulative, or a larger figure may be taken as a total or subtotal of related smaller figures, as the context indicates determines if they are to be added, or if one includes the others. Approved complement figures complements for an agency shown in separate laws enacted at the same biennial session of the legislature in separate laws during a biennium are eumulative to be added.

Subd. 3. EXCLUSIONS. The following kinds of employees need not be counted in an agency's approved complement:

- (1) part-time employees;
- (2) seasonal or intermittent employees as defined by the commissioner of employee relations;
- (3) summer student employees;
- (4) service employees;
- (5) preservice trainees in an affirmative action program approved by the commissioner of employee relations;
- (6) CETA employees;

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(7) repair or construction project employees.

The commissioner must conclude there is a need and available money before an agency hires an employee of a kind listed in this subdivision.

Subd. 4. TO EXCEED COMPLEMENT. Additional full-time positions over the number of the approved complement may be created on the basis An agency may exceed its approved complement because of public necessity or emergency. The addition shall not be made without The agency must first get the written approval of the governor. Before approval, the governor shall not approve the addition until after he has consulted with the legislative advisory commission and the commission has made its shall seek an advisory recommendation on the matter from the legislative advisory commission. The recommendation is advisory only. Failure or refusal to make a If no prompt recommendation promptly is deemed a negative is made, the recommendation is negative.

16A.125 STATE FOREST TRUST LANDS; FUNDS.

Subd. 5. SUSPENSE ACCOUNT. The term "state forest trust fund lands" as used in this subdivision, means any state school lands or other public lands land subject to in trust provisions under the state Constitution and heretofore or hereafter set apart as "forest lands under the authority of the commissioner" of natural resources as defined by section 89.001, subdivision 13.

The commissioner of finance and the state treasurer shall keep a separate account of all receipts credit the revenue from the sale of timber or other revenue from such state forest trust fund lands, to be known as the state to the forest suspense account, specifying. The account must specify the trust funds interested in such the lands and the respective receipts therefrom, respectively of the lands.

As soon as practicable after the close of each After a fiscal quarter, upon information which shall be supplied by the commissioner of finance natural resources, the commissioner of finance shall determine and certify the total costs incurred by the state for forestry during that quarter under appropriations made for the protection, improvement, administration, and management of state forest trust fund lands for forestry purposes as authorized by law, specifying. The certificate must specify the trust funds interested in such the lands. The commissioner of natural resources shall supply the commissioner of finance with the information needed for the certificate.

As soon as practicable after the end of each After a fiscal year, the commissioner of finance and the state treasurer shall distribute the receipts credited to the state forest suspense account during that fiscal year as follows:

(4) (a) The total amount of the certified costs incurred by the state for forest management purposes during the fiscal year as certified in this subdivision shall be transferred to the state forest development account, except that. If the total these costs exceed \$500,000, the costs in amount of the excess of \$500,000

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shall be transferred to the forest management fund established under of section 89.04.

(2) (b) The balance of said ~~the~~ receipts shall ~~then~~ be transferred ~~returned~~ prorated to the state trust funds concerned in accordance with proportion to their respective interests in the lands ~~from~~ produced the receipts were derived.

Subd. 5a. **APPROPRIATION.** All moneys Money accruing and credited to the state forest development account ~~are~~ is appropriated to the division of forestry in the department of natural resources, ~~subject to the supervision and control of the commissioner of natural resources, for the purpose of implementing the to apply state forest resource management policy and plan on state plans to forest trust fund lands, to remain available until expended. The appropriation is supervised and controlled by the commissioner of natural resources.~~

All appropriations under this subdivision The appropriation shall be expended subject to the provisions of spent according to law and remains available until spent. ~~No~~ The appropriation shall become is not available for expenditure spending until any estimates required by law are approved by the commissioner of finance. ~~No~~ An obligation involving expenditure of to spend money shall may not be entered into made unless there is a an available balance in the appropriation available not otherwise encumbered ~~to pay obligations previously incurred in the appropriation.~~

16A.126 **COMMISSIONER TO APPROVE BILLING RATES FOR REVOLVING FUNDS FUND BILLING.**

Subdivision 1. **SET RATES.** The commissioner of finance shall approve the rates at which ~~services are billed state departments or agencies by any an agency must pay to a revolving fund for services.~~

Subd. 2. **IMMEDIATE NEEDS.** In order ~~To reduce revolving fund reserves maintained for unforeseen needs, and thereby so reduce the these rates which using agencies must pay, the commissioner may transfer moneys not otherwise appropriated in the unappropriated general fund money to a revolving fund if, in the commissioner's judgment, a bona fide, immediate expenditure is necessary and if there are insufficient moneys in the revolving fund to meet the expenditure. Any money so transferred for the purchase of equipment shall be repaid to the general fund in installments over its useful life on a schedule established by the commissioner of finance. Other moneys so transferred shall be repaid to the general fund on a schedule established by the commissioner of finance but within a period not to exceed five years. Before doing so, the commissioner must decide there is not enough money in the revolving fund for an immediate necessary expenditure.~~

Subd. 3. **REPAYMENT SCHEDULES.** The commissioner shall make schedules for repayment to the general fund of the transferred money. A

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schedule to repay money used to buy equipment may extend over the equipment's useful life. Otherwise, a schedule may not extend beyond five years.

16A.127 INDIRECT COSTS.

Subdivision 1. **DEFINITIONS STATEWIDE INDIRECT COSTS.** 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 all departments and agencies which are attributable to the provision of services to any other state agency; except as prohibited by federal law, "statewide indirect costs" include all operating costs incurred by the legislative and judicial branches of state government;

(d) "Commissioner" means the commissioner of finance, and in section 16A.128, "statewide indirect costs" means all operating costs incurred by the treasurer and all agencies attributable to providing services to any other agency except as prohibited by federal law. It includes all operating costs incurred by the legislative and judicial branches.

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

Subd. 3. **TRANSFER OF FUNDS.** Pursuant to Under the statewide indirect cost plan, the commissioner shall make and record the transfer to the general fund that portion of the statewide indirect costs applicable to attributable to an executive agency's nongeneral funds fund moneys received by any state agency receipts for the previous last 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, However, the commissioner may determine, for reasons of sound fiscal financial management, to waive the transfer to the general fund of the indirect costs for certain nongeneral fund moneys receipts. The commissioner shall report any waivers under this subdivision to the governor and the legislature at the time of his submission of the a waiver in the next statewide indirect cost plan for the following fiscal year.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

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 An executive agency's application for federal money shall include necessary submissions necessary to obtain to get both statewide and state agency indirect cost moneys money. Any indirect cost proposals and related documents The indirect cost submission 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 have the prior approval of the commissioner. An indirect cost proposal if it establishes to the commissioner's satisfaction that such submission is unnecessary if the executive agency convinces the commissioner that the submission is not economically feasible economical.

Subd. 5. **TRANSFER OF FUNDS, FEDERAL INDIRECT COST PROPOSAL SHARE.** 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 federal money received by an executive agency for statewide indirect costs to the general fund. If the federal agency approves only a portion of the state agency's indirect cost less than the entire executive agency proposal is federally approved, the commissioner shall may 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 less than all of the federal receipts. If the no federal agency fails to approve any portion of the state agency's funds are approved for indirect cost proposal costs, the state executive agency shall submit documentation of the failure to approve and a statement of the reasons therefor must document that fact to the commissioner.

Subd. 6. **REPORTS REQUIRED INFORMATION.** The commissioner shall require such information and reports from each state An executive agency as he deems necessary must supply the information required by the commissioner to carry out the duties of this section.

Subd. 7. **LEGISLATIVE AUDITOR AUDIT FEES.** Unless otherwise specified by law, a state agency whose financial affairs are audited by The legislative auditor, and may recommend waiver, and the legislative audit commission may waive all or part of a fee for an audit. A state audited executive agency whose funds are not administered by the state treasurer, shall must transfer to the general fund that portion the amount of the cost of the audit applicable to the moneys received by the agency from sources other than the general attributable to the executive agency's nongeneral fund receipts. 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.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

16A.128 FEE ADJUSTMENTS.

Subdivision 1. **APPROVAL REQUIRED; AMOUNTS.** The Fixed fees fixed for the various accounts for which appropriations are made by law may not be increased or decreased except with the may not be adjusted without the approval of the commissioner of finance. If the fee or fee adjustment is required by law to be fixed by rule, the commissioner's approval by the commissioner must be included in the statement of need and reasonableness. All These fees must be reviewed at least once each six months, and, Except in special fee situations as determined by the commissioner, adjustments must be made to the end that so the total fees received must approximate the amount appropriated nearly equal the sum of the appropriation for the several accounts, plus the portion of the agency's general support costs and statewide indirect costs of the agency that is attributable to the fee function for which the fee is charged.

Subd. 2. **PROCEDURE NO RULEMAKING.** Fees that are based on actual direct costs of a service, are one-time in nature, are not significant in terms of revenue as in the case of minor copying fees, are only billed within or between state agencies, or are specifically exempted by law from approval by the commissioner of finance, need not be set by rule unless specifically required by law The kinds of fees that need not be fixed by rule unless specifically required by law are:

- (1) fees based on actual direct costs of a service;
- (2) one-time fees;
- (3) fees that produce insignificant revenues;
- (4) fees billed within or between state agencies; or
- (5) fees exempt from commissioner approval.

Subd. 2a. **PROCEDURE.** All Other fees not set fixed by law must be set fixed by rule. Fee adjustments authorized under this section may be made pursuant to The procedure for noncontroversial rules in sections 14.21 to 14.28, but without a may be used except that no public hearing may be held. public hearing, which The notice of intention to adopt the rules must state, that no hearing will be held. This procedure may be used only when the total fees estimated to be received during the fiscal for the biennium will do not exceed the sum of all direct appropriations, indirect costs, transfers in, and salary supplements for that purpose for the biennium. This exemption from the A public hearing requirements of the Administrative Procedure Act does not apply to is required for adjustments of fees expended pursuant to spent under open appropriations of dedicated receipts.

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16A.1281 REPORT ON LOW FEES.

In even-numbered years, the commissioner of finance shall review and analyze fees collected by state departments and agencies. By November 15, the commissioner shall prepare a report on those the fees in which the cost of collections of the fee and the service provided for the fee appear excessive in relation to the amount of the fee collected to the appropriation and finance committees. The report shall be submitted by November 15 of any even numbered year to the committee on finance of the senate and the committee on appropriations of the house of representatives must analyze the fees that the commissioner believes are too low for the service provided. The analysis must take into account the cost of collecting the fee.

16A.129 COMMISSIONER'S MORE POWERS.

Subdivision 1. LIST OF SALARIES. The commissioner of finance shall have the power to may require a complete record list of the officers, assistants, and employees appointed or employed by the various officials, departments, and agencies of the state government and institutions an agency, and to require that their salaries of the same to be in conformity conform with the scale of compensation established pursuant to by law.

Subd. 2. CLASSIFIED BUDGET, ACCOUNTS. and to prepare and prescribe classes of The commissioner may classify expenditures and revenue for the purpose of budget making and accounting.

16A.13 FEDERAL TAX WITHHOLDING.

Subdivision 1. CREATION CUSTODIAN; BOND. There is hereby created and established the Victory Tax Fund in which shall be deposited all deductions made pursuant to this section. The state treasurer shall be ex-officio is the custodian of all moneys deposited with him to the credit of the victory tax fund and his general deposits of federal tax withheld from the pay of an employee. The treasurer's bond to the state shall cover all the liability for his the custodian's acts as custodian thereof. Such moneys shall be The deposits are subject to all provisions of law governing the laws on keeping and disbursement of paying out state moneys, so far as applicable, except as otherwise herein provided money.

Subd. 2. COMMISSIONER TO ACT AS IS AGENT FOR THE UNITED STATES. The commissioner of finance is authorized and empowered to may cooperate with and act as agent for the United States of America in the collection of any collecting federal tax now or hereafter imposed by the United States of America upon any officer or employee of the state of Minnesota or his salary or wages which is to be collected by withholding it from the salary or wages of the officer or employee from the pay of employees.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 2a. PROCEDURE. The head of each department of the state is hereby required to cause such an agency shall see that the deduction for the withheld tax to be withheld by causing the necessary deduction to be made from the salary or wages of each of said persons on every an employee's pay on the payroll abstract and to. The agency head shall approve one voucher warrant payable to the state treasurer, custodian, victory tax fund, for the aggregate total amount so deducted from the salaries or wages covered by said payroll on the abstract, provided that. Deductions from salaries or wages of officers or employees the pay of an employee paid direct by any institution or an agency of the state shall be made by the officer or employee authorized by law to pay such salaries or wages employee's payroll authority. Whenever an error has been made with respect to A later deduction hereunder, proper adjustment shall be must correct an error made by decreasing or increasing subsequent deductions. All warrants and checks for deductions hereunder shall be remitted on an earlier deduction. The paying authority shall see that a warrant or check for the deductions is promptly sent to the state treasurer who. The treasurer shall deposit the amount thereof to the credit of the warrant or check the victory tax fund. The money so deposited with the state treasurer shall be paid out upon authorization of the commissioner of finance by state warrant payable to the credit of the proper federal authority or such other person as may be authorized by federal law of the United States of America to receive the same it.

Subd. 2b. APPROPRIATION. Such portion of said fund as may be There is appropriated the amount necessary to discharge the state's obligation of the State of Minnesota to the United States of America now or hereafter imposed by any law of the United States of America under federal law requiring the deductions from salaries or wages is hereby appropriated for such purpose pay in this section.

Subd. 3. COMMISSIONER TO MAKE REPORTS; PAYMENTS. The commissioner of finance shall, report as required by proper federal authority, make all necessary reports of law on the deductions made hereunder under this section and cause the moneys so see that the deducted to be money is paid out as herein provided required.

Subd. 4. OFFICERS AND EMPLOYEES TO REPORT TO COMMISSIONER AS REQUIRED PROVIDE INFORMATION. All officers and employees An employee shall prepare and transmit send to the commissioner of finance such the information and forms as he may require for the purposes of the commissioner requires under this section.

16A.131 SALARY DEDUCTIONS, AUTHORIZATION FOR FEDERAL SECURITIES, TRANSIT CARDS.

Subdivision 1. FEDERAL SECURITIES. Every officer and An employee of the state may purchase and pay for bonds, stamps, and other securities issued by the federal government by directing in writing to the appropriate officer

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of the department where he is employed that deductions of the amount specified by him be made from his salary direct the payroll officer of the employing agency, in writing, to deduct stated amounts from the employee's pay to buy federal securities. The employing agency's head of each department of the state is hereby required to cause such shall see that the deduction to be from the employee's pay is made from the salary of each said persons on every the payroll abstract and to. The head shall approve one voucher warrant payable to the state treasurer for the aggregate total amount so deducted from the salaries covered by said on the payroll abstract, provided that. Deductions from salaries of officers or employees the pay of an employee paid direct by any institution or an agency of the state shall be made by the officer or employee authorized by law to pay such salaries, and remitted by him to the director by check employee's paying authority. The authority shall send a warrant or check for the amount of the deductions to the treasurer payable to the state treasurer. With it must go a statement showing the amount of each of such deductions and the list of the names of the officers and employees on whose account the same have been made. The money so deposited with the amount deducted for each. The state treasurer shall be paid out on authorization of pay out the amount deposited, when authorized by the governor by state warrant payable to the proper federal authority or to the officer or directing employee from whose salary the money was deducted, as the case may require.

Subd. 2. **TRANSIT CARDS.** An employee may direct the commissioner of finance, with the written consent of a state employee, may in writing, to deduct from the salary of the employee a sum agreed to by the employee for the purchase of a stated amount from the employee's pay to buy mass transit ridership cards. The commissioner of finance shall deposit all money resulting from these payroll deductions the amount in the special account authorized by section 16.72, subdivision 7.

16A.14 ALLOTMENT AND ENCUMBRANCE SYSTEM.

Subdivision 1. **ALLOTMENT PERIOD LESS THAN FISCAL YEAR.** 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 set an allotment period suited to the circumstances, not exceeding 12 months nor shorter than and not extending beyond the end of the fiscal year.

Subd. 1a. **PERMANENT IMPROVEMENTS.** This provision Subdivision 1 does not apply to for allotments made with respect to of appropriations made for constructions or permanent improvement improvements, including acquisition of real property.

Subd. 2. **FUNDS TO WHICH SYSTEM APPLIES APPLICATION.** Except as otherwise expressly provided therein, the provisions of this chapter relating to The allotment and encumbrance system and to the encumbering of

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funds shall apply to applies to all 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 except as provided in subdivisions 2a, 2b, and 2c.

Subd. 2a. **EXCEPTIONS.** The allotment and encumbrance system does not apply to:

- (1) appropriations for the courts or the legislature, nor to;
- (2) payment of unemployment compensation benefits nor to the funds deposited; or
- (3) deposits in the state treasury for disbursement to be paid out by the commissioner of transportation when acting as the agent by law of a political subdivision pursuant to law.

Subd. 2b. **IMPRACTICAL ALLOTMENTS.** In the case of construction or other With 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 do away with periodic allotments as impractical and make rules to insure ensure the proper application and encumbering of funds.

Subd. 2c. **CONTINGENT FUNDS.** Contingent funds appropriated appropriations for the governor or and the attorney general shall are not be subject to the provisions thereof relating to allotment, but shall be. They are subject to the other provisions thereof prescriptions in this chapter relating to expenditure spending and encumbering of funds.

Subd. 3. **APPROPRIATIONS FOR ALLOTMENT; SPENDING PLANS PLAN.** No An appropriation to any an agency shall become may not be made available for expenditure thereby during any spending in the next allotment period until such the agency shall have has submitted a spending plan to the commissioner of finance a spending plan in advance, in such on the commissioner's form as the commissioner shall prescribe, for such allotment period next ensuing, of with 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 spent. The spending plan shall have been must also be approved, increased, or decreased modified by the commissioner of finance and funds allotted therefor for the plan before the money is made available.

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

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for the next ensuing allotment period, The commissioner of finance shall approve the estimated amount for expenditure if the spending plan is within the amount and purpose of the appropriation. In doing so, the commissioner must keep in mind the probable needs of the agency for the rest of the term of the appropriation, and whether there is a need for the appropriation in the next allotment period. Otherwise the commissioner of finance shall modify the spending plan ~~so~~ as and the allotment to conform with the terms of the appropriation and the prospective future needs of the agency and shall reduce the amount allotted accordingly. The commissioner of finance shall act promptly upon all on a spending plans, and plan. The commissioner shall notify every an agency of its allotments at least five days before the beginning of each an allotment period. The total amount allotted Allotments to any an agency for the fiscal year or other terms for which the an appropriation was made shall term may not exceed the amount appropriated for such year or that term.

Subd. 5. **MODIFICATION.** After approval, the commissioner of finance shall also have authority at any time to may modify or amend any a spending plan previously approved by him, upon application of or upon notice to the agency concerned, and upon a showing of emergency or other for cause; provided, no. An agency may apply for and must be notified of the modification. The modification may not result in a deficit or an undue reduction of funds to meet future agency needs of such agency will result therefrom.

16A.15 ACCOUNTING SYSTEM; ALLOTMENT AND ENCUMBRANCE.

Subdivision 1. **REDUCTION.** In case If the commissioner of finance shall discover at any time determines that the probable receipts from taxes or other sources for any an appropriation, fund, or item will be less than was anticipated, and that consequently the amount available for the remainder of the biennium will be less than the amount estimated or allotted therefor, he needed, the commissioner shall, with the approval of the governor, and after consultation with consulting the legislative advisory commission created by section 3.30, transfer from the budget reserve account established in subdivision 6 to the general fund the amount necessary money needed to balance expenditures with revenue and expenditures. Any An additional deficit shall, with the approval of the governor, and after consultation with consulting the legislative advisory commission, be made up by reducing allotments.

In reducing allotments, the commissioner of finance may consider other sources of revenue available to recipients of state appropriations and may apply allotment reductions based on all sources of revenue available.

In like manner he, the commissioner shall request reduction of the amount allotted or to be allotted reduce allotments to any an agency by the amount of any saving which that can be effected upon made over previous spending plans through a reduction in prices or other cause.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 2. **COMMISSIONER OF FINANCE; ACCOUNTING SYSTEM.** There shall be kept in the office of The commissioner of finance shall keep an accounting system in the department's office showing at all times, by funds fund and items, the amounts appropriated for and the estimated revenues of such agency, the amounts allotted and available for expenditure, the amounts of expenditures or obligations authorized to be incurred, actual receipts and disbursements, actual balances on hand, and the unencumbered balances after deduction of all actual and authorized expenditures item:

- (1) the amounts appropriated for and the estimated revenue of the agency;
- (2) the amount allotted and available for expenditure;
- (3) the amount of expenditures or obligations authorized to be incurred;
- (4) the actual receipts and disbursements;
- (5) actual balances on hand; and
- (6) the unencumbered balances after deduction of all actual and authorized expenditures.

Subd. 3. **PAYMENT WITHIN ALLOTMENT AND ENCUMBRANCE; EXCEPTIONS.** No A payment shall may not be made without prior obligation. No An obligation shall may not be incurred against any fund, allotment, or appropriation unless the commissioner of finance shall first certify that there is has certified a sufficient unencumbered balance in such the fund, allotment, or appropriation to meet the same it. Every An expenditure or obligation authorized or incurred in violation of the provisions of this chapter shall be presumed is invalid and shall be ineligible for payment until its validity is established as hereinafter provided made valid. Every A payment made in violation of the provisions of this chapter shall be deemed is illegal, and every official. An employee authorizing or making such the payment, or taking part therein in it, and every a person receiving such payment, or any part thereof of the payment, shall be are jointly and severally liable to the state for the full amount so paid or received. If any appointive officer or an employee of the state shall knowingly incur any incurs an obligation or shall authorize or make any authorizes or makes an expenditure in violation of the provisions of this chapter or take takes part therein in the violation, it shall be grounds the violation is just cause for his the employee's removal by the officer appointing him, and, if the appointing officer be other than authority or by the governor and shall fail to remove such officer or employee, the governor may exercise such power of removal, after giving if an appointing authority other than the governor fails to do so. In the latter case, the governor shall give notice of the charges violation and an opportunity for hearing thereon to be heard on it to the accused officer or employee and to the officer the appointing him authority. Claims A claim presented against existing appropriations an appropriation without prior allotment or encumbrance may, upon investigation, review, and approval by the

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commissioner of finance be determined be made valid on investigation, review, and approval where by the commissioner, if the services, materials, and or supplies for which payment is claimed have been actually rendered or to be paid for were actually furnished to the state in good faith without collusion and without intent to defraud. ~~Thereafter~~ The commissioner of finance may then draw his a warrant in payment of such claims in the same manner in which other to pay the claim just as properly allotted and encumbered 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 section 16.07, subdivision 1, the may approve payment amount for materials and supplies may exceed in excess of the obligation amount when increases are authorized by section 16.07, subdivision 1.

Subd. 4. **PERIODIC ALLOTMENT.** In the case of appropriations made for ~~construction or other permanent improvement~~ improvements, including acquisition of real estate, equipment, repair, rehabilitation, appurtenances or utility systems property, which appropriations do not lapse until the purposes for which of the appropriations were made shall have been are accomplished or abandoned, the commissioner of finance may dispense with periodic allotment allotments and shall prescribe such regulations as will insure make rules to ensure the proper application and encumbrance of funds.

Subd. 5. **NOTIFICATION OF LEGISLATIVE NOTICE TO COMMITTEES.** If The commissioner of finance determines to reduce an allotment pursuant to subdivision 1 or if he determines it is necessary to withhold any payment after the statutorily prescribed date for payment in compliance with subdivision 3, the commissioner shall notify the committees on finance and taxes and tax laws of the senate, and the committees on appropriations and taxes of the house of representatives of a reduction in an allotment under subdivision 1. The notice shall be made must be in writing not later than and delivered within 15 days after the reduction in the allotment is made or the date prescribed for payment for any payment withheld of the commissioner's act. The notice shall must specify:

- (1) the amount of the reduction in the allotment and;
- (2) the agency and programs affected;
- (3) the amount of any ~~payments~~ payment withheld; and
- (4) any additional information the commissioner determines is appropriate.

Subd. 6. **BUDGET RESERVE ACCOUNT.** The commissioner of finance on July 1, 1983 shall transfer \$250,000,000 to a budget reserve account in the general fund in the state treasury.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 7. **DELAY IN PAYMENT; REDUCTION.** The commissioner of finance may delay payment of an amount paying up to 15 percent of an appropriation due to a special taxing district or a system of higher education in that entity's fiscal year for up to 60 days after the start of its next fiscal year. The delayed amount ~~delayed~~ is subject to allotment reduction under section 16A.15, subdivision 1.

16A.155 BUDGET AND ALLOTMENT SYSTEM; REFUNDS; CHARGED WHEN PAID.

Notwithstanding the provisions of sections 16A.14 and 16A.15, or any other law to the contrary, the payment of a refund for any purpose authorized by law shall be chargeable against charged to the fund, appropriation, allotment or encumbrance for the period in which the refund is paid.

16A.17 PREPARATION OF STATE PAYROLL.

Subdivision 1. **SALARIES; WHEN PAID.** The commissioner of finance, with the approval of the governor, shall fix the time for payment of salaries due elective and appointive officers and may choose to pay salaried employees of the state government. Salaries shall be paid either monthly, semimonthly or for each two week period; provided, however, that no biweekly employee whose salary is less than 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.

Subd. 3. **EQUAL PAYMENTS.** In order to utilize modern accounting methods in processing payrolls, The commissioner of finance may adjust salaries of all state officers and employees whether fixed by statute or otherwise on an annual, monthly, semi-monthly, daily or other basis, so that they are payable in the salary of an employee to provide equal payments throughout through the year and to make use of modern accounting in preparing the payroll. The Adjusted salaries so adjusted shall must be based on a year of 2088 working hours. Odd Fractions may be dropped or added in order to permit equal payments throughout the year regardless of whether the computation slightly decreases or increases the fixed annual, monthly, semi-monthly, daily or other salary of the state officers or employees even if the salary is then slightly changed.

Subd. 4. **ALLOCATIONS.** 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 set procedures for allocating and encumbering equal salary payments when a payroll period extends beyond one the end quarter of the fiscal 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.

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(2) Subd. 4a. **APPLICATION.** This Subdivision is applicable 4 applies to salaries of state officers and employees payable in equal payments throughout the year notwithstanding any other provision in Minnesota Statutes. 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 ~~the~~ subsequent act that the provisions of this subdivision shall 4 ~~does~~ not be applicable apply or shall be is superseded, modified, amended, or repealed.

Subd. 5. **PAYROLL DUTIES.** Whenever in any law the duty is imposed upon the head of a state ~~When the department or prepares the payroll for an agency, the commissioner assumes the agency head's duties to make authorized or required~~ deductions from, or employer contributions on, the salaries and wages of state officers and ~~pay of the agency's employees for such purposes as are authorized or directed by law and to prepare or and issue vouchers in connection therewith and the payroll for such officers and employees is prepared by the department of finance, such duties shall devolve upon the commissioner of finance~~ the necessary warrants.

Subd. 5a. **VOLUNTARY DEDUCTIONS.** Notwithstanding any other law to the contrary, where a state officer or ~~The commissioner may require an employee directs, in writing, that making 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 and the recipient of the deduction to provide information on the amount of or a change in the amount of the deduction. The employee making a voluntary deduction must sign and send the deduction instructions to the intended recipient of the deduction. The intended recipient shall forward the original signed instruction and other required information to the employee's payroll preparer.~~

Subd. 6. **BRANCH PAYROLLS.** All payrolls for the compensation of work performed, by elective and appointive state officers and employees, in the ~~The commissioner shall prepare the payroll for the executive branch shall be prepared by 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 the payrolls for of the legislative and judicial branches by using pay procedures similar to those used in the executive branch in a similar way.~~

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Subd. 7. **CERTIFICATION OF CERTIFY HOURS.** (1) The commissioner of finance may authorize certification by authorized officials as to an official to certify the hours worked for payroll purposes in anticipation of the hours actually worked.

Subd. 8. **EXCEPTIONS.** The commissioner shall prescribe procedures as may be necessary to assure that no payment shall be is made only for hours not worked unless covered by leave in accordance with collective bargaining agreements, or plans pursuant to section 43A.18 or rules of the department of employee relations or pursuant to the resolution of a grievance through the formal steps of a grievance procedure established by law or collective bargaining agreement 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 except:

(1) for leave under a collective bargaining agreement;

(2) for leave under a plan according to section 43A.18 or the rules of the department of employee relations; or

(3) to resolve a formal employee grievance permitted by law or collective bargaining agreement.

Subd. 8a. **OVERPAYMENT.** The head of an agency shall release to the commissioner money held for an employee when the commissioner certifies to the head that the money is required to correct an overpayment to an employee. An employee's contribution to a retirement fund may not be released until the person otherwise entitled to the employee's retirement account has been notified of the release certification and is eligible to apply for a refund. Released funds are the equivalent of a refund. Funds may not be released if the employee or a survivor is entitled to an immediate or deferred annuity or to a survivor's benefit.

Subd. 9. **AGENCIES SHARE.** In the instance of If a direct appropriation for the costs of preparing the state payroll, all state departments and agencies preparation is made, the commissioner shall be billed for their bill an agency for its share of the payroll preparation costs. The billing shall be done through the

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indirect cost billing system, with the moneys. Money collected being must be deposited in the general fund.

16A.18 JUDICIAL AND LEGISLATIVE BRANCHES, ACCOUNTING AND PAYROLL SYSTEMS FOR COURTS AND LEGISLATURE.

Notwithstanding the provisions of any other law to the contrary, neither The judicial nor and legislative branches of state government are not required to participate in the statewide use the state accounting system or in a computerized payroll system.

16A.19 RETIREMENT APPROPRIATIONS, SOCIAL SECURITY DEFICIENCIES.

Subdivision 1. PROCEDURE. In the event that If a direct appropriation for retirement contributions, benefits, or administrative expenses, or for social security contributions pursuant to under section 355.46, is determined by the chief administrative official of the agency to which or by the officer to whom the appropriation was made to be insufficient to meet the state's obligation under the program for which it is made for the fiscal year for which it is made, the chief administrative official or the officer shall certify to the committee on finance of the senate committee, the committee on appropriations of the house of representatives committee, and the commissioner of finance the amount necessary to meet the deficiency. Upon this certification, the commissioner of finance shall transfer the necessary amounts to the appropriate accounts.

Subd. 2. APPROPRIATION. The amount necessary to make the transfer under subdivision 1 is appropriated from the general fund in the state treasury to the agency to which or to the officer to whom the transfer is made.

16A.25 INVESTED FUNDS; CONVERSION INTO CASH; COMMISSIONER'S CERTIFICATION SALE OF SECURITIES BEFORE MATURITY.

When it shall appear to The commissioner of finance that any invested funds are needed for current purposes before the maturity dates of the securities held; he shall so certify and it shall then be the duty of notify the board of investment to order the sale or conversion into cash of securities of the amount so certified if invested funds are needed for current purposes before maturity of the securities held. The board of investment shall then order the needed amount of securities sold or cashed.

16A.26 DEPOSIT OF TAX RECEIPTS IN SINGLE ONE DEPOSITORY ACCOUNT FOR EACH TAX.

Notwithstanding the provisions of sections 290.361, 291.33, 297.13, 298.17, 298.282, 298.39, 298.396, 298.51, 298.64, 298.65, 340.60 and similar laws to the contrary relating to the depositing, disposition, or apportionment of tax receipts, the commissioner of finance may provide for a single use one depository

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account for each tax or kind of taxes providing adequate. To do so, there must be enough information is available to determine the source identify and disposition or apportionment dispose of or apportion the tax to meet statutory requirements under law. The commissioner shall request such ask the appropriate officials for the transfers and necessary certifications as are necessary to meet such statutory requirements. The commissioner of finance may issue directives to implement the provisions of carry out this section.

16A.27 STATE FUNDS; DEPOSIT; REGULATION CONTROL BY COMMISSIONER.

Subdivision 1. TREASURER TO COMPLY. (a) Deposit of state funds in depositories by the treasurer under this section is subject to regulation by The commissioner of finance. He may determine the amount of funds to deposit in a depository and any other matter which he deems shall, in the public interest, control the amount and manner of deposit of state funds in depositories by the treasurer. The treasurer shall comply with such regulations the controls.

Subd. 2. DAILY REPORT. (b) All depositories with various By 9:00 a.m. every business day, a depository holding a total of over \$100,000 in noninterest-bearing state deposits which, as a group, total over \$100,000 shall report such the balances as of the close of the previous last business day by 9:00 a.m. daily to the treasurer and the commissioner of finance. The commissioner of finance shall record these daily the balances, which shall be a matter of public record at, send a copy of them to the legislative reference library, and reported report them monthly to the legislative audit commission.

Subd. 3. COMPETITIVE BIDS. (c) All state accounts shall be established The depository for a state account must be selected by competitive bid among the designated depositories. The commissioner of finance shall send written notice of his intent to accept invite bids for the handling of the state account, or accounts, by written notice to all designated depositories. The notice shall must specify such the considerations, fiscal financial activities, and conditions as the commissioner may require requires for the bid. All such deposits shall be awarded by competitive bid The account must be awarded to the lowest bidding depository which that can, in the opinion of the commissioner, has the capacity to discharge the required considerations, fiscal activities, and conditions meet the requirements.

Subd. 4. EXCEPTIONS. (d) In exceptional cases, the commissioner may dispense with the bid procedure bidding. In such event, he The commissioner shall report the circumstances and reasons therefor to the legislative audit commission within five days after establishing opening the account.

Subd. 5. CHARGES, COMPENSATING BALANCES. (e) All presently existing state accounts shall be closed, and new accounts shall be established in

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compliance with the bid procedure established in clause (c) no later than one year after the effective date of Laws 1973, Chapter 492.

(f) Notwithstanding any provision in this section to the contrary, The commissioner of finance may agree to pay a depository a reasonable charge or to keep appropriate compensating balances there for handling state funds, for cashing state warrants, vouchers and the like performing depository related services.

16A.275 DAILY 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, an agency shall deposit receipts totaling \$250 or more with the treasurer daily. Receipts under \$250 may be deferred until they aggregate that sum. When receipts are deposited, 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 The depositing agency shall send a report to the commissioner on the disposition of receipts since the last report. The treasurer and the commissioner shall credit the deposits received during a month to the proper funds not later than the first day of the following next month.

16A.276 CASH OVERAGE AND SHORTAGE ACCOUNT.

The commissioner of finance may establish keep accounts to record on a daily basis discrepancies the difference between actual cash receipts and recorded cash receipts including losses from forged and uncollectible checks. At the end of each the fiscal year, these accounts the commissioner shall be cleared clear the accounts by transferring the balances to the general fund and paying all the deficits from the operating accounts of the various agencies generating charged with the deficit. A and shall report of all adjustments shall be made an adjustment to the legislative audit commission upon closing the books of account each fiscal year.

16A.28 TREATMENT OF UNUSED APPROPRIATIONS TO REVERT TO STATE TREASURY.

Subdivision 1. LAPSE. Except as specifically provided for in appropriation acts, every a part of an appropriation or part thereof of any kind hereafter made subject to the provisions of this section remaining unexpended and unencumbered at the close of any a fiscal year shall lapse and lapses. The commissioner shall cause same to be see that the remainder is returned to the fund from which such the appropriation was made; provided, that.

Subd. 2. REINSTATEMENT; FINAL LAPSE. The commissioner, with the approval of the governor, may reinstate a lapsed appropriation within

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three months after the date the appropriation lapsed of the lapse. An A reinstated appropriation reinstated pursuant to this section shall lapse lapses again no later than three months after the date the appropriation has it first lapsed. No A payment may be made pursuant to under a reinstated appropriation except as provided may be made only under section 16A.15, subdivision 3.

Subd. 3. PERMANENT IMPROVEMENTS. Notwithstanding the foregoing, An appropriation for construction or other permanent improvement shall improvements, including the acquisition of real property does not lapse until the purposes for which purpose of the appropriation was made shall have been is accomplished or abandoned unless such. However, the appropriation has stood during the entire fiscal biennium without any lapses if no expenditure therefrom is made from it or encumbrances thereon encumbrance made on it during a biennium.

Subd. 4. CANCELED OCTOBER 16. On October 16 of each year all allotments and encumbrances for the preceding last fiscal year shall be cancelled canceled unless an agency head certifies to the commissioner that there is an encumbrance incurred pursuant to law for services rendered or goods ordered in the preceding last fiscal year. The commissioner may; reinstate that portion the part of the cancellation needed to meet the certified encumbrance or he may charge the certified encumbrance against the current year's appropriation.

Subd. 5. EXCEPTIONS. Except as otherwise expressly provided by law, the provisions of this section shall subdivisions 1 to 4 apply to every appropriation of a stated sum for a specified purpose or purposes heretofore or hereafter made, but shall do 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 that are by law appropriated for special purposes by standing, continuing, or revolving appropriations.

16A.281 LEGISLATIVE APPROPRIATIONS TO LEGISLATURE EXEMPT.

Section 16A.28 is inapplicable does not apply to appropriations made to the legislature, the senate, the house of representatives or its committees or commissions. An appropriation made to the legislature, the senate, the house of representatives or their a legislative commission or committee other than a standing committees for a fiscal biennium or any part thereof shall be available for expenditure in either year of the biennium or for the fiscal year preceding or following the committee, if not spent during the first year, may be spent during the second year of a biennium. An appropriation made to a committee or commission of the legislature if unexpended during the first year of a fiscal biennium is available for expenditure during the second year thereof, but any unexpended balance remaining at the end of the a biennium shall lapse lapses and shall be returned to the fund from which appropriated. An appropriation made to the legislature, the Senate, the House of Representatives, or a standing

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committee for all or part of a biennium may be spent in either year of the biennium or the year before or after the biennium.

16A.30 APPLICATIONS FOR COMMISSIONER TO APPROVE APPLICATIONS FOR NONSTATE FUNDS.

Subdivision 1. **ON ORIGINAL APPLICATION; RULES AND APPROVAL.** Every department or An executive agency of the executive branch of state government shall, prior to the submission of any application may not apply for nonstate moneys, submit the original of the application to money without getting the approval of the commissioner of finance on the original of the application. 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 make rules, regulations, and directives to implement the provisions of carry out this section.

Subd. 2. **HISTORICAL SOCIETY.** The provisions of this section shall Subdivision 1 does not apply to the Minnesota historical society.

16A.35 FEDERAL GENERAL REVENUE SHARING FUNDS, TRANSFER TO GENERAL FUND.

Any moneys heretofore or hereafter received from The commissioner shall transfer federal general revenue-sharing funds received and any interest earned on such moneys shall be transferred on them to the general fund in order to comply with the United States Department of Treasury regulations that such federal general revenue sharing. The funds shall then be appropriated and expended in the same manner as the state's own revenues. Upon transfer such federal general revenue sharing funds shall be appropriated and expended in the same manner as all other moneys in the general fund. Provided, however, that such federal general revenue sharing funds shall not be appropriated or considered to be appropriated as is other money in the general fund; but they may not be appropriated to any local unit of government, including school districts, to the University of Minnesota, or for any purpose that is contrary to the provisions of Public Law Number 92-512 or the regulations of the United States Department of the Treasury.

The commissioner of finance shall make such transfers, and the sums so transferred are then a part of the general fund and, available for appropriation and expenditure.

16A.36 GRANTS FROM UNITED STATES, USE OF AND INCOME FROM FEDERAL GRANTS.

All Funds Money received by the state from the federal government of the United States as grants-in-aid for the financing of aid to dependent children, or for maternal and child health services, or for the care of crippled children, or for

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the care of neglected children and child welfare generally, or for vocational rehabilitation, or for the extension of public health services, or for any other public assistance or public welfare purpose shall must be used solely only for the grant purpose for which the grant was made. Any interest or income arising from the funds so granted shall be credited by the state treasurer to the particular account for which the grant was made and used solely for the purpose of that grant, or repaid to the United States Treasury If the proper authorities or the federal government of the United States so require, or otherwise shall be credited the treasurer shall credit interest or income from the grant to the grant account to be used only for the grant purpose, or shall pay it to the federal treasury. Otherwise, the treasurer shall credit the interest or income to the general fund.

16A.40 WARRANTS PRINTED, REGISTERED IN NUMERICAL ORDER.

Warrants shall must be drawn on printed blanks progressively numbered and for every warrant issued that are in numerical order. The commissioner shall enter, in numerical order in a warrant register, the number, amount, date, and name of payee shall be entered in progressive order in for every warrant registers kept by him for that purpose issued.

16A.41 CLAIMS AGAINST STATE.

Subdivision 1. **CERTIFIED.** When claims against the state for any purpose are made for which there is an appropriation available the An official having with authority over the appropriation from which the to pay a claim is to be paid shall cause approve the claim to be approved by certification thereon certifying that the service was performed or the goods or material furnished. These claims The claim shall be forwarded sent to the commissioner of finance accompanied by such the transmittal form as he prescribes prescribed by the commissioner.

Subd. 2. **DECLARATION.** The commissioner of finance may require any person making a claim against the state for any purpose claimant to declare that the claim and the its amount thereof is are just and correct and that no part thereof of it has been paid. Such declaration if required by the commissioner of finance is sufficient if in The following form may be used:

"I declare under the penalties of perjury that this claim is just and correct and that no part of it has been paid.

Signature of Claimant."

Subd. 3. **DECLARATION SAME AS OATH.** The effect of this To sign the declaration shall be the same in subdivision 2 is the same as if subscribed and sworn to sign and swear under oath.

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16A.42 PRESCRIBES FORM OF CLAIM CLAIMS: FORM, APPROVAL, REGISTER.

Subdivision 1. FORM. The commissioner shall prescribe the form of the a claim is prescribed by the commissioner of finance.

Subd. 2. APPROVAL. The warrant is completed and signed by the commissioner and the treasurer, upon approval of the claim by the commissioner, shall If the claim is approved, the commissioner shall complete and sign a warrant in the amount of the claim. The treasurer shall then accept the warrant with his signature, making and make the warrant negotiable. The treasurer may confer authority upon one or more of his assistants to accept the warrant in his behalf. The warrant shall be entered in the warrant register the same as a cash payment by signing it.

Subd. 3. TREASURER'S DESIGNEE. The treasurer may authorize an assistant to accept a warrant for the treasurer.

Subd. 4. REGISTER. The commissioner shall enter a warrant in the warrant register as if it were a cash payment.

16A.43 ENDORSEMENT OF WARRANT A RECEIPT.

The endorsement by the payee of the a warrant constitutes is a receipt in full for the claim therein paid by the warrant.

16A.44 SUBPOENAS COMMISSIONER MAY COMPEL TESTIMONY.

The commissioner of finance may issue subpoenas to any person who renders an account to the state in the nature of a bill for expenses for articles sold or purchased or involving any other transaction subpoena, administer oaths to, and examine under oath, the parties and witnesses to any transaction between the state and any a person, corporation, or copartnership partnership, or corporation. He may place such individual under oath and examine him as to the correctness of any account rendered. He may subpoena witnesses, administer oaths, and examine witnesses under oath in any transaction entered into between the state and any person, copartnership, or corporation.

16A.45 OUTSTANDING UNPAID OLD WARRANTS CANCELED, CANCELCATION REPLACED, IF PRESENTED.

Subdivision 1. CANCEL; CREDIT. At the beginning of Each fiscal year, the commissioner of finance and the state treasurer shall cancel upon their books all outstanding unpaid commissioner of finance's warrants that have been issued and delivered for outstanding more than six years prior to that date and credit to the general fund with the respective amounts amount of the canceled warrants.

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Subd. 2. REPLACEMENT. When any a canceled warrant is presented for payment it shall be taken up by the commissioner and shall keep it. A new warrant for the same amount, payable to the lawful holder thereof, but bearing with a current number, shall must be issued to the lawful holder in the same amount. The new warrant must be charged against the general fund from which the amount necessary to pay the new warrant is hereby appropriated.

Subd. 3. APPROPRIATION. The amount needed to pay the new warrant is appropriated from the general fund.

16A.46 UNPAID LOST OR DESTROYED WARRANT, ISSUANCE OF DUPLICATE; INDEMNITY.

When it is shown to The commissioner of finance by affidavit that any unpaid state warrant is lost or destroyed he may issue to the owner a duplicate thereof and thereupon the original is void to an owner if the loss or destruction of an unpaid warrant is documented by affidavit. When the duplicate is issued, the original is void. If it appears to The commissioner that any person may be damaged thereby, he may require an indemnity bond from the applicant a bond of indemnity to the state in for double the amount of the warrant, conditioned for the benefit of the person so damaged for anyone damaged by the issuance of the duplicate. The commissioner in his discretion may refuse to issue a duplicate of an unpaid state warrant. If he the commissioner acts in good faith he the commissioner is not liable, whether the application is granted or denied.

16A.47 RECORD OF COMMISSIONER'S DUTIES WITH ACCOUNTS AND DOCUMENTS.

The commissioner of finance shall enter make and keep in his the department's office, in suitable books, a record of all accounts and documents as are required by law to be returned to or filed with him the commissioner. He The commissioner shall file and preserve keep all official receipts and other vouchers relating to his official business. He The commissioner shall keep an account with the treasurer, charging him therein with. The commissioner shall charge the treasurer for all moneys money paid into the treasury and crediting credit the treasurer for all warrants redeemed by him the treasurer and returned to the commissioner. The commissioner shall also keep an account shall likewise be kept with for each money appropriation made by the legislature, showing all the disbursements made therefrom. He The commissioner shall keep such other accounts as are necessary needed to exhibit show the daily condition of the state finances from day to day.

16A.48 REFUNDS REFUND OF ERRONEOUS DEPOSITS.

Subdivision 1. **PROCEDURE.** Money paid into the state treasury through error or under circumstances such that the state is not legally entitled to retain it, may be refunded upon the submission of a verified claim therefor. The claimant shall present his verified claim, together with a complete statement of

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facts and reasons for which the refund is claimed, to the head of the state agency concerned, who shall forthwith examine it, attach thereto his approval or disapproval thereof together with his reasons therefor, and submit the claim to the commissioner of finance for settlement in the manner provided by law. A verified claim may be submitted to the concerned agency head for refund of money in the treasury to which the state is not entitled. The claimant must submit with the claim a complete statement of facts and reasons for the refund. The agency head shall consider and approve or disapprove the claim, attach a statement of reasons, and forward the claim to the commissioner for settlement.

Subd. 2. **APPROPRIATION.** There is hereby The amount needed to pay a refund under subdivision 1 is appropriated to the persons person entitled to such refund, it from the fund in the state treasury to which the money was credited, an amount sufficient to make the refund and payment.

16A.49 **REFUNDS OF \$1 OR LESS.**

Moneys in the state treasury shall not be used in making a refund where the amount thereof is \$1 or less except where the amount received by the state giving rise to the refund, is \$1 or less. Such refunds may be made in conformity with the requirements established by the commissioner of finance and may be in lieu of the conditions prescribed by section 16A.48, subdivision 4 A refund of \$1 or less may not be paid from the treasury unless the receipts giving rise to the refund were \$1 or less. The commissioner shall set requirements for the small refunds, which may differ from the procedure in section 16A.48.

16A.50 **FINANCIAL REPORT TO LEGISLATURE.**

On or before By December 31 of each year, the commissioner of finance shall prepare and submit report to the legislature and make available to the public a financial report covering the operations on the operation of all state funds during the preceding last fiscal year. The report shall contain financial statements and disclosures which present show the state's financial position and the fiscal results of state operations financial operations and position. This The report shall be in conformity must conform with generally accepted government accounting principles.

16A.51 **UNPAID DRAFTS MONEY DUE THE STATE; DEADLINES, INTEREST, EXCEPTIONS.**

Subdivision 1. **DEADLINES; INTEREST.** Except as provided in subdivision 2, drafts issued by the commissioner of finance for claims due the state and delivered to the state treasurer for collection shall be paid within 30 days thereafter unless the claim is to be paid by a county and is for services rendered by the university of Minnesota hospitals in which case the claim shall be paid within 60 days of the date the bill is presented to the county board. If not paid within that period interest shall accrue and be collected upon the principal of the claims at the rate of eight percent per annum from the due date of the draft A

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claim to be paid by a county for services by the University of Minnesota hospitals shall be paid within 60 days after the bill is presented to the county board. Other bills for money due the state issued by the commissioner and delivered to the treasurer for collection must be paid within 30 days of delivery. After the deadlines, interest shall accrue and be collected on the principal of a claim at eight percent per year from the due date of the bill.

Subd. 2. **EXCEPTIONS.** The provisions of subdivision 1 do not apply to drafts issued for timber stumpage, gross earning taxes, or for amounts due for principal or interest upon state loans, or other claims due the state where the interest is now provided by law. Subdivision 1 does not apply to bills for: timber stumpage, gross earnings taxes, principal or interest on state loans, and claims on which the interest is fixed by other law.

16A.53 BOOKKEEPING ACCOUNTS.

Whenever ~~When~~ a provision of law now existing or hereafter enacted provides for creating ~~creates~~ a fund in the state treasury into which are deposited certain revenues and out of which certain expenditures are appropriated, the commissioner of finance may consider the creation of such ~~the~~ the fund as the creation of a bookkeeping account in the state's general books of account of the state so as to reflect the revenues deposited in the state treasury and credited to such ~~the~~ the account and the expenditures appropriated from the state treasury and charged to such ~~the~~ the account. This section is inapplicable does not apply to any a fund created by the Constitution or to any a fund required to be created in the state treasury by the provisions of any federal law or a rule or regulation promulgated by a federal authority pursuant thereto.

16A.54 GENERAL FUND DEFINED.

Except as provided in section 16A.671, subdivision 2, the term "general fund" appearing in any existing or hereafter enacted a law relating to revenues deposited in or expenditures appropriated from the state treasury means such moneys as have been ~~money~~ deposited in the state treasury for the usual, ordinary, running, and incidental expenses of the state government and does not include moneys deposited in the state treasury for a special or dedicated purpose.

16A.56 SPECIFIC COMMISSIONER'S RECEIPT AND CLAIM DUTIES.

The commissioner of finance or his designated agents or a designee shall examine every receipt, account, bill, and claim, refund, and demand against the state, and if a legal, correct, and proper claim, he shall, approve the same, designate them, name the account to be charged therefor, or credited, and issue his warrant in payment thereof in the manner provided by law. He shall approve all documents and reports showing evidences of payments into receipts by the state treasurer and shall designate the fund to be credited therewith warrants to pay claims.

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16A.57 APPROPRIATION AND, ALLOTMENT REQUIRED FOR EXPENDITURES, AND WARRANT NEEDED.

Unless otherwise expressly provided by law, no money belonging to or for the uses of the state shall be expended or applied by any official, department, or agency of the state government or any institution under its control, except under authority of an appropriation by law and an allotment relating thereto as herein provided and upon warrant of the commissioner of finance state money may not be spent or applied without an appropriation, an allotment, and issuance of a warrant.

16A.58 SUPERVISION OF ORIGINAL COMMISSIONER CUSTODIAN OF PAYMENT DOCUMENTS.

Except as otherwise provided by law, all original bills, claims, contracts, deeds, leases, demands, and vouchers on which money has been or may be paid by the state treasurer shall be kept in the office of the commissioner of finance and shall be under his supervision and control The commissioner is the custodian of original documents on which money has been or may be paid by the treasurer.

16A.59 QUARTERLY QUARTER AND FISCAL YEAR STATEMENTS.

At the end of every quarterly period each quarter and at the end of each fiscal year, the commissioner of finance shall prepare and submit to for the governor and make available to the public a summary statement showing all revenues of revenue and expenses for the period covered by the statement, including a comparison with the previous corresponding period. These statements shall be in sufficient The summary must detail as to the appropriations and funds as to show the exact financial condition of the state and each department and agency thereof and of the state. The summary must include a comparison with the last corresponding period.

16A.60 COMMISSIONER OF FINANCE TO REIMBURSE COST TO COLLECT HIGHWAY TAXES TO GENERAL FUND.

The commissioner of finance, as when authorized from time to time by law, shall transfer money from the highway user tax distribution fund to the general fund money. The transfer is to reimburse the general fund for the costs cost of collecting the taxes provided for mentioned in article 14 of the Constitution of the State of Minnesota.

16A.61 TRANSFER OF MONEYS CERTIFICATE MONEY TO GENERAL FUND.

The commissioner of finance is hereby authorized and directed to shall transfer to the general fund in the state treasury, all moneys money credited to any a fund established in connection with the payment of set up for paying off

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certificates of indebtedness to the general fund when the purposes for which the act authorizing such purpose of the certificates have been is accomplished.

16A.62 SPECIAL FUNDS OR ACCOUNTS, TRANSFER MONEY IN ABOLISHED FUND TO GENERAL FUND.

Moneys deposited in the state treasury or on deposit on June 30 of each year from tax sources or otherwise to the credit of a special fund or account which is abolished by law shall be transferred to and credited to the general fund Each June 30, the commissioner shall transfer to and credit to the general fund, money in a special fund or account abolished by law.

16A.63 MINNESOTA STATE BUILDING FUND; RELATED APPROPRIATIONS.

Subdivision 1. **CREATION; USE PURPOSE.** For the purpose of providing money to state agencies for the acquisition and betterment of public lands and other public improvements of a capital nature, the Minnesota state building fund is created as a separate bookkeeping account in the general books of account of the state. Proceeds of state bonds credited to this fund are appropriated for construction and other permanent improvement and shall be available until the purposes for which the appropriation was made have been accomplished or abandoned. None of such moneys shall be canceled. When the purpose of any such appropriation has been accomplished or abandoned, the authority to whom the appropriation was made shall so certify to the commissioner of finance. Thereupon the unexpended balance of such appropriation, unless transferred under authority of the appropriation act to another purpose therein designated, shall be transferred and credited to the state bond fund. Amounts so transferred and credited are appropriated for the purpose of reducing the amount of tax otherwise required to be levied for the state bond fund by Article XI, Section 7 of the Constitution The state building fund, a separate bookkeeping account in the state's general account books, is established to receive state bond proceeds that have been appropriated to agencies to acquire and to better public lands and buildings and other public improvements of a capital nature as authorized by the Constitution, article XI, section 5(a).

Subd. 1a. **APPROPRIATION FOR CAPITAL PROJECTS.** State bond proceeds credited to the state building fund are appropriated for the capital projects referred to in subdivision 1.

Subd. 1b. **DISPOSITION OF APPROPRIATION.** The amount appropriated in subdivision 1a is available until the purpose of the appropriation is accomplished or abandoned. The head of the agency receiving the appropriation shall certify the accomplishment or abandonment to the commissioner. Then, unless the appropriation is transferred under authority of the appropriating act to another purpose specified in the same act, the unexpended balance of the

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appropriation is transferred to the state bond fund. None of the money is canceled.

Subd. 1c. BOND LEVY APPROPRIATION. The amount transferred to the state bond fund by subdivision 1b is appropriated to reduce the tax otherwise required to be levied for the state bond fund.

Subd. 2. TEMPORARY FINANCING ANTICIPATED BOND PROCEEDS. In anticipation of the receipt of proceeds of state bonds, The commissioner of finance may transfer amounts not in excess of the anticipated an amount not to exceed the amount of anticipated bond proceeds from the general fund to the Minnesota state building fund or other state fund to which the proceeds are appropriated, before the proceeds are received. Upon receipt of the state bond proceeds in anticipation of which a general fund transfer has been made, the commissioner of finance shall transfer to the general fund from the fund to which the proceeds were appropriated an amount equal to the sum originally transferred from the general fund. There are annually appropriated to the commissioner of finance from the general fund and from the proceeds of the bonds sums sufficient to effect the transfers authorized by this subdivision When the proceeds are received, the commissioner shall replace the transferred funds.

Subd. 2a. APPROPRIATION FOR TRANSFERS. The money needed to make the transfer and replacement in subdivision 2 is appropriated annually to the commissioner from the general fund and from the bond proceeds.

16A.64 MINNESOTA STATE BUILDING BONDS.

Subdivision 1. GENERAL AUTHORITY. For the purpose of providing money appropriated to state agencies from the Minnesota state building fund for the acquisition and betterment of public lands and buildings and other public improvements of a capital nature, when authorized by law, the commissioner of finance shall issue and sell bonds of the state of Minnesota for the prompt and full payment of which, with interest thereon, the full faith, credit, and taxing powers of the state are irrevocably pledged. The proceeds of such bonds shall be credited to said state building fund, When authorized by law, the commissioner shall sell and issue state bonds to provide the money appropriated to agencies from the state building fund for projects of a capital nature. The full faith, credit, and taxing powers of the state are irrevocably pledged for the prompt and full payment of the bonds. The bond proceeds shall be credited to the state building fund except that accrued interest and any premium received on sale of the bonds shall be credited to the state bond fund created by the Constitution, article XI, section 7.

Subd. 2. BOND PROVISIONS. The bonds shall be issued and sold upon sealed bids upon such notice, at such times, in such form and denominations, bearing interest at such rate or rates, maturing on such dates, either without option of prior payment or subject to prepayment upon such notice and

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at such times and prices, payable at such bank or banks, within or without the state, with such provisions for registration, conversion, and exchange and for the issuance of notes in anticipation of the sale and delivery of definitive bonds, and in accordance with such further provisions, as the commissioner of finance shall determine, subject to the approval of the attorney general (but not subject to the provisions of sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62). The bonds shall be sold and issued by sealed bids according to provisions set by the commissioner, subject to the approval of the attorney general. Among the provisions the commissioner shall set are those dealing with:

- (1) the notice of sale;
- (2) the time of sale;
- (3) the denomination and form;
- (4) the interest rate;
- (5) the maturity date;
- (6) whether without option of prior payment, or subject to prepayment;
- (7) the notice, time, and price of prepayment, if any;
- (8) the place of payment at a bank in or out of the state;
- (9) registration, conversion, and exchange;
- (10) issuance of notes in anticipation of the sale and delivery of definitive bonds.

In setting the provisions, the commissioner is not subject to sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62. Each bond shall mature within 20 years from its date of issue and. Each bond shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The Facsimile signatures of these officers on the face of any bond and on the interest coupons appurtenant to it, and their seals, may be printed, lithographed, stamped, engraved, or otherwise reproduced thereon on the bonds and the attached interest coupons. Each bond shall be authenticated by the manual signature on its face of one of the officers the commissioner, the state treasurer, or a person authorized to sign on behalf of a bank or trust company designated chosen by the commissioner to act as registrar or other authenticating agent.

Subd. 3. **CERTIFICATION.** The commissioner of finance shall ascertain and certify to the purchasers of the bonds the performance and existence of all acts, conditions, and things necessary to make them valid and binding general obligations of the state of Minnesota in accordance with their terms, subject to the approval of the attorney general. Any act directing the issuance of bonds pursuant to this section shall, together with this section,

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constitute complete authority for such issue, and such bonds shall not be subject to the restrictions or limitations contained in any other law The commissioner shall certify, subject to the approval of the attorney general, to the purchasers of the bonds, that all conditions exist and all needed actions have been taken to make the bonds valid and binding general obligations of the state according to the terms of the bond. A law directing bonds to be issued under this section is, with this section, full authority for the issue.

Subd. 4. **EXPENSES.** All expenses incidental to the sale, printing, execution, and delivery of bonds pursuant to this section, including, but not limited to, actual and necessary travel and subsistence expenses of state officers and employees for such purposes, shall be paid from the Minnesota state building fund, and the amounts necessary therefor are appropriated from said fund Actual and necessary travel and subsistence expenses of employees, and all other expenses incidental to the sale, printing, execution, and delivery of bonds under this section, shall be paid from the state building fund.

Subd. 4a. **EXPENSE APPROPRIATION.** The amount needed to pay expenses under subdivision 4 is appropriated from the state building fund.

Subd. 5. **BUILDING BOND ACCOUNT.** The commissioner of finance shall maintain in the state building bond fund a separate bookkeeping account which shall be designated as in the Minnesota state building bond account fund. The legislature may appropriate to this account, for the payment of Minnesota state building bonds and interest thereon, any moneys unappropriated money in the state treasury not otherwise appropriated to the account to pay state building bonds.

On the first day of Each November of each 1 year there, the commissioner shall be transferred transfer to the Minnesota state building bond account all of the moneys then enough money from available under any such appropriation or such lesser sum as will be sufficient, with all appropriations when added to the money previously transferred to said account, and all the income from the investment of such money, already there to pay all the principal and interest then and theretofore due and all principal and interest to become coming due within the next ensuing year and to and including July 1 in the second ensuing year, on Minnesota state building bonds.

All moneys so The transferred money and all the income from the investment thereof shall be it is available for the payment of such paying for the bonds and the interest thereon, and so much thereof as may be necessary is appropriated for such payments on them. The commissioner of finance and the state treasurer are directed to shall make the appropriate entries in the accounts of the respective funds.

Subd. 5a. **BOND PAYMENT APPROPRIATION.** The money needed to make the payments under subdivision 5 is appropriated.

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Subd. 6. **CONSTITUTIONAL TAX LEVY.** Under the Constitution, article XI, section 7, the state auditor shall levy each year on all taxable property within in the state whatever, the tax may be necessary needed to produce an be added to the amount sufficient, with all money then and theretofore transferred available under subdivision 5, and all income from the investment thereof, to pay all the entire amount of principal and interest which is then due or is to become coming due within the then ensuing year and to and including July 1 of the second ensuing year on Minnesota state building bonds. Such The tax shall must be levied upon on all taxable real property used for the purposes of a homestead, as well as other taxable property, including homesteads, notwithstanding the provisions of section 273.13, subdivisions 6 and 7. Such tax shall be subject to no limitation of The rate or amount of the tax is unlimited until all such the bonds and interest thereon on them are fully paid. The proceeds of such taxes are appropriated and credited to the state bond fund, and the principal and interest of said bonds are payable from the proceeds of such taxes, and the whole thereof, or so much thereof as may be necessary, is appropriated for such payments. If at any time there is insufficient money from the proceeds of the taxes provided for herein to pay the principal and interest when due on such bonds, then such principal and interest shall be paid out of the general fund in the state treasury, and the amount necessary therefor is hereby appropriated. The general fund shall be reimbursed from the proceeds of said taxes when received.

Subd. 6a. **APPROPRIATION FOR LEVY, DEFICIENCY.** (a) The proceeds of the tax levy made under subdivision 6 are appropriated and credited to the state bond fund. The state bonds and the interest on them, required to be paid for under subdivision 6, are payable from the proceeds of the tax levy. As much of the proceeds of the tax levy as is needed for the payments is appropriated.

(b) If the tax levy proceeds are ever insufficient to make the principal and interest payments on the state bonds when due, then the balance must be paid out of the general fund. The amount needed to pay the balance is appropriated from the general fund. The general fund must be reimbursed from the proceeds of the tax when received.

16A.65 STATE BOND FUND; APPROPRIATIONS BONDS; MATURITIES TO AVOID TAX; VALIDITY.

Subdivision 1. **BOND LEVY APPROPRIATION.** In order to reduce the amount of taxes otherwise required to be levied, There is hereby annually appropriated annually to the state bond fund from the general fund in the state treasury such sums of money sufficient in the amount when that, added to the balance on hand in the state bond fund on November 1 each year, is needed to pay all the principal of and interest on state bonds issued for the purposes set forth in subdivision 2, due and to become due within the then ensuing year and including through July 1 in the second ensuing year. The moneys received and

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on hand pursuant to the appropriation annually made by this subdivision are money must be available in the state bond fund prior to the levy of before the tax in any year required by the Constitution, article XI, section 7, and shall be used to reduce the amount of the tax otherwise required to be is levied.

Subd. 2. **WHICH BONDS.** The state bonds referred to in subdivision 1 are those issued pursuant to the Constitution, Article XI, Section 5, to provide funds for the acquisition to acquire and betterment of to better public land and buildings and other public improvements of a capital nature or for refunding certificates of indebtedness authorized by the legislature prior to January 1, 1963.

Subd. 4. **MATURITIES; APPROVAL.** In the issuance of each series of issuing each series of state bonds authorized by law for any purpose, the commissioner of finance shall endeavor try to establish the maturities thereof in such manner that the sums anticipated to be received in the state bond fund on or before November 1 in each year of the then current biennium from the general fund and from all other sources except property taxes, pursuant to appropriation by any law, will be sufficient to provide for the payment of all state bonds and interest without the levy of a property tax on that date under the provisions of Article XI, Section 7 of the Constitution. In the issuance of each such series the commissioner of finance shall also endeavor to estimate whether the issuance thereof, with maturities and other provisions which the commissioner believes to be most advantageous to the state for the marketing of the bonds, is likely, except in the event of refunding of such series, to result in the requirement of a property and other terms to avoid the necessity of a constitutional tax levy in any subsequent year, having regard to the historical and projected receipts from nonproperty tax sources appropriated to the state bond fund. If in the commissioner's judgment such issuance is likely to cause a future property tax levy or refunding, he shall report this fact to. The commissioner shall inform the executive council, and the bonds shall not be issued and sold with the proposed maturities and other provisions unless approved by resolution of if it is likely that issuing a series of bonds will require a constitutional tax levy. The executive council; but must give prior approval by resolution for the sale and issuance of that series.

Subd. 4a. **SOLD BONDS.** Nothing herein shall impair or affect in any manner in subdivision 4 affects the validity or security of any bonds actually state bonds issued and sold under authority of any law, in the hands of the initial purchaser or any subsequent holder thereof, regardless of the date and amount of any the maturity selected for any series of bonds, in a manner if issued and sold consistent with the law authorizing the issuance issuing of such series the bonds.

16A.66 MINNESOTA STATE REFUNDING BONDS.

Subdivision 1. **AUTHORITY PLEDGE.** For the purpose of refunding state bonds of any series heretofore or hereafter authorized, including interest on them, The commissioner of finance may, with the approval by resolution of the

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executive council, issue state bonds of the state of Minnesota in the manner and upon the terms and conditions prescribed in to refund a series of authorized state bonds. The refunding bonds must comply with this section and in with the Constitution, article XI, section 7. For the prompt and full payment of all such refunding bonds and the interest thereon The full faith and credit and taxing powers of the state are irrevocably pledged for the prompt and full payment of the refunding bonds and interest on them. The proceeds of such bonds shall be credited to the state bond fund created by the Constitution, and within that fund to such separate the bookkeeping account as shall have been created for the payment of the bonds to be refunded and the interest thereon, on them and shall be credited only against the tax otherwise required by the Constitution to be levied with respect to pay the refunded bonds.

Subd. 2. **JOINT AUTHORITY.** Unless otherwise expressly provided in the law authorizing the issuance of any series of bonds, such the authorization shall include authorization to also authorizes the commissioner to issue refunding bonds for the purpose of refunding the same in the manner and upon the terms and conditions to refund them as prescribed in by this section. Any act directing the issuance of bonds for any purpose shall, is together with this section, constitute complete authority for the issuance of issuing the refunding bonds to refund the same, and such the refunding bonds shall are not be subject to the restrictions or limitations contained in any of other law.

Subd. 3. **ISSUE AND SALE.** Such The refunding bonds shall may be issued and sold upon sealed bids, or may be; sold directly to the state board of investment without bids; or may be exchanged for the refunded bonds refunded by agreement with the holders thereof, and shall. The refunding bonds must be prepared, executed, and delivered, and when issued shall must be secured, in the same manner in all respects as provided by law and the Constitution for just as the refunded bonds refunded thereby were. The proceeds of the refunding bonds may be deposited, invested, and applied to accomplish the refunding in the manner and upon the conditions as provided in section 475.67, subdivisions 5 to 10. The interest rate on refunding bonds may exceed that on the refunded bonds refunded when in the judgment of if the commissioner and the council want the refunding is nevertheless necessary or desirable for the purpose of extending bonds to extend the maturities and reducing the annual amount of the property tax or other funds refunded bonds or reduce the money needed annually to pay and secure the refunded bonds and the interest on them.

Subd. 4. **APPROPRIATION.** Such moneys as are required The money needed to carry out the purposes of this section are is appropriated annually therefor.

Subd. 5. **ADVISORY RECOMMENDATION.** Prior to each Before a sale of general obligation bonds, the commissioner of finance shall report to seek the advisory recommendation of the chairmen of the house appropriations and

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senate finance committees, house and senate tax committees, and the minority leaders of the house and senate, as to the amount of bonding bonds to be issued and a detailed list of the projects which are to be financed and shall receive their recommendations. These recommendations are advisory only; failure to. The recommendation is positive if the commissioner receives no reply within ten days is deemed a positive response.

16A.671 CERTIFICATES OF INDEBTEDNESS.

Subdivision 1. **AUTHORIZATION AUTHORITY; ADVISORY RECOMMENDATION.** For the purpose of assuring To assure that cash or cash equivalent assets will be are available at all times during each biennium to pay all warrants drawn on the general fund pursuant to appropriations and allotments for expenditure for any purpose during that biennium, the governor may authorize the commissioner of finance to issue certificates of indebtedness in anticipation of the collection of taxes levied for and other revenues appropriated receiving revenue credited to the general fund, and. The governor may also authorize the commissioner to issue additional certificates to refund outstanding certificates or interest thereon, under the provisions of on them. The authority for issuing the certificates is the Constitution, article XI, section 6. Before certificates of indebtedness are sold and issued pursuant to any authorization, except for the purpose of refunding, the governor shall secure seek the advisory recommendation of the legislative advisory commission as to, or if there is no commission, the executive council, on: the necessity thereof, for the certificates, the terms and conditions of the sale and issuance,; and the maximum amount to be issued and outstanding under the authorization. , When certificates of indebtedness are to be sold and issued pursuant to If the legislative advisory commission fails to make a prompt recommendation, the recommendation is negative. The governor need not seek a recommendation to refund outstanding certificates. The governor shall seek a recommendation before a line of credit is established or an underwriting or placement agreement is made under subdivision 5, clause (b) or (c). The governor shall secure a recommendation before the line of credit is established or the underwriting or placement agreement is entered into, but need not secure an additional seek another recommendation for each issuance of time certificates of indebtedness pursuant to that are issued under the line of credit or agreement. The recommendation of the commission shall be advisory only. The failure of the commission to make a recommendation promptly is a negative recommendation. If there is no legislative advisory commission, the governor shall request an advisory recommendation from the executive council.

Subd. 2. **DEFINITIONS.** As used in this section, the following terms defined in this subdivision have the meanings given them:

(a) "Allotment" means a limitation placed by the commissioner of finance pursuant to law, upon the amount to be expended or encumbered during any period during a biennium pursuant to an appropriation.

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(b) "Appropriation" means an authorization by law to expend or encumber an amount in the general fund during a biennium, including but not limited to:

(1) Direct appropriations;

(2) Open and standing appropriations;

(3) Appropriations of sums sufficient for stated purposes, the amounts of which shall be deemed to be as estimated by the commissioner of finance from time to time; and

(4) Appropriations of amounts to be paid or transferred in financial records from the general fund to any special or dedicated fund.

(e) (a) "General fund" means all cash and investments from time to time received and held in the state treasury, except proceeds of state bonds and amounts received and held in special or dedicated funds created by the state Constitution, or by or pursuant to federal laws or regulations thereunder, or by bond instruments, pension contracts, or other agreements of the state or its agencies with private persons, entered into pursuant to under state law.

(d) (b) "Maximum current cash flow requirement" means a written estimate by the commissioner of finance of the largest of the amounts by which, on a particular designated date in each month of the term for which certificates are to be issued, the sum of the warrants then outstanding against the general fund plus those that must be drawn ~~thereon~~ on the fund before the same date in the following month, in payment of claims due for expenditure pursuant to under all appropriations and allotments, will exceed the amount of cash or cash equivalent assets held in the general fund on the first of these dates, excluding the proceeds of the certificates.

Subd. 3. **LIMITATIONS OF AMOUNT.** The principal amount of certificates of indebtedness to be issued at any time shall may not exceed the smallest lesser of the following:

(a) (1) an amount which, with interest thereon to maturity, added to the then outstanding amount of certificates, ~~less the amount thereof, if any, which will be not simultaneously paid from the proceeds, and interest thereon to maturity, retired,~~ will equal the then unexpended balance of all money which that will be credited to the general fund during the current biennium under existing laws, as estimated by the commissioner of finance; or

(b) (2) the maximum current cash flow requirement.

Subd. 4. **TERMS.** The commissioner of finance may establish by order in accordance with the provisions of this section, and not subject to the provisions of sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62, the principal amount of each series of certificates of indebtedness, the time or times

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and terms of sale, the denominations and form, whether registered or payable to bearer, with or without interest coupons, the interest rate or rates or the basis of computation of a variable rate, the maturity date or dates and amounts, the provisions, if any, for redemption at times and prices and upon notice specified, a place or places of payment which may be suitable financial institutions within or outside the state, any provisions for registration of ownership of principal, or both principal and interest, and for transfer and exchange, and any other terms the commissioner may determine with the approval of the attorney general. All certificates shall mature not later than the end of the biennium in which they are issued. The commissioner shall fix with respect to a series of certificates of indebtedness:

- (1) the principal amount;
- (2) the time or times and terms of sale;
- (3) the denomination and form;
- (4) whether registered or payable to bearer, with or without interest coupons;
- (5) the interest rate or rates or the basis of computation of a variable rate;
- (6) a maturity date or dates within the biennium of issue, and amounts;
- (7) the times, prices, notice and other details of redemption, if any;
- (8) a place or places of payment which may be suitable financial institutions in or out of Minnesota;
- (9) details of registration of ownership of principal, or principal and interest, and of transfer and exchange; and
- (10) any other term with the approval of the attorney general.

The commissioner is not subject to sections 14.02, 14.04 to 14.36, 14.38, 14.44, 14.45, and 14.57 to 14.62 in fixing these terms.

Subd. 5. **SALE OF CERTIFICATES.** Certificates of indebtedness may be sold by the commissioner of finance upon public advertisement for competitive bids, or in any of the ways provided in this subdivision:

- (a) The commissioner may advertise for competitive bids on the certificates.
- (b) The commissioner may contract with a suitable bank in or out of state for a line of credit. The contract must provide that for an agreed price, the commissioner may issue and sell to the bank certificates of indebtedness from time to time within an agreed period. The certificates may be at a fixed or variable interest rate. The certificates must be subject to redemption at par plus accrued interest at any time at the commissioner's option.

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(c) The commissioner may sell the certificates to an underwriting firm or firms or hire the firm as an agent to place the certificates with investors. The certificates may be sold to investors at an agreed discount with the interest included in the face amount payable at maturity, or at a stated interest rate on a stated principal amount payable on one or more dates. For the further security of these certificates the commissioner may contract for a line of credit under paragraph (b) to pay the certificates, with interest to maturity, if necessary, by issuing new certificates to the creditor.

(a) They may be sold (d) The commissioner may sell the certificates to the state board of investment without advertisement advertising for bids, upon terms at least. The board must determine that the terms of sale are as favorable as those on which, in the judgment of the board, available at the time for the purchase of direct obligations of the United States federal government of comparable maturities can at the time be purchased from funds under its control, including the special or dedicated funds described in clause (e) of subdivision 2. The board may purchase the certificates for any fund under its control other than pension funds.

(b) The commissioner may negotiate with a suitable bank or banks within or outside the state for a line of credit whereby, for an agreed compensation, certificates of indebtedness may be issued from time to time within an agreed period, at a fixed or variable interest rate and subject to redemption at par plus accrued interest at any time at the option of the commissioner; or

(e) The commissioner may negotiate with a firm or firms of underwriters for the purchase of certificates of indebtedness or to act as an agent in the placement of certificates of indebtedness, which may be sold to investors at a specified discount representing the interest included in the face amount payable at maturity, or at a stated interest rate on a stated principal amount, payable on one or more dates. For the further security of the certificates of indebtedness the commissioner may negotiate a credit agreement pursuant to paragraph (b), providing for the payment thereof with interest to maturity, if necessary, by the issuance of new certificates of indebtedness to the bank or banks extending the credit.

Subd. 6. **EXECUTION.** Certificates of indebtedness shall be are executed by the signatures of the commissioner of finance and the state treasurer under their official seals, and any. Attached interest coupons are executed by the signature of the commissioner. Except for one manual signature, the signatures and seals may be printed, lithographed, photocopied, or stamped, except that at least one officer shall sign manually on the face of each certificate, unless. For a manual signature:

(1) either the commissioner or the treasurer shall manually sign the face of each certificate; or

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(2) the commissioner designates and the certificate on its face requires may designate a suitable financial institution to authenticate the certificate by the manual signature of its the institution's authorized representative, if the designation is made, the certificate must state the requirement on its face.

Subd. 6a. **FISCAL AGENT BANK.** The commissioner may enter into an agreement contract for an agreed fee with a suitable bank or banks located within or outside the in or out of the state to authenticate, issue, pay principal and interest on, cancel or otherwise deal with certificates of indebtedness issued pursuant to under this section, for an agreed compensation.

Subd. 7. **APPROPRIATION OF PROCEEDS.** The proceeds of all certificates of indebtedness issued pursuant to under this section are appropriated to the general fund, and shall be are available for expenditure pursuant to under any appropriation from that fund for any purpose, including those referred to in subdivision 8.

Subd. 8. **APPROPRIATION FOR PAYMENT AND COSTS EXPENSES.** The principal of and interest and premium, if any, on all certificates of indebtedness issued hereunder, and all expenses incidental to the sale, guaranty of sale, placement, printing, execution, authorization, registration, and delivery thereof, including but not limited to actual and necessary travel and subsistence expenses of state officers and employees, and costs arising from lines of credit obtained with respect to outstanding debt shall be paid from the general fund and shall be included in the computation of current cash flow requirements and of amounts available for allotment pursuant to appropriations, and The kinds of expenses listed in this subdivision related to certificates of indebtedness issued under this section shall be paid from the general fund. The expenses shall also be included in the computation of maximum current cash flow requirements, and in the computation of amounts available for allotment.

The kinds of expenses are:

- (1) principal of, and interest and premium, if any, on the certificates;
- (2) with respect to the certificates, all expenses incidental to the sale, guaranty of sale, placement, printing, execution, authorization, registration, and delivery;
- (3) actual and necessary travel and subsistence expenses of state employees incidental to the events in clause (2); and
- (4) costs arising from lines of credit obtained with respect to outstanding debt.

Subd. 8a. **APPROPRIATION FOR EXPENSES.** The amounts necessary or these purposes needed to pay the expenses in subdivision 8 are appropriated from the general fund. These appropriations are The appropriation is irrevocable and shall may not be canceled.

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Subd. 8b. COVENANT FOR SECURITY. If the commissioner determines it is advisable for the marketing of certificates of indebtedness, the commissioner of finance may enter into a covenant, on behalf of the state, for the security of the holders of the certificates of indebtedness, for the segregation of to segregate cash and cash equivalent assets in a special account within in the general fund for the payment in advance of the due date to be used only to make payments of interest, principal, and premium, if any, in. The commissioner shall decide the amounts and at the times in advance of the due dates that the commissioner determines to be for the segregation of cash that are advisable for the state in marketing the certificates of indebtedness and to take action required. The commissioner may act under section 16A.15, subdivision 1, to enable the performance of the covenant perform the covenant.

Subd. 9. BIENNIAL CASH DEFICIENCY REFUNDING CERTIFICATES. If there are not enough cash and cash equivalent amounts held assets in the general fund on the date on which any certificates of indebtedness come due, in excess of the amount of outstanding warrants then outstanding, are not sufficient to pay all such a certificates certificate of indebtedness and any its interest when due thereon, the deficiency may be paid by the issuance of, the commissioner may issue refunding certificates of indebtedness maturing not later than December 1 in the ensuing next calendar year to pay the deficiency. The commissioner, with the approval of the governor, may enter into a covenant on behalf of the state that such to offer the refunding certificates of indebtedness will be offered for sale in the event when a deficiency is anticipated expected.

Subd. 9a. PROPERTY TAX LEVY. If there are not enough cash and cash equivalent amounts held assets in the general fund in excess of the amount of outstanding warrants on the next December 1 immediately following the close after the end of the a biennium, in excess of warrants then outstanding, are not sufficient to pay:

(1) all such refunding the certificates of indebtedness and any other refunded under subdivision 9;

(2) all certificates of indebtedness outstanding at the end of the biennium and not refunded, with; and

(3) all interest then accrued thereon, on the certificates described in clauses (1) and (2); the state auditor shall levy upon enough of a tax on all the taxable property in the state a tax collectible in the ensuing next calendar year sufficient to pay the same sum of the amounts in clauses (1), (2), and (3) on or before December 1 in the ensuing of the collection year with interest to the date or dates of payment.

16A.672 BONDS AND CERTIFICATES OF INDEBTEDNESS.

Subdivision 1. **GENERAL AUTHORITY.** Notwithstanding any contrary provision of other law, the commissioner of finance and the state treasurer

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shall have the powers specified in this section with respect to the issuance, form, execution, delivery, registration of transfer and exchange, and payment of bonds and certificates of indebtedness heretofore or hereafter authorized to be issued or issued by the state.

Subd. 2. **FORM OF OBLIGATIONS.** The bonds or certificates of indebtedness may be issued in one or more denominations:

- (1) in bearer form with interest coupons attached;
- (2) with or without provision for registration as to principal only; or
- (3) or in fully registered form, in one or more denominations, and with provisions.

The commissioner may also provide for conversion of form, exchange of denominations, and transfer of ownership as prescribed by the commissioner of finance. All bonds and certificates of indebtedness, when if issued according to orders of the commissioner of finance, shall be are securities within the meaning of under sections 336.8-101 to 336.8-408, and. The commissioner of finance and the state treasurer may do on behalf of for the state all acts and things which are permitted or required of, consistent with the order, whatever issuers of securities may or must do under those sections 336.8-101 to 336.8-408 and are consistent with the orders. The bonds or certificates of indebtedness may be printed, lithographed, or otherwise reproduced in the style and form the commissioner prescribes, but. The form shall must state in a general way the purpose for which they are the purposes for which they are issued and the security provided for their payment.

Subd. 3. **EXECUTION OF OBLIGATIONS.** The bonds and certificates of indebtedness shall must be executed by the commissioner of finance and attested by the state treasurer under their official seals. ~~Facsimile~~ The commissioner may choose to use facsimiles for these signatures and seals of either or both of these officers may, as the commissioner of finance deems appropriate, be printed, lithographed, stamped, engraved, or otherwise reproduced. Every. An issued bond and or certificate issued, whether initially or upon transfer, exchange, or replacement, shall be manually signed must be authenticated on its face by one of these officers, or by a duly the manual signature of the commissioner or the treasurer, or of an authorized representative of a bank or trust company designated named by order of the commissioner of finance, whether at or after the time of initial issue, as registrar or otherwise to act as the state's authenticating agent of the state to authenticate it.

Subd. 4. **DELIVERY OF OBLIGATIONS.** The commissioner of finance may appoint name a bank or trust company within or outside in or out of the state to act as the state's delivery agent on behalf of the state, and to deliver upon payment the bonds or certificates of indebtedness to the initial purchaser upon payment therefor.

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Subd. 5. **REGISTRAR.** The commissioner of finance, in the order for the issuance of any to issue the bonds or certificates of indebtedness, may designate a corporate name a registrar to perform on behalf of the state the duties of act as a registrar as set forth in under sections 336.8-101 to 336.8-408, including but not limited to for the state. Some of the duties the named registrar may perform are authentication and delivery upon initial issuance and upon registration of transfer, exchange, or conversion into another form. Any The registrar shall must be an incorporated bank or trust company, within or outside in or out of the state, authorized by the laws of the United States or of the state in which it is located to perform these duties of location to act as a registrar.

Subd. 6. **PAYMENT OF OBLIGATIONS.** The order authorizing the issuance of any bonds or certificates of indebtedness to be issued may provide for the payment of principal and interest in the manner and by the means the way the commissioner deems necessary to ensure full and prompt payment when due, and. The order may provide for the payment at the an office of a bank or trust company within or outside the state in or out of the state. In the case of The order may provide that an interest payment on fully registered bonds or certificates of indebtedness, the order may provide that the interest coming due on any interest payment date shall be payable to the person or entity who is the registered owner on the bond or certificate register on a specified date preceding the interest payment date, by check, draft, or other by transfer to the order of the registered owner as of a specified date before the payment date.

Subd. 7. **AGREEMENTS.** The commissioner of finance may enter into make agreements containing terms which are necessary or desirable to carry out the authority given him in this section, pursuant to applicable and the commissioner's orders of the commissioner issued under this section. The agreements may provide for the payment of compensation paying for services to be performed and expenses to be incurred on behalf of for the state, and may provide for their payment. The payments may be made from:

- (1) the proceeds of the bonds or the certificates of indebtedness, or from;
- (2) other money appropriated to the commissioner of finance, or from;
- (3) charges to be imposed on the bond and certificate holders of bonds or certificates of indebtedness; or from
- (4) a combination of these the sources in clauses (1), (2), and (3).

Subd. 7a. **APPROPRIATIONS.** As much of The proceeds of the bonds or certificates as necessary is needed under subdivision 7 are appropriated for this purpose.

Subd. 8. **APPROPRIATION.** There is appropriated annually to the commissioner of finance from the general fund in the state treasury an The amount of money sufficient needed to pay , when due all compensation and, the

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fees and expenses due to of registrars, and delivery agents, and paying agents for state bonds and certificates of indebtedness under the terms of agreements entered into made according to subdivision 7, is appropriated annually from the general fund to the commissioner.

Subd. 9. **APPROVAL BY ATTORNEY GENERAL APPROVAL.** No An agreement described in under subdivision 7 shall become is not effective until it has been approved as to form and execution by the state attorney general or his designee.

Subd. 10. **REGISTRATION DATA PRIVATE INFORMATION NONPUBLIC.** All Information contained in any the register maintained by the state treasurer or a corporate registrar with respect to the ownership of state bonds or certificates of indebtedness constitutes of bond or certificate of indebtedness owners is nonpublic data as defined in under section 13.02, subdivision 9, or private data on individuals as defined in under section 13.02, subdivision 12. The information is not public and is accessible open only to the individual, corporation, or other entity which is the subject of it, except as unless disclosure:

(a) (1) is necessary for the performance of the duties of needed by the registrar, the state commissioner of finance, the state treasurer, or the state legislative auditor, to perform a duty; or

(b) (2) is requested to determine a tax by an authorized representative of the state commissioner of revenue or, the state attorney general, or of the United States commissioner of internal revenue of the United States for the purpose of ascertaining the application of any estate, inheritance, or other tax; or

(c) (3) is required under section 13.03, subdivision 4.

16A.675 BONDS AND NOTES; NONLIABILITY OF INDIVIDUALS COMMISSIONER AND EXECUTORS, NOT PERSONALLY LIABLE.

Neither The commissioner of finance nor and any person executing a state bonds bond or notes shall be liable certificate of indebtedness are not personally liable on the bonds bond or notes or be subject to any personal liability or accountability certificate. They also are not personally liable or accountable by reason of the issuance of them.

16A.68 FEDERAL ACCOUNTS, TRANSFERS FUNDS TO THE GAME AND FISH ACCOUNT.

The Pittman-Robertson revolving account in the state treasury is abolished on July 1, 1963, and any balances therein are transferred to the game and fish receipts account in the state treasury. Federal aid reimbursements received on and after July 1, 1963, and due the Pittman-Robertson account shall be deposited to the credit of the game and fish receipts account in the state treasury. The Dingell-Johnson revolving account in the state treasury is abolished on July 1, 1963, and any balances therein are transferred to the game and fish receipts

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account in the state treasury. Federal aid reimbursements received on and after July 1, 1963, and due the Dingell-Johnson account shall be deposited to the credit of the game and fish receipts account in the state treasury.

Subdivision 1. PITTMAN-ROBERTSON ACT FUNDS. Federal aid reimbursements for the Pittman-Robertson account shall be deposited to the credit of the game and fish receipts account in the treasury.

Subd. 2. DINGELL-JOHNSON ACT FUNDS. Federal aid reimbursements for the Dingell-Johnson account shall be deposited to the credit of the game and fish receipts account in the treasury.

16A.69 TRANSFER OF APPROPRIATED FUNDS ALL APPROPRIATIONS INTO SINGLE PROJECT ACCOUNT.

If moneys are appropriated during the same or different sessions of the legislature for the same or related projects which appropriations do not lapse until the purposes for which the appropriations were made shall have been accomplished or abandoned, the commissioner of finance shall, upon the certification of the commissioner of administration as to the accounts involved, make such transfers of appropriations as will place in one account all of the moneys appropriated for the same or related projects. The commissioner shall place the money from two or more appropriations for the same or related projects in one account if all the appropriations do not lapse until their purposes are accomplished or abandoned. The commissioner of administration shall first certify which accounts are involved to the commissioner.

16A.70 TACONITE PROPERTY TAX RELIEF FUND; CREATION; FUNCTION ACCOUNT.

Subdivision 1. DEPOSIT. A taconite property tax relief account in the apportionment fund in the state treasury is hereby created in the state treasury by the commissioner of finance. All funds made available from any sources to be deposited in the state treasury to the credit of such account shall be deposited therein. All moneys to be paid from such account pursuant to the provisions of Laws 1969, Chapter 1156 or any other law are hereby appropriated annually from said account for the purpose for which payment is to be made. The commissioner shall deposit to the credit of the taconite property tax relief account in the apportionment fund of the treasury funds made available to be deposited in that account.

Subd. 2. APPROPRIATION. The money to be paid by law from the taconite property tax relief account is appropriated annually.

16A.71 TACONITE MUNICIPAL AID ACCOUNT; CREATION; FUNCTION.

Subdivision 1. DEPOSIT. A taconite municipal aid account in the apportionment fund of the state treasury is hereby created in the state treasury.

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All funds available to the credit of such account under section 298.28, subdivision 1, clause (2) shall be deposited therein. All moneys to be paid from such account pursuant to the provisions of sections 298.282 and 298.283 are hereby appropriated annually from said account for the purpose for which payment is to be made. The commissioner shall deposit all money available to the credit of the taconite municipal aid account in the apportionment fund of the treasury under section 298.28, subdivision 1, clause (2), in that account.

Subd. 2. APPROPRIATION. The money to be paid from the taconite municipal aid account under sections 298.282 and 298.283 is appropriated annually.

16A.72 ALL INCOME PLACED IN CREDITED TO GENERAL FUND; EXCEPTIONS.

All income, including fees or receipts of any nature ~~whatsoever~~, shall be deposited in and for the benefit of credited to the general fund, except that this shall not apply to:

- (1) federal aid;
- (2) contributions, or reimbursements received for any account of any division or department for which an appropriation is made by law, ~~or~~;
- (3) income to the University of Minnesota, ~~or to~~;
- (4) income to revolving funds now established in institutions under the control of the commissioners of corrections or public welfare, ~~or to~~;
- (5) receipts from the operation of patients' and inmates' stores and vending machines, which shall be deposited in the social welfare fund in each institution for the benefit of the patients and inmates, ~~or to~~;
- (6) money received in payment for services of inmate labor employed in the industries carried on in the state correctional facility - ~~facilities~~ St. Cloud, state correctional facility - Shakopee, and state correctional facility - Stillwater, which receipts shall be credited to the current expense fund of those institutions, ~~or facilities~~;
- (7) as provided in sections 16.78 and 85.22; ~~or~~
- (8) as otherwise provided by law.

16A.721 FEES FROM SEMINARS AND WORKSHOPS STATE SEMINAR FEES, APPROPRIATION.

Subdivision 1. ACCOUNT, RULES. The commissioner of ~~finance~~ may ~~adopt~~ make rules for charging fees for seminars and workshops conducted by state agencies. The commissioner may ~~establish~~ keep an account for deposit of the seminar and workshop fee receipts generated, which are appropriated for

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payment of expenses relating to the workshops and seminars. The commissioner shall may not allow the unobligated balance of this account to exceed \$10,000.

Subd. 2. APPROPRIATION. The receipts collected under subdivision 1 are appropriated for payment of expenses relating to the workshops and seminars.

16A.73 STATE AIR TRAVEL ACCOUNT.

The commissioner of finance may contract with any airline company regularly engaged in carrying passengers on scheduled flights in interstate commerce for the establishment of an air travel account for the state, subject to terms and conditions as may be necessary and proper to facilitate air travel by officers and employees of the state, and may deposit in the account not more than \$500 The commissioner may:

(1) establish a state air travel account with any interstate, scheduled flight passenger airline;

(2) impose necessary and proper terms and conditions on the account to make employee air travel easier; and

(3) deposit no more than \$500 in the account.

16A.80 OFFICE OF DEBT AND LOAN MANAGEMENT.

Subdivision 1. CREATION PAY, EXPERIENCE. The office of debt and loan management is created in the department of finance. Administrative employees of the office shall must have at least five years of years' experience in commercial lending or a related field. These employees shall receive compensation comparable to that received by must be paid less than the deputy commissioner but comparably to private sector employees with similar backgrounds in the private sector, but not greater than the commissioner or deputy commissioner of finance.

Subd. 2. DUTIES. Notwithstanding any law to the contrary, An agency of state government which is authorized (1) to make, participate in, or guarantee loans to private sector businesses, or (2) to invest directly or indirectly in a private sector business shall must submit each the loan, loan participation, loan guarantee, or investment proposal to the office of debt and loan management before making a commitment to make the loan, loan participation, loan guarantee, or investment on it. No A loan, loan participation, loan guarantee, or investment covered by this section shall may not be made without the approval of the office of loan management.

Subd. 2a. EXEMPT AGENCIES. This section does not apply to:

(1) the housing finance agency;

(2) the state board of investment;

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- (3) the iron range resources and rehabilitation board;
- (4) the higher education coordinating board;
- (5) the higher education facilities authority, ~~or~~ and
- (6) the energy and economic development authority.

Subd. 3. **CRITERIA.** In deciding whether to approve The office in reviewing proposals submitted to it, the office of debt and loan management shall consider judge:

- (1) the likelihood of the state suffering financial loss as a result of losing money on the project;
- (2) the magnitude size of the potential losses, loss; and
- (3) the intent of the legislation law authorizing the loans, loan participation, loan guarantees, and or investments.

Subd. 4. **DELEGATION.** The head of the office of debt and loan management may delegate its approval responsibilities under this section to an agency which is authorized to make loans, loan participation agreements, loan guarantees, or investments involving private businesses if the office determines head decides that the agency has the internal capability to can make the judgments required by subdivision 3.

Sec. 2. Minnesota Statutes 1982, section 10.39, is amended to read:

10.39 LOANS, DUES; PAYROLL DEDUCTIONS FROM SALARIES FOR CREDIT UNION, PARKING, AND THE LIKE.

Subdivision 1. **CREDIT UNION.** The heads of the various departments of the government of the state of Minnesota are hereby authorized, by and An agency head may, with the written consent request of any an employee of any state department, to deduct from the salary pay of such the employee such sum or sums as may be agreed to by such employee for the payment of any moneys a requested amount to be paid to any state employees' credit union, or the Minnesota Benefit Association or to any organization contemplated by the provisions of section 179.65, of which the employee is a member; provided, that where. If an employee is a member of more than one such credit union or more than one such organization, only one credit union and one organization may be paid money by payroll deduction from the employee's salary; and provided further, that pay. No deduction shall may be made from the salary of any state an employee for payment to any a credit union or organization hereinbefore referred to unless there are at least 100 state employees who have request deductions made from their salaries for payment to such the credit union or organization. Provided however, that The above noted numerical requirement shall 100 employee minimum does not apply to present and prospective members

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of credit unions and organizations which received authorized payroll deduction payments on the effective date of this act.

Subd. 2. **PARKING, AND THE LIKE.** ~~The head of any state department or agency is authorized, with the written consent of any state employee whose payroll he prepares, to deduct, or cause to have deducted, from such employee's salary such amount or amounts as may be necessary to make payment to the state for such services or facilities as are by law authorized to be furnished or provided to the employee by the state, such as housing, board, garage, and parking facilities~~ With the written consent of an employee, an agency head shall deduct from the employee's pay the amount needed to pay for services or facilities supplied under law to the employee by the state. Food and housing, garage and parking facilities, and other facilities and services may be paid for in this way.

Subd. 3. **ONLY CREDIT UNION.** ~~A~~ An employee's request for payroll deductions ~~for members of to a credit union which that is currently unauthorized not authorized to receive said deductions~~ the deduction may be granted by the ~~department~~ agency head only if a credit union payroll deductions deduction would otherwise be unavailable to the ~~state~~ requesting employee who makes such request.

Sec. 3. Minnesota Statutes 1982, section 15.375, subdivision 2, is amended to read:

Subd. 2. **COMBINED CHARITIES.** ~~The commissioner of finance, upon the written request of a state officer or employee, shall deduct each payroll period from the salary or wages of the officer or employee the amount specified in the written request for payment to a registered combined charitable organization defined in section 309.501, and issue his warrant in that amount to that registered combined charitable organization~~ An employee's contribution to a registered combined charitable organization defined in section 309.501 may be deducted from the employee's pay. On the employee's written request, the commissioner shall deduct a requested amount from the pay of the employee for each pay period. The commissioner shall issue a warrant in that amount to the specified organization.

Sec. 4. **REPEALER.**

Minnesota Statutes 1982, sections 10.02; 10.03; 16A.02; 16A.04, subdivisions 2 and 3; 16A.07; 16A.08; 16A.125, subdivision 6; 16A.132; 16A.52; 16A.55; and 16A.65, subdivision 3, are repealed.

Sec. 5. **EFFECTIVE DATE.**

This article is effective July 1, 1984.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

ARTICLE 3

Section 1. Minnesota Statutes 1982, section 80A.22, subdivision 1, is amended to read:

Subdivision 1. Any person who wilfully violates any provision of sections 80A.01 to 80A.31 except section 80A.17, or any rule or order under sections 80A.01 to 80A.31, of which he has notice, or who violates section 80A.17 knowing that the statement was false or misleading in any material respect, may be fined not more than ~~\$5,000~~ \$10,000 or imprisoned not more than five years or both. Each of the acts specified shall constitute a separate offense and a prosecution or conviction for any one of such offenses shall not bar prosecution or conviction for any other offense.

Sec. 2. Minnesota Statutes 1982, section 152.15, subdivision 1, is amended to read:

Subdivision 1. Any person who violates section 152.09, subdivision 1, clause (1) with respect to:

(1) A controlled substance classified in Schedule I or II which is a narcotic drug, is guilty of a crime and upon conviction may be imprisoned for not more than 15 years or fined not more than ~~\$25,000~~ \$40,000, or both for a first violation, and for a second or subsequent violation, upon conviction, shall be imprisoned for not less than one year nor more than 30 years or fined not more than \$50,000, or both;

(2) Any other controlled substance classified in Schedule I, II, or III, is guilty of a crime and upon conviction may be imprisoned for not more than five years, fined not more than ~~\$15,000~~ \$30,000, or both for a first violation, and for a second or subsequent violation, upon conviction, shall be imprisoned for not less than one year nor more than ten years or fined not more than ~~\$30,000~~ \$45,000, or both;

(3) A substance classified in Schedule IV, is guilty of a crime and upon conviction may be imprisoned for not more than three years, fined not more than ~~\$10,000~~ \$20,000, or both for a first violation, and for a second or subsequent violation, upon conviction, shall be imprisoned for not less than six months nor more than six years or fined not more than ~~\$20,000~~ \$35,000, or both;

(4) A substance classified in Schedule V, is guilty of a crime and upon conviction may be imprisoned for not more than one year, fined not more than ~~\$1,000~~ \$3,000, or both;

(5) The distribution of a small amount of marijuana for no remuneration, shall be treated as provided in subdivision 2, clause (5).

Sec. 3. Minnesota Statutes 1982, section 609.20, is amended to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

609.20 MANSLAUGHTER IN THE FIRST DEGREE.

Whoever does any of the following is guilty of manslaughter in the first degree and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than ~~\$15,000~~ \$30,000, or both:

(1) Intentionally causes the death of another person in the heat of passion provoked by such words or acts of another as would provoke a person of ordinary self-control under like circumstances; or

(2) Causes the death of another in committing or attempting to commit a misdemeanor or gross misdemeanor offense with such force and violence that death of or great bodily harm to any person was reasonably foreseeable, and murder in the first or second degree was not committed thereby; or

(3) Intentionally causes the death of another person because the actor is coerced by threats made by someone other than his co-conspirator and which cause him reasonably to believe that his act is the only means of preventing imminent death to himself or another.

Sec. 4. Minnesota Statutes 1983 Supplement, section 609.21, is amended to read:

609.21 CRIMINAL VEHICULAR OPERATION.

Subdivision 1. **RESULTING IN DEATH.** Whoever, as a result of operating a vehicle as defined in section 169.01, subdivision 2, or an aircraft or watercraft, in a grossly negligent manner, or in a negligent manner while under the influence of alcohol or a controlled substance as defined in section 169.121, subdivision 1, causes the death of a human being not constituting murder or manslaughter is guilty of criminal vehicular operation resulting in death and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than ~~\$5,000~~ \$10,000, or both.

Subd. 2. **RESULTING IN INJURY.** Whoever, as a result of operating a vehicle defined in section 169.01, subdivision 2, or an aircraft or watercraft, in a grossly negligent manner, or in a negligent manner while under the influence of alcohol or a controlled substance as defined in section 169.121, subdivision 1, causes great bodily harm to another, as defined in section 609.02, subdivision 8, not constituting attempted murder or assault is guilty of criminal vehicular operation resulting in injury and may be sentenced to imprisonment for not more than three years or the payment of a fine of not more than ~~\$3,000~~ \$5,000 or both.

Sec. 5. Minnesota Statutes 1983 Supplement, section 609.52, subdivision 3, is amended to read:

Subd. 3. **SENTENCE.** Whoever commits theft may be sentenced as follows:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(1) To imprisonment for not more than ten years or to payment of a fine of not more than ~~\$10,000~~ \$20,000, or both, if the value of the property or services stolen exceeds \$2,500, or if the property stolen was a controlled substance listed in schedule 1 or 2 pursuant to section 152.02 with the exception of marijuana; or

(2) To imprisonment for not more than five years or to payment of a fine of not more than ~~\$5,000~~ \$10,000, or both, if the value of the property or services stolen is more than \$250 but not more than \$2,500, or if the property stolen was a controlled substance listed in schedule 3, 4, or 5 pursuant to section 152.02; or

(3) To imprisonment for not more than five years or to payment of a fine of not more than ~~\$5,000~~ \$10,000, or both, notwithstanding the value of the property or services stolen is not more than \$250, if any of the following circumstances exist:

(a) The property is taken from the person of another or from a corpse, or grave or coffin containing a corpse; or

(b) The property taken is a record of a court or officer, or a writing, instrument or record kept, filed or deposited according to law with or in the keeping of any public officer or office; or

(c) The property is taken from a burning building or upon its removal therefrom, or from an area of destruction caused by civil disaster, riot, bombing, or the proximity of battle; or

(d) The property taken consists of public funds belonging to the state or to any political subdivision or agency thereof; or

(4) To imprisonment for not more than ten years or to payment of a fine of not more than ~~\$10,000~~ \$20,000, or both, if the property stolen is an article representing a trade secret; or if the property stolen is an explosive or an incendiary device; or

(5) In all other cases where the value of the property or services stolen is \$250 or less, to imprisonment for not more than 90 days or to payment of a fine of not more than ~~\$500~~ \$700, or both, provided, however, in any prosecution under clause (1), clause (2), clause (3)(a), (b) and (c), clause (4), and clause (13) of subdivision 2 the value of the money or property received by the defendant in violation of any one or more of the above provisions within any six month period may be aggregated and the defendant charged accordingly in applying the provisions of this subdivision; provided that when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

Sec. 6. Minnesota Statutes 1983 Supplement, section 609.582, is amended to read:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

609.582 BURGLARY.

Subdivision 1. **BURGLARY IN THE FIRST DEGREE.** Whoever enters a building without consent and with intent to commit a crime commits burglary in the first degree and may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than ~~\$20,000~~ \$35,000, or both, if:

(a) the building is a dwelling and another person not an accomplice is present in it;

(b) the burglar possesses a dangerous weapon or explosive when entering or at any time while in the building; or

(c) the burglar assaults a person within the building.

Subd. 2. **BURGLARY IN THE SECOND DEGREE.** Whoever enters a building without consent and with intent to commit a crime commits burglary in the second degree and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than ~~\$10,000~~ \$20,000, or both, if:

(a) the building is a dwelling;

(b) the portion of the building entered contains a banking business or other business of receiving securities or other valuable papers for deposit or safekeeping and the entry is with force or threat of force;

(c) the portion of the building entered contains a pharmacy or other lawful business or practice in which controlled substances are routinely held or stored, and the entry is forcible; or

(d) when entering or while in the building, the burglar possesses a tool to gain access to money or property.

Subd. 3. **BURGLARY IN THE THIRD DEGREE.** Whoever enters a building without consent and with intent to steal or commit any felony or gross misdemeanor commits burglary in the third degree and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than ~~\$5,000~~ \$10,000, or both.

Subd. 4. **BURGLARY IN THE FOURTH DEGREE.** Whoever enters a building without consent and with intent to commit a misdemeanor other than to steal commits burglary in the fourth degree and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than ~~\$1,000~~ \$3,000, or both.

Sec. 7. Minnesota Statutes 1983 Supplement, section 617.246, subdivision 2, is amended to read:

Subd. 2. **USE OF MINOR.** It is unlawful for a person to promote, employ, use or permit a minor to engage in or assist others to engage in posing or

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modeling alone or with others in any sexual performance if the person knows or has reason to know that the conduct intended is a sexual performance.

Any person who violates this subdivision is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than ~~\$5,000~~ \$10,000 for the first offense and ~~\$10,000~~ \$20,000 for a second or subsequent offense, or both.

Sec. 8. Minnesota Statutes 1983 Supplement, section 617.246, subdivision 3, is amended to read:

Subd. 3. **OPERATION OR OWNERSHIP OF BUSINESS.** A person who owns or operates a business in which a work depicting a minor in a sexual performance, as defined in this section, is disseminated, and who knows the content and character of the work disseminated, is guilty of a felony and may be sentenced to imprisonment for not more than five years, or to payment of a fine of not more than ~~\$5,000~~ \$10,000 for the first offense and ~~\$10,000~~ \$20,000 for a second or subsequent offense, or both.

Sec. 9. Minnesota Statutes 1983 Supplement, section 617.246, subdivision 4, is amended to read:

Subd. 4. **DISSEMINATION.** A person who, knowing or with reason to know its content and character, disseminates for profit a work depicting a minor in sexual performance, as defined in this section, is guilty of a felony and may be sentenced to imprisonment for not more than five years, or to payment of a fine of not more than ~~\$5,000~~ \$10,000 for the first offense and ~~\$10,000~~ \$20,000 for a second or subsequent offense, or both.

Sec. 10. **REPEALER.**

Minnesota Statutes 1983 Supplement, section 609.0341, subdivision 3, is repealed.

Sec. 11. **REVISOR'S INSTRUCTION.**

In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall, in a manner consistent with Minnesota Statutes 1983 Supplement, sections 609.033 and 609.0341, change the maximum amount of any criminal fine by replacing the maximum fine specified in Column A with the maximum fine specified in Column B.

<u>Column A</u>	<u>Column B</u>
<u>\$ 500</u>	<u>\$ 700</u>
<u>1,000</u>	<u>3,000</u>
<u>2,000</u>	<u>4,000</u>
<u>3,000</u>	<u>5,000</u>
<u>5,000</u>	<u>10,000</u>
<u>7,000</u>	<u>14,000</u>

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

<u>Column A</u>	<u>Column B</u>
<u>\$10,000</u>	<u>\$20,000</u>
<u>15,000</u>	<u>30,000</u>
<u>20,000</u>	<u>35,000</u>
<u>25,000</u>	<u>40,000</u>
<u>30,000</u>	<u>45,000</u>
<u>40,000</u>	<u>50,000</u>

Sec. 12. **EFFECTIVE DATE.**

Sections 1 to 9 and 11 are effective the day after final enactment. Section 10 is effective the day after final enactment and applies to offenses committed on or after that date.

ARTICLE 4

Section 1. Minnesota Statutes 1982, chapter 177, as amended by Laws 1983, chapter 60, sections 1 and 3; chapter 95, section 1; chapter 122, section 1; chapter 209, sections 1, 2, 3, and 4; chapter 247, sections 75 and 219; and chapter 311, section 10, are amended to read:

177.21 CITATION; FAIR LABOR STANDARDS ACT.

Sections 177.21 to 177.35 may be cited as the "Minnesota Fair Labor Standards Act."

177.22 STATEMENT OF POLICY PURPOSE.

It is declared to be The policy purpose of the Minnesota Fair Labor Standards Act is: (1) to establish minimum wage and overtime compensation standards for workers at levels consistent with their that maintain workers' health, efficiency, and general well-being; (2) to safeguard existing minimum wage and overtime compensation standards which are adequate to that maintain the workers' health, efficiency, and general well-being of workers against the unfair competition of wage and hour standards which that do not provide such adequate standards of living; and (3) to sustain purchasing power and increase employment opportunities.

177.23 DEFINITIONS.

Subdivision 1. Unless the language or context clearly indicates that a different meaning is intended, the following terms, for the purposes of sections 177.21 to 177.35, ~~shall~~ have the meanings given to them in this section.

Subd. 2. "Department" means the ~~Minnesota~~ department of labor and industry.

Subd. 3. "Commissioner" means the commissioner of labor and industry of ~~Minnesota~~ or his authorized designee or representative.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 4. "Wage" means compensation due to an employee by reason of his employment, payable in legal tender of the United States or check on banks convertible into cash on demand at full face value, subject to ~~such~~ allowances as ~~may be~~ permitted by rules of the department under section 177.28.

Subd. 5. "Employ" means to ~~suffer or~~ permit to work.

Subd. 6. "Employer" means any individual, partnership, association, corporation, business trust, or any person or group of persons acting directly or indirectly in the interest of an employer in relation to an employee.

Subd. 7. "Employee" means any individual employed by an employer but ~~shall~~ does not include:

(1) two or ~~less~~ fewer specified individuals employed at any given time in agriculture on a farming unit or operation who are paid ~~on a salaried basis~~ salary;

(1a) (2) any individual employed in agriculture on a farming unit or operation who is paid ~~on a salaried basis an amount in excess of what a salary greater than~~ the individual would be paid if the individual worked 48 hours at the state minimum wage plus 17 hours at 1-1/2 times the state minimum wage per week;

(2) (3) an individual ~~who has not attained the age of~~ under 18 who is employed in agriculture on a farm to perform services other than corn detasseling or hand field work when one or both of that minor hand field worker's parents or physical custodians are also hand field workers;

(2a) (4) for purposes of section 177.24, an individual ~~who has not attained the age of~~ under 18 who is employed ~~in agriculture~~ as a corn detasseler;

(3) (5) any staff member employed with an organized resident or day camp licensed with the state;

(4) (6) any individual employed in a bona fide executive, administrative, or professional capacity, or a salesman who conducts no more than 20 percent of his sales on the premises of the employer, ~~as those terms are defined and delimited by rules of the department~~;

(5) (7) any individual who renders service gratuitously for a nonprofit organization ~~as those terms are defined by rules of the department~~;

(6) (8) any individual who serves as an elected official for a political subdivision or who serves on any governmental board, commission, committee or other similar body, or who renders service gratuitously for a political subdivision;

(7) (9) any individual employed by a political subdivision to provide police or fire protection services or ~~who is~~ employed by an entity whose principal purpose is to provide police or fire protection services to a political subdivision;

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

~~(8)~~ (10) any individual employed by a political subdivision who is ineligible for membership in the public employees retirement association by reason of the provisions of under section 353.01, subdivision 2b, ~~clauses~~ clause (a), (b), (d), and or (i);

~~(9)~~ (11) any driver employed by an employer engaged in the business of operating taxicabs;

~~(10)~~ (12) any individual engaged in babysitting as a sole practitioner;

~~(11)~~ (13) any individual employed on a seasonal basis in a carnival, circus, or fair;

~~(12)~~ (14) any individual under the age of 18 employed part-time by a municipality as part of a recreational program;

~~(13)~~ (15) any individual employed by the state as a natural resource manager 1, 2, or 3 (conservation officer);

~~(14)~~ (16) any individual in a position with respect to for which the U.S. Department of Transportation has power to establish qualifications and maximum hours of service pursuant to the provisions of 49 U.S. Code under United States Code, title 49, section 304;

~~(15)~~ (17) any individual employed as a seafarer. The term "seafarer" means a master of a vessel or any person subject to the authority, direction, and control of the master who is exempt from federal overtime standards under United States Code, title 29, section 213(b)(6), including but not limited to pilots, sailors, engineers, radio operators, firefighters, watchmen, pursers, surgeons, cooks, and stewards, who is exempt from federal overtime standards under 29 U.S.C. section 213(b)(6); or

~~(16)~~ (18) any individual employed by a county in a single family residence owned by a county home school as authorized under section 260.094 if the residence is an extension facility of that county home school, and if the individual as part of his employment duties and remuneration resides at said the residence for the purpose of supervising children as defined by section 260.015, subdivision 2.

Subd. 8. "Occupation" means any occupation, service, trade, business, industry, or branch or group of industries or employment or class of employment in which employees are gainfully employed.

Subd. 9. "Gratuities" means monetary contributions received directly or indirectly by an employee from a guest, patron, or customer for services rendered and includes an obligatory charge assessed to customers, guests or patrons which might reasonably be construed by the guest, customer, or patron as being a payment for personal services rendered by an employee and for which no clear

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and conspicuous notice is given by the employer to the customer, guest, or patron that the charge is not the property of the employee.

Subd. 10. With respect to any caretaker, manager, or other on-site employee of a residential building or buildings whose principal place of residence is in the residential building ~~or buildings~~, including a caretaker, manager, or other on-site employee who receives a principal place of residence as full or partial compensation for duties performed for an employer, the term "hours worked"; as ~~contained in rules promulgated pursuant to section 177.28~~, shall ~~include~~ includes time ~~during which~~ when the caretaker, manager, or other on-site employee is performing any duties of employment, but ~~shall~~ does not mean time ~~during which~~ when the caretaker, manager, or other on-site employee is on the premises and available to perform duties of employment and is not ~~otherwise~~ performing any duties of employment.

177.24 PAYMENT OF MINIMUM WAGES.

Subdivision 1. **AMOUNT.** Beginning January 1, 1982, except as ~~may~~ otherwise be provided in sections 177.21 to 177.35, ~~or by rule issued pursuant thereto~~, every employer shall must pay to each employee who is 18 years of age or older wages at a rate of ~~not less than \$2.90 an hour beginning January 1, 1980, \$3.10 an hour beginning January 1, 1981, and at least \$3.35 an hour beginning January 1, 1982~~, and shall must pay to each employee who is under the age of 18 wages at a rate of ~~not less than \$2.61 an hour beginning January 1, 1980, \$2.79 an hour beginning January 1, 1981, and at least \$3.02 an hour beginning January 1, 1982~~.

Subd. 2. **GRATUITIES NOT APPLIED.** No employer shall ~~may~~ directly or indirectly credit, apply, or utilize gratuities towards payment of minimum wages, ~~except as provided for under section 177.28~~ 177.295.

Subd. 3. **SHARING OF GRATUITIES.** For purposes of this chapter, any gratuity received by an employee or deposited in or about a place of business for personal services rendered by an employee is the sole property of the employee. No employer shall may require an employee to contribute or share a gratuity received by the employee with the employer or other employees or to contribute any or all of the gratuity to a fund or pool operated for the benefit of the employer or his employees, ~~provided that nothing in~~. This section shall does not prevent an employee from voluntarily, and ~~upon an individual basis~~, individually sharing his gratuities with other employees. The agreement to share gratuities shall must be made by the employees free of any employer participation.

Subd. 4. **UNREIMBURSED EXPENSES DEDUCTED.** Unreimbursed amounts which an employee is required to pay for the items listed below shall ~~be~~ are subtracted from wages paid in calculating whether the wages meet the minimums set by subdivision 1:

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(a) uniforms or specially designed clothing required by the employer or by statute as a condition of employment, which ~~clothing~~ is not generally appropriate for use except in the course of that employment;

(b) equipment used in the course of employment, except tools of a trade, a motor vehicle, or any other equipment which may be used outside of the employment;

(c) travel expenses in the course of employment except those incurred in traveling to and from the employee's residence and place of employment.

Subd. 5. **EXPENSE REIMBURSEMENT.** An employer, at the termination of an employee's employment, shall provide reimbursement of must reimburse the full cost to the employee of any of the items listed in subdivision 4 which he was ~~obliged to purchase had to buy~~ during his employment. If such When reimbursement is made, the employer may at ~~that time~~ require the employee to surrender any existing items for which the employer provided reimbursement which are still extant.

177.25 OVERTIME.

Subdivision 1. **COMPENSATION REQUIRED.** No employer shall may employ any of his employees an employee for a workweek longer than 48 hours, unless such the employee receives compensation for his employment in excess of 48 hours in a workweek at a rate of ~~not less than one and one-half at least 1-1/2~~ times the regular rate at which he is employed; ~~(1) provided, however, that an employer if it is.~~ The state of Minnesota or a political subdivision may grant time off at the rate of ~~one and one-half 1-1/2~~ hours for each hour worked in excess of 48 hours in any a week in lieu of monetary compensation; and, ~~(2) provided, however, that No. An~~ employer shall be deemed to have violated does not violate the overtime pay provisions of this section by employing any employees for a workweek in excess of that specified in this section 48 hours without paying the compensation for overtime employment prescribed herein ~~(a) (1)~~ if the employee is employed under an agreement meeting the requirement of section 7(b)(2) of the Fair Labor Standards Act of 1938, as amended, or ~~(b) (2)~~ if the employee is employed as a sugarbeet hand laborer on a piece rate basis, provided that the regular rate of pay received per hour of work pursuant to applicable rules exceeds the applicable wage provided in section 177.24, subdivision 1, by at least 40 cents.

Subd. 2. **HEALTH CARE EXCEPTION.** ~~No An~~ employer engaged in the operation of who operates a health care facility shall be deemed to have violated does not violate subdivision 1 if pursuant to an agreement or understanding arrived at between the employer and employee agree before performance of the work, to accept a work period of 14 consecutive days is accepted in lieu of the workweek of seven consecutive days for the purpose of overtime compensation and if for his the employment in excess of eight hours in any work day and

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in excess of 80 hours in ~~such the~~ 14-day period the employee receives compensation at a rate not less than ~~one and one-half~~ 1-1/2 times the regular rate at which he is employed.

Subd. 3. **MOTOR VEHICLE SALESPERSONS; MECHANICS.** ~~The provisions of Subdivision 1 shall~~ does not apply with respect to any salesman, parts man, or mechanic primarily engaged in selling or servicing automobiles, trailers, trucks, or farm implements and paid on a commission or incentive basis, if employed by a nonmanufacturing establishment primarily engaged in ~~the~~ business of selling ~~such the~~ vehicles to ultimate purchasers.

Subd. 4. **CONSTRUCTORS OF ON-FARM SILOS.** ~~The provisions of Subdivision 1 shall~~ does not apply if the employee is employed in the construction of on-farm silos or the installation of appurtenant equipment on a unit or piece rate basis, ~~provided that~~ if the regular rate of pay received per hour of work pursuant to applicable rules exceeds the applicable wage provided in section 177.24, subdivision 1.

177.251 RIDESHARING NOT OVERTIME.

The provisions of this chapter relating to compensation for overtime and payment of a minimum wage do not apply to ~~employees while they are participating employees' time spent~~ in ridesharing arrangements as defined in section 169.01, subdivision 63.

177.26 DIVISION OF LABOR STANDARDS.

Subdivision 1. **CREATION.** ~~A~~ The division of labor standards is hereby created in the department of labor and industry ~~under the supervision and control of~~ is supervised and controlled by the commissioner of labor and industry.

Subd. 2. **POWERS AND DUTIES.** The powers, duties, and functions ~~vested in, or imposed upon, given to~~ the department's division of women and children ~~of the department of labor and industry~~ by this chapter, and other applicable laws relating to wages, hours, and working conditions, are transferred, ~~vested in, and imposed upon to~~ the division of labor standards. ~~In addition,~~ The division of labor standards shall administer ~~the provisions of~~ sections 177.21 to 177.35 and chapter 184.

Subd. 3. **EMPLOYEES; TRANSFER FROM DIVISION OF WOMEN AND CHILDREN.** All persons employed by the department ~~of labor and industry~~ in the division of women and children ~~shall be~~ are transferred to the division of labor standards ~~without loss to the.~~ A transferred person of ~~any~~ does not lose rights acquired by reason of his employment at the time of transfer.

177.27 POWERS AND DUTIES OF THE COMMISSIONER.

Subdivision 1. **EXAMINATION OF RECORDS.** The commissioner ~~or his authorized representative~~ may enter during reasonable office hours or upon

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request and inspect the place of business or employment of any employer of employees in any occupation working in the state, for the purpose of examining and inspecting any or all to examine and inspect books, registers, payrolls, and other records of any employer that in any way relate to or have a bearing upon the question of wages, hours, and other conditions of employment of any employees; The commissioner may transcribe any or all of the books, registers, payrolls, and other records as he or his authorized representative may deem deems necessary or appropriate; and may question the employees for the purpose of ascertaining whether the provisions of to ascertain compliance with sections 177.21 to 177.35 and the rules issued pursuant thereto have been and are being complied with.

Subd. 2. **SUBMISSION OF RECORDS; PENALTY.** The commissioner or an authorized representative may require the employer of employees engaged in any occupation working in the state to submit to the commissioner or the authorized representative photocopies, certified copies, or, if necessary, the originals of employment records which the commissioner or the authorized representative deems necessary or appropriate. The records which may be required include but are not limited to full and correct statements in writing, including sworn statements by the employer, containing information relating to wages, hours, names, addresses, and any other information pertaining to the employer's employees and the conditions of their employment as the commissioner or the authorized representative deems necessary or appropriate.

The commissioner or the commissioner's authorized representative may require the records to be submitted by certified mail delivery or, if necessary, by personal delivery by the employer or a representative of the employer, as authorized by the employer in writing.

The commissioner may impose a penalty of fine the employer up to \$100 on an employer for each failure of the employer to submit or deliver records as required by this section. The This penalty imposed by this section is in addition to any penalties provided under section 177.32, subdivision 1.

Subd. 3. **COMPLIANCE ORDERS.** The commissioner or his authorized representative may issue any an order requiring an employer to comply with the provisions of sections 177.21 to 177.35 or with any rule promulgated under the provisions of section 177.28. Any The department shall serve the order shall be served by the department upon the employer or his authorized representative in person or by certified mail at the employer's place of business. If An employer who wishes to contest the order for any reason, he shall must file written notice of his objection to the order with the commissioner within 10 ten days after service of being served with the order upon the employer. Thereafter, A public hearing shall must then be held in accordance with the provisions of sections 14.57 to 14.70, and rules consistent therewith as the commissioner may make.

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Subd. 4. **MEDIATION.** The commissioner may investigate, mediate, and settle wage claims by an employee against an employer if the failure to pay any wage may violate Minnesota laws or any order or rule of the department thereunder, rules, or department orders.

Subd. 5. **CIVIL ACTIONS.** When an employee files a written request with the commissioner, the commissioner may commence a civil action in any court of competent jurisdiction for the benefit of any the employee for appropriate relief with respect to any a wage claim which the commissioner deems to be finds valid, upon a written request being filed with the commissioner by the employee, provided: (1) the failure to pay the wage would constitute a violation of Minnesota laws or any order or rule of the department thereunder, rules, or department orders, and (2) the wage claim does not exceed \$300. The employer shall pay all costs and disbursements as may be allowed by the court, and shall further pay an assessment of ten percent of the amount of any awarded wage claim to the treasurer of the state of Minnesota. In any action herein under this subdivision, no security for payment of costs shall may be required. Nothing herein shall be construed to This section does not prevent an employee from prosecuting his own claim for wages.

Subd. 6. **ATTORNEY GENERAL TO COMMENCE ACTION.** Upon the written request of the commissioner, the attorney general of the state of Minnesota shall commence a civil action for appropriate relief against the employer as provided in subdivision 5.

177.28 POWER TO MAKE RULES.

Subdivision 1. **GENERAL AUTHORITY.** The commissioner shall make and revise may adopt rules, including definitions of terms, as he shall deem appropriate to carry out the purposes of sections 177.21 to 177.35, to prevent the circumvention or evasion thereof of those sections, and to safeguard the minimum wage and overtime rates established by sections 177.24 and 177.25.

Subd. 2. **ADVISORY COMMITTEE.** The commissioner shall appoint an advisory committee which he shall consult about administrative rules. The committee must be composed of an equal number of not more than three representatives each of employers and employees and of not more than three disinterested persons representing the public, which he shall consult concerning the making and revising of administrative rules.

Subd. 3. **RULES REQUIRED.** The commissioner shall establish adopt rules which define and govern under sections 177.21 to 177.35 with respect to, defining and governing:

(1) salesmen who conduct no more than 20 percent of their sales on the premises of the employer;

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(2) allowances as part of the wage rates for board, lodging, and other facilities or services furnished by the employer and used by the employees. Rules issued by the department pursuant to this section shall include, but are not limited to;

(3) bonuses;

(4) part-time rates;

(5) special pay for special or extra work;

(6) procedures in contested cases;

(7) other facilities or services furnished by employers and used by employees; and

(8) other special items usual in a particular employer-employee relationship. Rules required by this subdivision shall be established by November 1, 1973.

Subd. 4. An employee who receives \$35 or more per month in gratuities is a tipped employee. An employer is entitled to a credit in an amount up to 20 percent of the minimum wage which a tipped employee receives. The credit against the wages due may not be taken unless at the time the credit is taken the employer has received a signed statement for that pay period from the tipped employee stating that he did receive and retain during that pay period all gratuities received by him in an amount equal to or greater than the credit applied against the wages due by his employer. The statements shall be maintained by the employer as a part of his business records.

Subd. 5. **RULES REGARDING HANDICAPPED.** In order to prevent curtailment of opportunities for employment, avoid undue hardship, and safeguard the minimum wage rates under sections 177.24 and 177.25, the department shall also issue rules providing for the employment of handicapped workers at wages lower than the wage rates applicable under sections 177.24 and 177.25, under permits and for periods of time as specified therein; and providing. The rules must provide for the employment of learners and apprentices at wages lower than the wage rates applicable under sections 177.24 and 177.25, under permits and subject to limitations on number, proportion, length of learning period, occupations, and other conditions as the department may prescribe. The rules issued by the department shall must provide that where a handicapped person is ~~now~~ performing or is being considered for employment where he will perform work which is equal to work performed by a nonhandicapped person, the handicapped person shall must be paid the same wage as a nonhandicapped person with similar experience and skill.

Subd. 6. **5. ADMINISTRATIVE PROCEDURE ACT TO APPLY.** Rules shall be adopted by the department only after a public hearing held upon due publication of notice, at which any interested person may be heard and of

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which a record shall be made. Rules shall be published by the department and shall take effect upon publication and filing with the secretary of state and the department of administration. The rules shall have the force and effect of law upon filing as provided herein The rules are subject to the provisions of chapter 14.

177.29 JUDICIAL REVIEW.

Subdivision 1. **APPEAL.** Any A person aggrieved by any an administrative rule issued pursuant to under section 177.28 may appeal in accordance with chapter 14.

[177.295] CREDIT FOR TIPPED EMPLOYEES.

An employee who receives \$35 or more per month in gratuities is a tipped employee. An employer is entitled to a credit of up to 20 percent of the minimum wage which a tipped employee receives. The credit against the wages due may not be taken until the employer has received a signed statement for that pay period from the tipped employee stating that he did receive and retain during that pay period all gratuities received by him in an amount equal to or greater than the credit applied against the wages due by his employer. The employer shall maintain the statements as part of his business records.

177.30 KEEPING RECORDS; PENALTY.

Every employer subject to sections 177.21 to 177.35 or any rule adopted pursuant to those sections shall must make and keep, for a period of not less than three years in or about the premises in which any employee is employed, a record of:

- (1) the name, address, and occupation of each employee_i;
- (2) the rate of pay, and the amount paid each pay period to each employee_i;
- (3) the hours worked each day and each workweek by the employee_i; and
- (4) other information as deemed the commissioner finds necessary and appropriate by the commissioner for the enforcement of to enforce sections 177.21 to 177.35. The records must be kept for three years in or near the premises where an employee works.

The commissioner may impose a penalty of fine an employer up to \$100 on an employer for each failure of the employer to maintain records as required by this section. The This penalty imposed by this section is in addition to any penalties provided under section 177.32, subdivision 1.

177.31 POSTING OF LAW AND RULES; PENALTY.

Every employer subject to sections 177.21 to 177.35 shall must obtain and keep a summary of those sections, approved by the department, and copies of any

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applicable rules adopted pursuant to ~~under~~ those sections, or a summary of the rules, and shall. The employer must post the summaries in a conspicuous and accessible place in or about the premises in which any person covered by sections 177.21 to 177.35 is employed. The department shall furnish copies of the summaries and rules to employers without charge.

The commissioner may ~~impose a penalty of~~ fine an employer up to \$100 on an employer for each failure of the employer to comply with this section. ~~The~~ This penalty imposed by this section is in addition to any penalties provided by section 177.32, subdivision 1.

177.32 PENALTIES.

Subdivision 1. **MISDEMEANORS.** An employer who does any of the following is guilty of a misdemeanor:

(a) (1) hinders or delays the commissioner ~~or an authorized representative~~ in the performance of duties required under sections 177.21 to 177.35;

(b) (2) refuses to admit the commissioner ~~or an authorized representative~~ to the place of business or employment of the employer, as required by section 177.27, subdivision 1;

(c) (3) consistently and repeatedly fails to make, keep, and preserve records as required by section 177.30;

(d) (4) falsifies any record;

(e) (5) refuses to make any record available, or to furnish a sworn statement of the record or any other information as required by section 177.27;

(f) (6) consistently and repeatedly fails to post a summary of sections 177.21 to 177.35 or a copy or summary of the applicable rules as required by section 177.31;

(g) (7) pays or agrees to pay wages at a rate less than the rate required under sections 177.21 to 177.35; or

(h) (8) otherwise violates any provision of sections 177.21 to 177.35 ~~or any rule adopted pursuant to those sections.~~

Subd. 2. **FINE.** ~~Any An employer who discharges or in any other manner discriminates shall be fined not less than \$500 nor more than \$1,000 if convicted of~~ discharging or otherwise discriminating against any employee because such:

(1) the employee has complained to his employer, ~~or to the department,~~ ~~or to an authorized representative of the department~~ that he has not been paid wages in accordance with sections 177.21 to 177.35 ~~or rules issued pursuant thereto or because;~~

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(2) ~~the employee has caused to be instituted or is about to cause to be instituted any will institute a~~ proceeding under or related to sections 177.21 to 177.35; or

(3) ~~because the employee has testified or is about to will testify in any proceeding shall, upon conviction therefor, be fined not less than \$500 nor more than \$1000.~~

177.33 EMPLOYEES' REMEDIES.

Any An employer who pays any an employee less than the wages and overtime compensation to which the employee is entitled under sections 177.21 to 177.35 and rules issued pursuant thereto shall be is liable to the employee for the full amount of the wages and overtime compensation, less any amount actually paid to the employee by the employer, for an additional equal amount as liquidated damages, and for costs and reasonable attorney's fees as may be allowed by the court. Any An agreement between the employee and the employer to work for less than the applicable wage rate shall be ~~no~~ is not a defense to the action. The action may be maintained in any court of competent jurisdiction by any one or more employees for and in behalf of himself or themselves.

177.34 RELATION TO OTHER LAWS.

Any Sections 177.21 to 177.35 do not affect standards relating to minimum wages, maximum hours, overtime compensation, or other working conditions in effect under any other law of this state on January 1, 1974, which are more favorable to employees than those applicable hereunder shall not be deemed to be amended, rescinded, or otherwise affected by sections 177.21 to 177.35 but shall continue in full force and effect until they are specifically superseded by standards more favorable to those employees by operation of or in accordance with sections 177.21 to 177.35 or rules issued pursuant thereto the wages, hours, compensation, and other conditions in those sections.

177.35 RIGHT OF COLLECTIVE BARGAINING.

Nothing in sections 177.21 to 177.35 shall be deemed to interfere with, impede, or in any way diminish limits the right of employees to bargain collectively with their employers through representatives of their own choosing in order to establish wages or other conditions of work more favorable to the employees than those required by sections 177.21 to 177.35 and rules issued pursuant thereto.

177.41 STATE PROJECTS AND STATE HIGHWAY CONSTRUCTION; PUBLIC POLICY.

It is in the public interest that public buildings and other public works be constructed and maintained by the best means and highest quality of labor reasonably available, and that persons working on public works be compensated

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according to the real value of the services they perform. It is therefore ~~declared to be the public policy of this state that wages of laborers, workmen workers, and mechanics engaged in state on~~ projects financed in whole or part by state funds should be comparable to wages paid for similar work in the community as a whole.

177.42 DEFINITIONS.

Subdivision 1. As used in sections 177.41 to 177.44 the terms defined in this section have the meanings given them except where the context indicates otherwise.

Subd. 2. "Project" means erection, construction, remodeling, or repairing of any a public building or other public work financed in whole or part by state funds.

Subd. 3. "Area" means the county or other locality from which labor for any project ~~would~~ is normally be secured.

Subd. 4. "Prevailing hours of labor" means the hours of labor per day and per week worked within the area by a larger number of workmen workers of the same class than are employed within the area for any other number of hours per day and per week; ~~provided, that in no event shall~~. The prevailing hours of labor ~~be deemed to~~ may not be more than eight hours per day or more than 40 hours per week.

Subd. 5. "Hourly basic rate" means the hourly wage paid to any employee.

Subd. 6. "Prevailing wage rate" means the hourly basic rate of pay plus the contribution for health and welfare benefits, vacation benefits, pension benefits, and any other economic benefit paid to the largest number of workmen workers engaged in the same class of labor within the area, and includes, for the purposes of section 177.44, rental rates for truck hire paid to those who own and operate the truck. ~~In no event shall~~ The prevailing wage rate ~~be deemed to~~ may not be less than a reasonable and living wage.

177.43 CONTRACTS FOR STATE PROJECTS; PENALTY.

Subdivision 1. **HOURS OF LABOR.** Any contract which provides for a project ~~within the meaning of section 177.42,~~ shall contain a stipulation must state that:

(1) no laborer or mechanic employed directly ~~upon~~ on the project work site by the contractor or any subcontractor, agent, or other person doing or contracting to do all or a part of the work of the project, ~~shall be~~ is permitted or required to work more hours than the prevailing hours of labor unless ~~such laborer or mechanic~~ is paid for all hours in excess of the prevailing hours at a rate

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of at least ~~one and one-half~~ 1-1/2 times his the hourly basic rate of pay; ~~nor shall he and~~

(2) a laborer or mechanic may not be paid a lesser rate of wages than the prevailing wage rate in the same or most similar trade or occupation in the area.

Subd. 2. **EXCEPTIONS.** This section ~~shall~~ does not apply to wage rates and hours of employment of laborers or mechanics ~~engaged in the processing who process~~ or manufacture of materials or products or to the delivery ~~thereof of materials or products~~ by or for commercial establishments which have a fixed place of business from which they regularly supply ~~such~~ processed or manufactured materials or products; ~~except that~~. This section ~~shall apply~~ applies to laborers or mechanics who deliver mineral aggregate such as sand, gravel, or stone which is incorporated into the work under the contract by depositing the material substantially in place, directly or through spreaders, from the transporting vehicle.

Subd. 3. **CONTRACT REQUIREMENTS.** The contract must specifically state the prevailing wage rates, prevailing hours of labor, and hourly basic rates of pay ~~shall be set forth specifically in the contract.~~

Subd. 4. **DETERMINATION BY COMMISSIONER.** The prevailing wage rates, prevailing hours of labor, and hourly basic rates of pay for all trades and occupations required in any ~~contemplated~~ project shall must be ascertained before the state asks for bids. The commissioner of labor and industry shall ~~make such investigations~~ investigate as may be necessary to enable him to ascertain ~~such~~ the information. The commissioner shall keep the information posted on the project in at least one conspicuous place for the information of the employees working on the project. A person aggrieved by a final determination of the commissioner may petition the commissioner for reconsideration of his findings. A person aggrieved by a decision of the commissioner after reconsideration may, within 20 days after the decision, petition the commissioner for a public hearing in the manner of a contested case under the ~~Administrative Procedures Act~~, sections 14.57 to 14.61.

Subd. 5. **PENALTY.** ~~Any~~ It is a misdemeanor for an officer or employee of the state who ~~executes any to execute~~ a contract for a project as defined in section 177.41 without complying with this section, and ~~any or for~~ a contractor, subcontractor, or agent thereof who, after executing a contract in compliance with this section, pays to ~~pay~~ any laborer, ~~workman~~ worker, or mechanic employed directly ~~upon on~~ the project site a lesser wage for work done under ~~such the~~ contract than the prevailing wage rate as ~~set forth~~ stated in the contract ~~shall be guilty of a~~. This misdemeanor and may be fined is punishable by a fine of not more than \$300, or imprisoned imprisonment for not more than 90 days, or both. ~~Such~~ Each agent or subcontractor shall furnish to the contractor evidence of compliance with this section. Each day ~~any~~ a violation of this section continues ~~shall be deemed is~~ a separate offense.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 6. **EXAMINATION OF RECORDS.** It is the duty of The department of labor and industry to shall enforce this section. ~~To this end it~~ The department may demand, and it shall be the duty of every contractor and subcontractor to shall furnish to the department, copies of any or all payrolls, ~~and~~. The department may examine all records relating to wages paid laborers or mechanics on work to which sections 177.41 to 177.44 ~~are applicable~~ apply.

Subd. 7. **APPLICABILITY.** This section ~~shall~~ does not apply to a contract, or work under a contract, under which:

(a) (1) the estimated total cost of completing the project is less than \$2,500 and only one trade or occupation is required to complete it, or

(b) (2) the estimated total cost of completing the project is less than \$25,000 and more than one trade or occupation is required to complete it.

177.44 HIGHWAY CONTRACTS; HOURS OF LABOR; WAGE RATES; PENALTY.

Subdivision 1. **HOURS, WAGES PERMITTED.** No A laborer or mechanic employed by any a contractor, subcontractor, agent, or other person doing or contracting to do all or a part of the work under a contract based on bids as provided in Minnesota Statutes 1971, section 161.32, to which the state is a party, for the construction or maintenance of any a highway, ~~shall~~ may not be permitted or required to work ~~more hours~~ longer than the prevailing hours of labor unless ~~such~~ the laborer or mechanic is paid for all hours in excess of the prevailing hours at a rate of at least ~~one and one-half~~ 1-1/2 times his hourly basic rate of pay; ~~nor shall~~. He must be paid a lesser rate of wages than at least the prevailing wage rate in the same or most similar trade or occupation in the area.

Subd. 2. **APPLICABILITY.** This section ~~shall~~ does not apply to wage rates and hours of employment of laborers or mechanics engaged in the processing or manufacture of materials or products, or to the delivery ~~thereof~~ of materials or products by or for commercial establishments which have a fixed place of business from which they regularly supply ~~such the~~ processed or manufactured materials or products; ~~except that~~. This section shall apply applies to laborers or mechanics who deliver mineral aggregate such as sand, gravel, or stone which is incorporated into the work under the contract by depositing the material substantially in place, directly or through spreaders, from the transporting vehicle.

Subd. 3. **INVESTIGATIONS BY DEPARTMENT OF LABOR AND INDUSTRY.** The department of labor and industry shall conduct investigations and hold public hearings necessary to define classes of laborers and mechanics and to ~~inform~~ itself as to determine the hours of labor and wage rates prevailing in all areas of the state for all classes of labor and mechanics commonly employed in highway construction work, ~~with a view to ascertaining and determining~~ so as

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to determine prevailing hours of labor, prevailing wage rates, and hourly basic rates of pay accordingly.

The department shall ~~inform itself of determine~~ the nature of the equipment furnished by truck drivers who own and operate trucks on such contract work, with a view to ~~ascertaining and determining to determine~~ minimum rates for the equipment, and shall establish by ~~regulation such rule~~ minimum rates to be computed into the prevailing wage rate in accordance with the definition thereof in section 177.42.

Subd. 4. **CERTIFICATION OF HOURS AND RATE.** The commissioner of labor and industry shall at least once a year certify the prevailing hours of labor, the prevailing wage rate, and the hourly basic rate of pay for all classes of laborers and mechanics referred to in subdivision 3 in each area. The certification shall in addition to the current prevailing hours of labor, the prevailing wage rates, and the hourly basic rates of pay, must also include future hours and rates when such hours and rates they can be determined for any such classes of laborers and mechanics in any an area and shall. The certification must specifically set forth state the effective dates thereof when of future hours and rates when they are certified. If a construction project extends into more than one area there shall be but only one standard of hours of labor and wage rates for the entire project. A person aggrieved by a final determination of the commissioner may petition the commissioner for reconsideration of his findings. A person aggrieved by a decision of the commissioner after reconsideration may within 20 days after the decision petition the commissioner for a public hearing in the manner of as in a contested case under the Administrative Procedures Act, sections 14.57 to 14.61. If, in the opinion of the commissioner, finds that a change in the certified prevailing hours of labor, prevailing wage rate, and the hourly basic rate of pay for any a class of laborers or mechanics in any area is required, the commissioner may at any time certify that change.

Subd. 5. **HOURS AND RATES TO BE POSTED.** The prevailing hours of labor, the prevailing wage rates and, the hourly basic rates of pay, and classifications for all labor as certified by the commissioner shall must be specifically set forth stated in the proposals and contracts for each highway construction contract to which the state is a party, and shall. These hours, rates, and classifications, together with the provisions of subdivision 6, must be kept posted on the project by the employer in at least one conspicuous place for the information of employees working on the project.

Subd. 6. **PENALTIES.** Any A contractor, subcontractor, or agent thereof who violates this section is guilty of a misdemeanor and may be fined not more than \$300 or imprisoned not more than 90 days or both. Each day that any such the violation continues shall be deemed is a separate offense.

Whoever induces any individual who seeks to be or is employed a job applicant or employee on any project subject to this section to give up or forego

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any part of the wages to which he is entitled under the contract governing such the project by threat not to employ, by threat of dismissal from such employment, or by any other means may be fined not exceeding \$1,000 or imprisoned not more than one year or both.

Any person employed on a project employee under a contract subject to this section who knowingly permits the contractor or subcontractor to pay him less than the prevailing wage rate set forth in such the contract, or who gives up any part of the compensation to which he is entitled ~~thereunder~~ under the contract, may be fined not exceeding \$40 or imprisoned not more than 30 days or both. Each day any violation of this paragraph continues ~~shall be deemed~~ is a separate offense.

Subd. 7. DEPARTMENT OF TRANSPORTATION TO ENFORCE.
The department of transportation shall require adherence to this section. The ~~transportation~~ commissioner of transportation may demand, and every contractor and subcontractor shall furnish, copies of payrolls, ~~and it.~~ The commissioner of transportation may examine all records relating to hours of work and the wages paid laborers and mechanics on the work to which this section is applicable applies. Upon request of the department of transportation or upon complaint of alleged violation, the county attorney of the county in which the work is located shall ~~make such investigation as is necessary~~ investigate and prosecute violations in a court of competent jurisdiction.

ARTICLE 5

Section 1. Minnesota Statutes, chapter 300, as amended by Laws 1983, chapter 87, section 1; chapter 250, sections 30 and 31; and chapter 368, section 1, is amended to read:

300.01 EXISTING CORPORATIONS CONTINUED.

Until otherwise provided by law, ~~all a private corporations~~ corporation existing and doing business at the time of the taking effect of Revised Laws 1905 ~~shall continue,~~ March 1, 1906, continues to exercise and enjoy all powers and privileges possessed by ~~them it has~~ under their respective its articles of incorporation and ~~the applicable laws applicable thereto~~ then in force and ~~shall remain~~ remains subject to all the duties and liabilities to which ~~they were it was~~ then subject.

300.02 DEFINITIONS.

Subdivision 1. **WORDS, TERMS, AND PHRASES.** Unless the language or context clearly indicates that a different meaning is intended For the purposes of chapters 300 to 317, the following words, terms, and phrases, for the purposes of ~~chapters 300 to 317~~, shall be given defined in this section have the

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meanings ~~subjoined to given them, unless the language or context clearly indicates that a different meaning is intended.~~

Subd. 2. **CORPORATION.** The word term "corporation" means a private corporation.

Subd. 3. **PRIVATE CORPORATION.** The term "private corporation" includes every a company, association, or body endowed by law with any a corporate power or function, except such as are formed solely for public and governmental purposes, which shall be deemed. The term does not include a public corporations corporation.

Subd. 4. **CERTIFICATE OF INCORPORATION.** The term "certificate of incorporation," when used in reference to corporations formed prior to the taking effect of the Revised Laws of 1905 shall be construed as meaning, March 1, 1906, means articles of incorporation.

Subd. 5. **DOMESTIC CORPORATION.** The term "domestic corporation" means every a corporation organized under the laws of this state.

Subd. 6. **FOREIGN CORPORATION.** The term "foreign corporation" means any a corporation except which is not a domestic corporation.

Subd. 7. **PUBLIC CORPORATION.** The term "public corporation" means a corporation formed solely for public and governmental purposes.

300.025 ORGANIZATION, CERTIFICATE OF FINANCIAL CORPORATIONS.

Any Three or more persons may form a corporation for any of the purposes specified in section 47.12 by complying with the conditions hereinafter prescribed; provided, set out in clauses (1) to (7). No corporation shall may be formed under this section which might if it may be formed under the Minnesota Business Corporation Act. They shall The incorporators must subscribe and acknowledge a certificate specifying:

(1) the corporation's name, the general nature of its business, and the principal place of transacting the same. The name shall which must distinguish it from all other corporations, domestic or foreign, authorized to do business in this state, and shall must contain the word "company," "corporation," "bank," "association," or "incorporated";

(2) the general nature of the corporation's business and its principal place of business;

(2) (3) the period of its duration, if limited;

(3) (4) the names and places of residence of the incorporators ;

(4) In what (5) the board its management shall be in which the management of the corporation will be vested, the date of the annual meeting at which it

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shall will be elected, and the names and addresses of those composing the board members until the first election, a majority of whom shall must always be residents of this state;

~~(5)~~ (6) the amount of capital stock, if any, how the same capital stock is to be paid in, the number of shares into which it is to be divided, and the par value of each share; and, if there is to be more than one class, a description and the terms of issue of each class, and the method of voting ~~thereon~~ on each class; and

~~(6)~~ (7) the highest amount of indebtedness or liability to which the corporation shall will at any time be subject.

It The certificate may contain any other lawful provision defining and regulating the powers and business of the corporation, its officers, directors, trustees, members, and stockholders ~~provided that corporations~~. A corporation subject to ~~provisions~~ of section 48.27 may show ~~their~~ its highest amount of indebtedness to be 30 times the amount of its capital and actual surplus.

300.026 CREATION BY SPECIAL ACT, SELECTION OF TRUSTEES OR DIRECTORS BY A CORPORATION CREATED BY SPECIAL ACT.

Subdivision 1. **RESOLUTION CHANGING THE METHOD OF SELECTION.** Any A corporation created by a special act of the legislature of the Territory of Minnesota or of the State of Minnesota which prescribes a method of selection of the trustees or directors of such the corporation may change such the method as to trustees or directors other than those automatically made such trustees or directors by such the special act, through. The method change must be made by adoption of a resolution by the body or persons empowered by such the special act to select such the trustees or directors; and. The corporation may provide in such the resolution that those selected shall must hold office until their successors are selected and have qualified, and; that a vacancy in the office of trustee or director shall must be filled by the remaining trustees or directors; and that the appointee to must hold office until the next annual meeting of the corporation, at which time ~~there shall a trustee or director will~~ be elected in the manner provided by ~~the resolution~~, a trustee or director will be elected to serve for the remainder of the unexpired term.

Subd. 2. **FILING OF RESOLUTION.** A certified copy of the resolution referred to in subdivision 1 shall must be filed in the office of the secretary of state, and upon such filing. The resolution ~~becomes effective~~ takes effect when filed.

Subd. 3. **EFFECT OF FILING RESOLUTION.** After the resolution ~~becomes effective~~ takes effect, the board of trustees or directors of the corporation are self-perpetuating. All vacancies are to be filled as provided in subdivision 1.

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Subd. 4. **APPLICATION OF SECTION.** This section does not apply to the Board of Regents of the University of Minnesota.

300.03 PUBLIC SERVICE CORPORATIONS; PURPOSES.

Corporations A corporation may be organized for the construction to construct, acquisition acquire, maintenance maintain, or operation of any work of internal improvement operate internal improvements, including railways, street railways, telegraph and telephone lines, canals, slackwater, or other navigation, dams to create or improve a water supply or to furnish power for public use, and any work for supplying the public, by whatever means, with water, light, heat, or power, including all requisite subways, pipes, and other conduits, and tunnels for transportation of pedestrians. No corporation so formed shall for these purposes may construct, maintain, or operate a railway of any kind, or any a subway, pipe line, or other conduit, or any a tunnel for transportation of pedestrians in or upon any a street, alley, or other public ground of a city, without first obtaining from the city a franchise conferring such this right and compensating the city therefor for it.

300.04 STATE AND LOCAL CONTROL; EMINENT DOMAIN.

The state shall at all times have the right to may supervise and regulate the business methods and management of any such a corporation referred to in section 300.03 and from time to time to may fix the compensation which it may charge or receive for its services. ~~Every such~~ The corporation obtaining a franchise from a city shall be is subject to such conditions and restrictions as from time to time may be are imposed upon it by such municipality the city. ~~Every such~~ The corporation may acquire by right of eminent domain such the private property as may be necessary or convenient for the transaction of the public business for which it was formed. No street railway company shall have or exercise such has the right of eminent domain within the limits of any a city.

300.045 EASEMENTS OVER PRIVATE PROPERTY, LIMITATIONS.

When public service corporations, including pipeline companies, when acquiring acquire easements over private property by purchase, gift, or eminent domain proceedings, shall except temporary easements for construction, they must definitely and specifically describe the easement being acquired, and shall may not acquire an easement greater than the minimum necessary for the safe conduct of their business; provided that the foregoing shall not apply to a temporary easement for construction.

300.05 MUNICIPALITY CITY MAY PURCHASE UTILITY.

Subdivision 1. AUTHORIZATION. The council of any governing body of a city, at the end of any period of five years from the granting of a franchise for the operation of any street railway, telephone, waterworks, gas works, or any

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electric light, heat, or power works, when authorized so to do by a two-thirds majority of the votes cast upon the question, may acquire and thereafter operate the same, upon paying to the corporation or person owning the franchise the value of such property, to be ascertained in the manner provided by law for acquiring property under the right of eminent domain, upon petition of its governing body. Such vote shall be taken at a special election called for that purpose and held within three months next preceding the expiration of the five-year period a street railway, telephone, waterworks, gas works, or an electric light, heat, or power works in the manner provided in subdivision 2.

Subd. 2. PROCEDURE. The governing body of a city may petition to acquire and operate a franchise referred to in subdivision 1, if authorized to do so by a two-thirds majority of the votes cast at a special election called for that purpose. The election must be held within the three-month period prior to the expiration of any five-year period after the granting of the franchise.

The city must also pay the corporation or person owning the franchise the value of the property being acquired. The value of the property is determined in the manner provided by law for acquiring property under the right of eminent domain.

Subd. 3. PAYMENT. The consideration for such the works or property shall must first be applied to the payment of any encumbrances thereon and. The remainder, if any, shall must be paid to the owner of the franchise.

300.06 FILING AND RECORD OF CERTIFICATE.

The certificate of each a corporation shall must be filed for record with the secretary of state, who, If he the secretary of state finds that it conforms to law, and, if a financial corporation, has endorsed on it the approval of the commissioner of banks, or, if an insurance company, that of the insurance commissioner, and, in every case, that the required fee has been paid, shall he or she must record it and certify that fact on it. If the corporation is a financial corporation or an insurance company, the secretary of state may not accept a certificate for filing unless the certificate also contains the endorsement of the commissioner of commerce.

300.08 GENERAL POWERS.

Subdivision 1. ENUMERATED POWERS. Every A corporation formed under the provisions of this chapter shall have power may:

- (1) To have succession be known by its corporate name for the time stated in its certificate of incorporation;
- (2) To sue and be sued in any court;
- (3) To have and, use, and alter a common seal and alter the same at pleasure;

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(4) ~~To~~ acquire, by purchase or otherwise, and to hold, enjoy, improve, lease, encumber, and convey all real and personal property necessary ~~to~~ for the purposes of its organization, subject to the limitations hereafter declared;

(5) ~~To~~ elect or appoint in such any manner as it ~~may determine~~ determines all necessary or proper officers, agents, boards, and committees, to fix their compensation, and to define their powers and duties;

(6) ~~To~~ make and amend consistently with law bylaws providing for the management of its property and the regulation and government of its affairs; and

(7) ~~To~~ wind up and liquidate its business in the manner provided by law.

Subd. 2. **ISSUANCE OF STOCK; KINDS.** In addition to the powers enumerated in subdivision 1, ~~every such a~~ corporation, except the financial corporations ~~hereinafter referred to~~ in this chapter ~~specified, shall have power to,~~ may issue more than one class of stock.

Subd. 3. **MAY HOLD STOCK OF OTHER CORPORATIONS.** Any A corporation organized (1) for carrying on any kind of manufacturing or mechanical business ~~not incompatible~~ compatible with an honest purpose; or (2) for the mining, smelting, reducing, refining, or working of ores or minerals, for working coal mines or stone quarries, or for buying, working, selling, or dealing in mineral lands, ~~or for any one or more of the purposes mentioned in this paragraph (2),~~ may take, acquire, and hold stock in any other another corporation, if a majority of the stockholders ~~shall elect~~ elects to do so.

300.081 MEDICAL EXPENSES; INSURANCE; PENSIONS.

Subdivision 1. **AUTHORIZATION.** ~~Any A~~ corporation ~~now or hereafter~~ formed under the laws of the state of Minnesota may provide by action of its board of directors for the furnishing to its employees and officers, wholly or in part at the expense of any such the corporation, of medical expenses, and insurance against accident, sickness, disability or death, ~~and.~~ The board may adopt a plan for retirement allowances or pensions to employees and officers based on services rendered before, after, or before and after, the plan is adopted; ~~such.~~ A pension or allowance to may be payable in such amounts, at such times, and upon such conditions as determined by the board of directors of the corporation ~~in its discretion shall determine.~~

Subd. 2. **ACTS LEGALIZED.** All allowances for medical expenses, insurance against accident, sickness, disability or death, and retirement allowances or pensions ~~heretofore granted or paid before April 23, 1947, by any such a~~ corporation to its employees and officers pursuant to action by its board of directors, ~~is hereby~~ are validated.

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300.083 INDEMNIFICATION.

Subdivision 1. **DEFINITIONS.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Corporation" includes a domestic or foreign corporation that was the predecessor of the corporation referred to in this section in a merger or other transaction in which the predecessor's existence ceased upon consummation of the transaction.

(c) "Official capacity" means (1) with respect to a director, the position of director in a corporation, (2) with respect to a person other than a director, the elective or appointive office or position held by an officer, member of a committee of the board, or the employment or agency relationship undertaken by an employee or agent of the corporation, and (3) with respect to a director, officer, employee, or agent of the corporation who, while a director, officer, employee, or agent of the corporation, is or was serving at the request of the corporation or whose duties in that position involve or involved service as a director, officer, partner, trustee, or agent of another organization or employee benefit plan, the position of that person as a director, officer, partner, trustee, employee, or agent, as the case may be, of the other organization or employee benefit plan.

(d) "Proceeding" means a threatened, pending, or completed civil, criminal, administrative, arbitration, or investigative proceeding, including a proceeding by or in the right of the corporation.

(e) "Special legal counsel" means counsel who has not represented the corporation or a related corporation, or a director, officer, employee, or agent whose indemnification is in issue.

Subd. 2. **INDEMNIFICATION MANDATORY; STANDARD.** (a) Subject to the provisions of subdivision 4, a corporation shall indemnify a person made or threatened to be made a party to a proceeding by reason of the former or present official capacity of the person against judgments, penalties, fines, including, without limitation, excise taxes assessed against the person with respect to an employee benefit plan, settlements, and reasonable expenses, including attorneys' fees and disbursements, incurred by the person in connection with the proceeding, if, with respect to the acts or omissions of the person complained of in the proceeding, the person:

(1) Has not been indemnified by another organization or employee benefit plan for the same judgments, penalties, fines, including, without limitation, excise taxes assessed against the person with respect to an employee benefit plan, settlements, and reasonable expenses, including attorneys' fees and disbursements incurred by the person in connection with the proceeding with respect to the same acts or omissions;

(2) Acted in good faith;

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(3) Received no improper personal benefit;

(4) In the case of a criminal proceeding, had no reasonable cause to believe his conduct was unlawful; and

(5) In the case of acts or omissions occurring in the official capacity described in subdivision 1, paragraph (c), clause (1) or (2), reasonably believed that the conduct was in the best interests of the corporation, or in the case of acts or omissions occurring in his official capacity described in subdivision 1, paragraph (c), clause (3), reasonably believed that the conduct was not opposed to the best interests of the corporation. If the person's acts or omissions complained of in the proceeding relate to conduct as a director, officer, trustee, employee, or agent of an employee benefit plan, the conduct is not considered to be opposed to the best interests of the corporation if the person reasonably believed that the conduct was in the best interests of the participants or beneficiaries of the employee benefit plan.

(b) The termination of a proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent does not, of itself, establish that the person did not meet the criteria set forth in this subdivision.

Subd. 3. **ADVANCES.** Subject to the provisions of subdivision 4, if a person is made or threatened to be made a party to a proceeding, the person is entitled, upon written request to the corporation, to payment or reimbursement by the corporation of reasonable expenses, including attorneys' fees and disbursements, incurred by the person in advance of the final disposition of the proceeding, (a) upon receipt by the corporation of a written affirmation by the person of a good faith belief that the criteria for indemnification set forth in subdivision 2 has been satisfied and a written undertaking by the person to repay all amounts so paid or reimbursed by the corporation, if it is ultimately determined that the criteria for indemnification have not been satisfied, and (b) after a determination that the facts then known to those making the determination would not preclude indemnification under this section. The written undertaking required by clause (a) is an unlimited general obligation of the person making it, but need not be secured and shall be accepted without reference to financial ability to make the repayment.

Subd. 4. **PROHIBITION OR LIMIT ON INDEMNIFICATION OR ADVANCES.** The articles or bylaws either may prohibit indemnification or advances of expenses otherwise required by this section or may impose conditions on indemnification or advances of expenses in addition to the conditions contained in subdivisions 2 and 3 including, without limitation, monetary limits on indemnification or advances of expenses, if the conditions apply equally to all persons or to all persons within a given class.

Subd. 5. **REIMBURSEMENT TO WITNESSES.** This section does not require, or limit the ability of, a corporation to reimburse expenses, including

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attorneys' fees and disbursements, incurred by a person in connection with an appearance as a witness in a proceeding at a time when the person has not been made or threatened to be made a party to a proceeding.

Subd. 6. DETERMINATION OF ELIGIBILITY. (a) All determinations whether indemnification of a person is required because the criteria set forth in subdivision 2 have been satisfied and whether a person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding as provided in subdivision 3 shall be made:

(1) By the board by a majority of a quorum. Directors who are at the time parties to the proceeding shall not be counted for determining either a majority or the presence of a quorum;

(2) If a quorum under clause (1) cannot be obtained, by a majority of a committee of the board, consisting solely of two or more directors not at the time parties to the proceeding, duly designated to act in the matter by a majority of the full board including directors who are parties;

(3) If a determination is not made under clause (1) or (2), by special legal counsel, selected either by a majority of the board or a committee by vote pursuant to clause (1) or (2) or, if the requisite quorum of the full board cannot be obtained and the committee cannot be established, by a majority of the full board including directors who are parties;

(4) If a determination is not made under clauses (1) to (3), by the shareholders, excluding the votes of shares held by parties to the proceeding; or

(5) If an adverse determination is made under clauses (1) to (4), or if no determination is made under clauses (1) to (4) within 60 days after the termination of a proceeding or after a request for an advance of expenses, as the case may be, by a court in this state, which may be the same court in which the proceeding involving the person's liability took place, upon application of the person and any notice the court requires.

(b) With respect to a person who is not, and was not at the time of the acts or omissions complained of in the proceedings, a director, officer, or person possessing, directly or indirectly, the power to direct or cause the direction of the management or policies of the corporation, the determination whether indemnification of this person is required because the criteria set forth in subdivision 2 have been satisfied and whether this person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding as provided in subdivision 3 may be made by an annually appointed committee of the board, having at least one member who is a director. The committee shall report at least annually to the board concerning its actions.

Subd. 7. INSURANCE. A corporation may purchase and maintain insurance on behalf of a person who is or was a director, officer, employee, or

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agent of the corporation, or who, while a director, officer, employee, or agent of the corporation, is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another organization or employee benefit plan against any liability asserted against and incurred by the person in or arising from that capacity, whether or not the corporation would have been required to indemnify the person against the liability under the provisions of this section.

Subd. 8. **DISCLOSURE.** A corporation that indemnifies or advances expenses to a person in accordance with this section in connection with a proceeding by or on behalf of the corporation shall report the amount of the indemnification or advance and to whom and on whose behalf it was paid to the shareholders in an annual report covering the period when the indemnification or advance was paid or accrued under the accounting method of the corporation.

Subd. 9. **LIFE INSURANCE COMPANIES.** A domestic life insurance company having a separate account or accounts pursuant to section 61A.14 may indemnify a person who is serving or has served as a member of the managing committee of that separate account, and may purchase and maintain insurance for that purpose, in accordance with this section.

300.09 **PROPERTY; SALE, LEASE, EXCHANGE; PROCEDURE.**

Every ~~At a meeting of its board of directors a~~ corporation ~~heretofore or hereafter~~ organized under the laws of this state, except those formed or coming under the Minnesota Business Corporation Act, or a nonprofit corporation subject to the Minnesota Nonprofit Corporation Act ~~or any part thereof, at any meeting of its board of directors,~~ may sell, lease, or exchange all its property, rights, privileges, and franchises upon ~~such~~ the terms and conditions as its board of directors ~~deems~~ considers expedient and for the best interests of the corporation, ~~when and as.~~ The sale, lease, or exchange must be authorized by the affirmative vote of the holders of two-thirds of the shares of stock of the company issued and outstanding having voting power, given at a stockholders' meeting duly called for that purpose, or ~~when~~ authorized by the written consent of the holders of two-thirds of the shares of stock of the company issued and outstanding having voting power. The certificate of incorporation may require the vote or written consent of a larger portion of the stockholders.

300.10 **PUBLIC SERVICE CORPORATIONS; MORTGAGES AND DEEDS OF TRUST.**

~~Any~~ A public service corporation owning property in this state may mortgage or execute deeds of trust of the whole, or any part, of its property and franchises to secure money borrowed by it for the construction and equipment of its lines and properties and for its corporate purposes ~~and.~~ The corporation may issue its corporate bonds, in sums of ~~not less than~~ at least \$100, secured by these mortgages or deeds of trust; ~~such.~~ The mortgages or deeds of trust may by

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their terms include after-acquired real and personal property, ~~real and personal~~, and shall be are as valid and effectual for that purpose as if such this after-acquired property were owned by, and in possession of, the corporation giving such the mortgage or deed of trust at the time of the its execution thereof.

300.11 EXECUTION OF MORTGAGES AND DEEDS OF TRUST LEGALIZED.

In cases where any If a public service corporation owning property in this state has mortgaged or executed deeds of trust of the whole, or any part, of its property and franchises to secure money borrowed by it for the construction and equipment of lines and properties and for its corporate purposes and has issued its corporate bonds in sums of ~~not less than~~ at least \$100 secured by mortgages or deeds of trust, bearing interest at a rate not exceeding eight percent per ~~annum~~ year and such the mortgages or deeds of trust have by their terms included after-acquired real and personal property, ~~real and personal~~, or have borne interest at a rate not exceeding eight percent per ~~annum~~ year, such the mortgages and deeds of trust are hereby legalized and made valid and effectual to all intents and purposes as if such the after-acquired property were owned by and in possession of the corporation giving such the mortgage or deed of trust at the time of the its execution thereof, and as if such the corporate bonds bore interest at the rate of seven percent per ~~annum~~ year.

300.111 FINANCING STATEMENTS OF PUBLIC UTILITIES, TACONITE AND SEMI-TACONITE COMPANIES; DEFINITIONS.

Subdivision 1. **PUBLIC UTILITY.** When used in sections 300.111 to 300.113 the term "public utility" means persons, corporations, or other legal entities, their lessees, trustees, and receivers, ~~now or hereafter~~ operating, maintaining, or controlling in this state after June 29, 1966, equipment or facilities for the production, generation, transmission, or distribution at retail of gas, electric, or telephone service for the public and in such the transmission and distribution use using, or have having a right to use, public roads, streets, alleys, or ~~any other~~ public way ways for the purpose of constructing, using, operating, or maintaining wires, pipes, conduits, or other facilities. No municipality producing or furnishing gas, electric, or telephone service is ~~deemed~~ a public utility under this definition. No person is ~~deemed to be~~ a public utility if it produces or furnishes its services to less than 50 persons.

Subd. 2. **TACONITE COMPANY.** When used in sections 300.111 to 300.113 the term "taconite company" means any a person, corporation, or other legal entity, ~~their its~~ lessees, trustees, and receivers, engaged in or preparing to engage in the business of mining and beneficiating taconite, as the term "taconite" is defined in Minnesota Statutes 1965, section 298.23, whether or not such the taconite company may also engage in any other another business.

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Subd. 3. **SEMI-TACONITE COMPANY.** When used in sections 300.111 to 300.113 the term "semi-taconite company" means ~~any a~~ a person, corporation, or other legal entity, ~~their its~~ its lessees, trustees, and receivers, engaged in or preparing to engage in the business of mining and beneficiating semi-taconite, as the term "semi-taconite" is defined in Minnesota Statutes 1965, section 298.34, whether or not ~~such~~ the semi-taconite company may also engage in ~~any other~~ another business.

Subd. 4. **ELECTRIC SERVICE COOPERATIVES.** Notwithstanding any contrary provision in subdivision 1 ~~which may be to the contrary~~, the term "public utility" also means a cooperative association ~~now or hereafter~~ now or hereafter operating, maintaining or controlling in this state after May 11, 1969, equipment or facilities for the production, generation, transmission or distribution of electric services.

300.112 FINANCING STATEMENTS OF A PUBLIC UTILITY, A TACONITE COMPANY, AND A SEMI-TACONITE COMPANY, AND DURATION THEREOF.

Subdivision 1. **FILING WITH SECRETARY OF STATE.** Notwithstanding ~~section~~ sections 336.9-302, subsections (3) and (4); 336.9-401, subsection (1); 336.9-402; and 336.9-403 of the uniform commercial code, all filings required under the uniform commercial code in order to perfect a security interest against the personal property or fixtures of a debtor public utility, or against the personal property or fixtures of a debtor taconite company or a debtor semi-taconite company, ~~shall~~ must be made and maintained in the office of the secretary of state.

Subd. 2. **INFORMATION NOT REQUIRED.** When the financing statement covers goods of a debtor public utility or of a debtor taconite company or a debtor semi-taconite company, which are or are to become fixtures, no description of the real estate or the name of the record owner ~~thereof~~ is required.

Subd. 3. **DURATION.** Filing of a financing statement against the property of a debtor public utility or against the property of a debtor taconite company or a debtor semi-taconite company is effective until five years after the maturity date contained ~~therein~~ in the statement in the case of personal property and until 15 years after the maturity date in the case of fixtures annexed to real property, or if no maturity date is contained ~~therein~~ in the statement, until released or terminated.

300.113 CONTINUED EFFECTIVENESS OF CERTAIN LAWS.

Unless displaced by the specific provisions of sections 300.111 to 300.113, the uniform commercial code and other applicable laws remain in full force and effect and supplement the provisions of sections 300.111 to 300.113.

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300.114 MORTGAGES, DEEDS OF TRUST AND OTHER INSTRUMENTS OF PUBLIC UTILITIES; FILING AND RECORDING.

Subdivision 1. **FILING WITH SECRETARY OF STATE.** A mortgage or deed of trust to secure a debt executed by a public utility as defined in section 300.111 covering the whole or ~~any~~ part of its easements or other less than fee simple interests in real estate used in the transmission or distribution of gas, electric, or telephone service, and also covering the fixtures of the public utility which are annexed ~~thereto~~ to it, may be filed in the office of the secretary of state along with, or as part of, the financing statement covering ~~such~~ the fixtures. ~~Such~~ The filing of the mortgage or deed of trust ~~shall have~~ has the same effect, and ~~shall be~~ is notice of the rights and interests of the mortgagee or trustee in ~~such~~ the easements and other less than fee simple interests in real estate to the same extent, as if ~~such~~ the mortgage or deed of trust were duly recorded in the office of the county recorder, or duly registered in the office of the registrar of titles, of the ~~county~~ or counties in which the real estate is situated, ~~provided that,~~ The effectiveness of such the filing will terminate at the same time as provided in section 300.112, subdivision 3, for the termination of the effectiveness of fixture filing.

Subd. 2. **WHAT CONSTITUTES A SPECIFIC DESCRIPTION.** For the purposes of this section, ~~any~~ a mortgage or deed of trust filed ~~hereunder~~ shall be deemed to contain under this section contains a sufficient description to give notice of the rights and interests of the mortgagee or trustee in the easements and other less than fee simple interests in the real estate used for the transmission and distribution of gas, electric, or telephone service of the public utility if ~~such~~ the mortgage or deed of trust states that the security includes rights of way of or transmission or distribution systems of or lines of the public utility, or all property owned by the public utility.

Subd. 3. **FILING OF PRIOR INSTRUMENTS.** ~~Any~~ A mortgage or deed of trust filed before March 28, 1974 along with, or as part of, the financing statements filed under section 300.112, which ~~comply~~ complies with the provisions of this section, ~~shall be deemed to have been~~ is filed under this section as of March 28, 1974.

Subd. 4. **APPLICATION.** This section ~~shall~~ does not apply to ~~any~~ real estate owned in fee simple by a public utility ~~in fee simple~~.

300.115 MORTGAGES AND DEEDS OF TRUST OF PIPELINE COMPANIES; FILING AND RECORDING.

Subdivision 1. **FILING WITH SECRETARY OF STATE.** A mortgage or deed of trust covering real property in whole or in part to secure a debt executed by a company engaged in the business of transporting oil, gas, petroleum products, or other derivatives by pipeline, other than a public utility as defined in Minnesota Statutes 1965, section 300.111, ~~shall~~ must be filed with the secretary of

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state, and recorded in the office of the county recorder or in the office of the registrar of titles of each county through which the pipeline runs or in which it may hold land or interests in land. To secure the rights of all parties interested under ~~such~~ the mortgage or deed of trust so executed, filed, and recorded, the personal property and fixtures belonging or appertaining ~~thereto~~ shall be deemed to it are a part of the line, and notwithstanding the provisions of the uniform commercial code, the filing and recording of ~~such~~ the mortgage and deed of trust ~~shall be~~ is notice of the rights of all parties in the real and personal property and fixtures covered ~~thereby~~ by it and will so remain until satisfied or discharged without further affidavit, continuation statement, or proceeding ~~whatever~~.

Subd. 2. **EFFECT OF PRIOR INSTRUMENTS.** ~~Any~~ An instrument described in subdivision 1 and ~~heretofore~~ recorded before May 11, 1967, as a real estate mortgage and filed as a chattel mortgage in accordance with law, ~~shall be deemed to have been~~ is validly recorded and filed and ~~to be~~ is notice of the rights of the parties ~~thereto~~ to it in the real and personal property and fixtures covered ~~thereby~~ by it.

300.12 BYLAWS; STATEMENTS.

Subdivision 1. **ADOPTION OF BYLAWS.** The first board of directors, trustees, or managers ~~shall~~ must adopt bylaws, ~~which shall remain effective until, and except as,~~ The bylaws may be amended by the stockholders or members at any a regular or special meeting called ~~therefor~~ for that purpose.

Subd. 2. **BYLAWS AND CERTAIN STATEMENTS POSTED IN PLACE OF BUSINESS.** A copy of the bylaws of ~~every~~ a corporation whose articles are filed with the secretary of state, the names of its officers, and a statement of the amount of ~~the any~~ any capital stock actually and in good faith subscribed for, ~~if there be any,~~ the amount and character of payments actually made ~~thereon~~ on the stock; and, in the case of corporations empowered to take private property, the amount of its indebtedness in a general way, ~~shall~~ must also be kept posted in its principal place of business; ~~which.~~ The statement shall ~~must~~ be corrected as often as any material change takes place in relation to any part of ~~the its~~ its subject matter of ~~such~~ statement.

300.13 CORPORATE EXISTENCE; DURATION, RENEWAL.

Subdivision 1. **PERIOD OF FORMATION, RENEWAL.** A railroad corporation, ~~or~~ a bank as defined in section 47.01, subdivision 2, or a trust company as defined in section 47.01, subdivision 4, may be formed for any period specified in its certificate of incorporation. A savings bank ~~shall have~~ has perpetual ~~succession~~ duration. Every other corporation, except as (~~hereinafter~~) otherwise provided in this chapter, shall be formed for a ~~period not exceeding~~ not more than 30 years ~~in the first instance~~, but may be renewed from time to time for a further term not exceeding 30 years; The corporation is renewed whenever a three-fourths vote of the stock or members, in case of mutual or non-stock

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corporations represented at any regular meeting, or at any special meeting called for that purpose, which shall have been clearly specified in the call, shall have heretofore or shall hereafter adopt, adopts a resolution to that effect; and, in case of stock companies, when those desiring it shall have purchased at its value the stock of those opposed thereto to the resolution. The resolution may be voted on at a regular meeting, or at a special meeting called for that purpose if that purpose is clearly specified in the call.

Subd. 2. **EXCEPTIONS AS TO RENEWAL.** Any A corporation formed under the provisions of the Minnesota Business Corporation Act, or the Minnesota Nonprofit Corporation Act, or a corporation which accepts the provisions of either act, or which elects not to accept them, may not be renewed under this section.

Subd. 3. **NONPROFIT COOPERATIVE ASSOCIATIONS, RELIGIOUS CORPORATIONS; PERPETUAL SUCCESSION.** Unless otherwise limited by statute or by its articles or certificate of incorporation, a nonprofit cooperative association and a religious corporation formed under Minnesota Statutes 1949, chapter 315, have perpetual succession duration. When the limitation is contained in its articles or certificate of incorporation, the association or corporation may amend its articles or certificate to provide for perpetual succession duration.

Subd. 4. **RESOLUTION TO ENLARGE, EFFECT.** Except in the case of a nonprofit cooperative association, or a religious corporation formed under Minnesota Statutes 1949, chapter 315, the resolution to enlarge the period of corporate existence does not become effective until a duly certified copy of the resolution has been filed, recorded, and published in the same manner as required by law for its original articles or certificate of incorporation. A nonprofit cooperative association and a religious corporation formed under Minnesota Statutes 1949, chapter 315, need not publish the resolution.

300.131 **PERPETUAL CORPORATE EXISTENCE FOR INSURANCE COMPANIES.**

The corporate existence of any an insurance company heretofore or hereafter organized under the laws of this state may be made perpetual by so providing in its articles of incorporation or by amendment thereof to them.

300.14 **CERTAIN CORPORATIONS.**

Subdivision 1. **CONSOLIDATION.** Any Two or more corporations, except corporations organized for the purpose of carrying on the business of a railroad, bank, savings bank, trust company, building and loan association, or insurance company, or a nonprofit corporation subject to the Minnesota Nonprofit Corporation Act or any part thereof of it, may consolidate into a single corporation, which. The resulting corporation may be either one of such the consolidating corporations or a new corporation created by such the consolida-

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tion. ~~The directors, or~~ If at least a majority of them, of such the directors of each of the corporations as desire to consolidate, they may enter into an agreement signed by them and under the corporate seals of the respective corporations, prescribing setting forth:

- (1) the terms and conditions of the consolidation;
- (2) the mode of carrying the same consolidation into effect, and stating such other;
- (3) applicable facts as are deemed applicable among those which are necessary to be set out in a certificate of incorporation, as provided in section 300.025, as well as;
- (4) the manner and basis of converting the shares of stock of each of the constituent corporations into the shares of the consolidated corporation, whether into the same or a different number of shares of the consolidated corporation and whether par value or no par value stock, with such and;
- (5) other details and provisions as which are deemed necessary or desirable.

The agreement must be signed by these directors under the corporate seals of those corporations. The agreement ~~shall~~ must state the amount of capital stock with which the consolidated corporation will begin business, which may be any amount not less than the aggregate par value of shares of stock having par value to be distributed in place of previously issued and outstanding shares of stock of the constituent corporations. The agreement may provide for the distribution of cash, notes, or bonds in whole or in part in lieu of stock to stockholders of the constituent corporations, or any of them.

Subd. 2. **AGREEMENT.** The agreement ~~shall~~ must be submitted to the stockholders of record of each corporation at a meeting called separately for the purpose of considering it. Notice of the time, place, and object of the meeting ~~shall~~ must be mailed at least two weeks before the meeting to each stockholder of record, whether entitled to vote or not, at his or her last known address, as shown by the corporation's records.

At the meeting the agreement ~~shall~~ must be considered and a vote by ballot, in person or by proxy, taken for the adoption or rejection of it. If the votes of to adopt the agreement are cast by stockholders of each corporation holding stock in the corporation entitling them to exercise at least nine-tenths of the voting power on a proposal to consolidate the corporation with another, or by any other proportion of the stockholders as prescribed by the certificate of incorporation for votes on the proposal shall be for the adoption of the agreement, then that fact ~~shall~~ must be certified on the agreement by the secretary or assistant secretary of each corporation, under its seal.

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The agreement adopted and certified ~~shall~~ must be signed by the president or vice-president and secretary or assistant secretary of each corporation under its corporate seal and acknowledged by the president or vice-president to be the respective acts, deeds, and agreements of the corporation. The certified and acknowledged agreement ~~shall~~ must be filed for record with the secretary of state and be taken and ~~deemed~~ considered to be the agreement and acts of consolidation of the constituent corporations, and the certificate of incorporation of the consolidated corporation. A certified copy of it ~~shall be~~ is evidence of the performance of all antecedent acts and conditions necessary to the consolidation and of the existence of the consolidated corporation.

300.15 POWERS, RIGHTS, LIABILITIES, AND DUTIES OF CONSOLIDATED CORPORATION.

When the agreement is signed, acknowledged, filed for record, and published as ~~in required by~~ section 300.14 ~~is required,~~ the separate existence of the constituent corporations ~~shall cease~~ ceases and they ~~shall thereupon~~ become a single corporation in accordance with the agreement, possessing all the rights, privileges, powers, franchises, and immunities as ~~well of a public as of a private nature and being~~ subject to all the liabilities and duties of each of ~~such the consolidating corporations so consolidated, and all and singular.~~ such the consolidating corporations so consolidated, and all and singular. The rights, privileges, powers, franchises, and immunities of each of ~~such the~~ such the corporations and all property, ~~real, personal, and mixed,~~ and all debts owing on whatever account, and all other things in action of or belonging to each of ~~such the~~ such the corporations shall ~~be~~ are vested in the consolidated corporation, and all ~~such~~ such property, rights, privileges, powers, franchises, immunities, and every other interest shall ~~be~~ interests are thereafter as effectually the property of the consolidated corporation as they were of the several and respective constituent corporations; ~~provided, that.~~ All rights of creditors and all liens upon the property of either of the constituent corporations shall ~~be~~ are preserved unimpaired, and ~~are~~ are limited in lien to the property affected by ~~such the~~ such the lien at the time of the consolidation; and . All debts, liabilities, and duties of the ~~respective~~ constituent corporations shall ~~thenceforth~~ attach to the consolidated corporation and may be enforced against it to the same extent as if the debts, liabilities, and duties had been incurred or contracted by it.

300.16 DISSENTING RIGHTS OF STOCKHOLDERS; RIGHTS, HOW DETERMINED.

If any stockholder entitled to vote in any corporation consolidating, as aforesaid, shall vote against the same and shall, at or prior to the taking of the vote, object thereto in writing, or if any stockholder of record in any corporation consolidating, as aforesaid, not entitled to vote thereon, shall, at or prior to the taking of the vote, object thereto in writing; and, if in either case such stockholders shall within 20 days after the taking of such vote demand in writing that the consolidated corporation make payment of the fair cash value of his

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stock, the consolidated corporation shall, within 30 days after proof of publication of the consolidation agreement is filed with the secretary of state, as aforesaid, pay to such objecting stockholder the fair cash value of his stock as of the day before such vote was taken. Subdivision 1. PROCEDURE FOR OBJECTING. A stockholder entitled to vote who votes against the consolidation and objects to it in writing at or before the time when the consolidation vote is taken, or a stockholder not entitled to vote who objects in writing to the consolidation at or before the time when the consolidation vote is taken, may demand in writing that the consolidated corporation pay the fair cash value of the stockholder's stock. The demand must be made within 20 days of the consolidation vote. The stock is to be valued as of the day before the consolidation vote was taken.

The consolidated corporation must make payment to the objecting stockholder within 30 days after proof of publication of the consolidation agreement is filed with the secretary of state.

Subd. 2. VALUATION OF STOCK. In case of disagreement as to ~~such~~ the fair cash value ~~any such of the stock,~~ the stockholder, or the consolidated corporation, within 60 days after proof of publication of the consolidation agreement has been filed, as aforesaid, and upon notice to the opposite party, may petition the district court of the judicial district in which the principal office of the consolidated corporation is established ~~to,~~ and the court shall, ~~appoint for the~~ appointment of three appraisers to appraise the value of ~~such the~~ stock. The award of the appraisers, is final and conclusive if no written objection thereto is filed by either party within ten days after the ~~same shall have been award is~~ filed in court, ~~shall be final and conclusive; and, if such.~~ If an objection is so filed, the same shall it must be tried summarily by the court and judgment rendered ~~thereon on it.~~ If the amount determined in ~~such the~~ proceeding is in excess of ~~such the~~ amount as the consolidated corporation shall ~~have has~~ offered to pay as the fair cash value of the stock, the court shall must assess against the consolidated corporation the costs of the proceeding, including a reasonable attorney's fee, to the stockholder and a reasonable fee to the appraisers, as it ~~shall deem~~ considers equitable; otherwise, ~~such the~~ costs and fees to the appraisers shall must be assessed, one-half against the corporation and one-half against the stockholder. ~~Any A~~ party shall ~~have has~~ the right ~~of to~~ appeal from the judgment of the court according to ~~then existing laws;~~ provided that if the appeal ~~be is~~ taken within ten days after the entry of the judgment.

Subd. 3. EFFECT. Unless the consolidation is abandoned ~~any such,~~ the stockholder, on the making of the demand in writing, as aforesaid, ~~shall cease~~ ceases to be a stockholder in the constituent corporation and ~~shall have has~~ no rights with respect to ~~such the~~ stock, except the right to receive payment ~~therefor,~~ as aforesaid, ~~and, for it.~~ Upon payment of the agreed fair cash value of the stock or the value of the stock under final judgment, ~~such the~~ stockholder ~~or~~ stockholders shall must transfer ~~their~~ his or her stock to the consolidated

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corporation; and, in the event, If the consolidated corporation shall fail fails to pay the amount of the judgment within ten days after the same shall become it becomes final, the judgment may be collected and enforced in the manner prescribed by law for the enforcement of judgments.

Subd. 4. ASSENTING STOCKHOLDERS. Each stockholder in any of the constituent corporations at the time the consolidation becomes effective, who is entitled to vote, and who does not vote against the consolidation and object thereto to it in writing, as aforesaid, and each stockholder in each of the constituent corporations at the time the consolidation becomes effective, who is not entitled to vote, and who does not object thereto to it in writing, as aforesaid, shall cease ceases to be a stockholder in such the constituent corporation and deemed is considered to have assented to the consolidation and, Those stockholders, together with the stockholders voting in favor of the consolidation, are entitled to receive certificates of stock in the consolidated corporation or cash or notes or bonds, in the manner and on the terms specified in the agreement of consolidation.

300.17 LIABILITIES OF CORPORATIONS, STOCKHOLDERS, AND OFFICERS; RIGHTS OF CREDITORS.

The liability of corporations, or the stockholders or officers thereof, or the rights or remedies of the creditors thereof, or of persons transacting business with such corporations shall not in any way be lessened or impaired by The consolidation of two or more corporations under the provisions of sections 300.14 to 300.19 does not lessen or impair the liability of the consolidating corporations or their stockholders or officers or the rights or remedies of creditors or persons transacting business with these corporations.

300.18 CAPITAL STOCK OF CONSOLIDATED CORPORATION.

The capital stock of a consolidated corporation, issued and represented by shares of stock, shall be deemed to be is the amount stated in the consolidation agreement as to the amount of capital stock with which the consolidated corporation will begin business, until such time as the corporation shall issue issues shares of stock in addition to those distributed to the stockholders of its constituent corporations upon the consolidation. Upon the issue of any such When additional shares are issued, the capital stock issued and represented by shares of stock shall be deemed to be is increased by the aggregate par value of all such additional shares of stock having par value and the aggregate amount of money or the actual value of the consideration, as fixed by the directors, or otherwise, received by the corporation for the issuance of all such additional shares without par value.

300.19 FILING FEE.

Upon filing any a consolidation agreement, as provided for in sections 300.14 to 300.19, there shall must be paid to the state treasurer the same fees as

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required on the filing of a certificate of the corporation, less the total amount of the fees that have previously been ~~theretofore~~ paid to the state treasurer on account of the filing of the certificates of incorporation or any renewals thereof and any amendments thereto increasing capital stock of all of the corporations which are parties to such the consolidation agreement.

300.20 BOARD OF DIRECTORS, ELECTION; VACANCY, HOW FILLED.

Subdivision 1. ELECTION. The business of savings banks must be managed by a board of at least seven trustees, residents of this state, each of whom, before being authorized to act, must file a written acceptance of the trust. The business of every such corporation, except savings banks, shall be other corporations must be managed by a board of at least three directors elected by ballot by and from the stockholders or members. Any A board of directors of a financial institution referred to in section 47.12 which has less than five members may be increased to not more than five members by order of the commissioner of banks commerce.

Subd. 2. VACANCIES. When the certificate of incorporation or the bylaws so provides, a vacancy in the board of directors may be filled by the remaining directors. Not more than one-third of the members of the board may be so filled in any one year. The business of savings banks shall be managed by a board of at least seven trustees, residents of this state, each of whom, before being authorized to act, shall file a written acceptance of the trust.

Subd. 3. QUORUM TO DO BUSINESS. A majority of the directors or trustees shall constitute constitutes a quorum for the transaction of business.

Subd. 4. ACTION WITHOUT MEETING. Any An action which might be taken at a meeting of the board of directors, trustees, or managers may be taken without a meeting if done in writing signed by all of the directors, trustees, or managers.

300.21 OFFICERS.

Every domestic corporation, except when otherwise specially provided, shall must have a president, secretary, and treasurer, and may have one or more vice-presidents and other officers, as its certificate of incorporation or bylaws may provide. The time and manner of their election and their respective duties shall must be prescribed in the certificate of incorporation or in the bylaws.

300.22 CLASSIFICATION OF MANAGERS DIRECTORS.

By so providing In its certificate of incorporation, any a corporation may classify establish classes of its directors or trustees in respect to the time for which they shall severally hold office, the several classes to be elected for different terms; provided, that and the terms for each class. No class shall may be elected

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for a term of less than one year, or more than five years, and the term of office of at least one class shall must expire each year.

300.23 VOTING, HOW REGULATED.

Unless otherwise provided in the certificate or bylaws, at every meeting each stockholder or member, ~~resident or nonresident,~~ shall be is entitled to one vote in person, or by proxy made within one year or other time specially limited by law, for each share or other lawful unit of representation held by him in his or her individual, corporate, or representative capacity, but. No stock shall may be voted on at any election within 20 days after its transfer on the books of the corporation.

300.24 CUMULATIVE VOTING.

The certificate of incorporation, ~~original or amended, or an amendment to it,~~ of any a corporation ~~now or hereafter organized under the laws of this state, and thereunder issuing, or authorized to issue, shares of its capital stock,~~ may provide that, at all elections of directors or managers, each stockholder or member shall be is entitled to as many votes as ~~shall equal~~ equals the number of his or her shares of stock multiplied by the number of directors or managers to be elected, and that he shall the stockholder or members may cast all of such these votes for a single director or manager, or may distribute them among the number to be voted for, or for any two or more of them, as he may see or she sees fit, which. This right when exercised shall be is termed "cumulative voting."

300.25 TRANSFER OF STOCK.

Subdivision 1. WHEN TRANSFER IS EFFECTIVE. Notwithstanding the transfer of a certificate of stock in accordance with the ~~provisions of the uniform commercial code, the corporation shall have the right to~~ may pay any a dividend ~~thereon on it~~ and to treat the holder of record as the owner in fact until ~~such time as the transfer has been recorded on its books or a new certificate issued to the transferee, who,~~ The transferee will receive the new certificate upon delivery of the former certificate to the treasurer, or otherwise in accordance with the provisions of the uniform commercial code, shall be entitled to receive such new certificate.

Subd. 2. SURVIVAL OF ACTION AGAINST SUBSCRIBER. Except as provided with respect to corporations formed under or coming within the Minnesota Business Corporation Act, any a corporation shall ~~have the right to~~ may maintain a personal action against any a subscriber to its stock, ~~notwithstanding that such even though the subscriber may have~~ has transferred such the stock in accordance with the provisions of the uniform commercial code.

Subd. 3. PLEDGED STOCK. (a) A pledgee of stock transferred as collateral security shall be is entitled to a new certificate, if the instrument of

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transfer substantially describes the debt or duty intended to be secured ~~thereby~~ by it.

(b) The new certificate ~~shall~~ must state on its face the name of the pledgor, and that it is held as collateral security and the name of the pledgor, who. The pledgor alone shall be is liable as a stockholder and entitled to vote ~~thereon~~; provided that the stock.

(c) Corporations formed or coming under the Minnesota Business Corporation Act ~~shall~~ are not be subject to the provisions of ~~this sentence~~ paragraph (b).

300.26 EFFECT OF TRANSFER; STOCK BOOKS.

The transfer of shares is not binding upon the company until it is regularly entered on the books of the company ~~so far as to show the names of the persons by and to whom transferred, the number or other designation of the shares, and the date of the transfer; and such~~. The transfer shall does not in any way exempt the person making ~~such~~ the transfer from any liabilities of the corporation which were created prior to the transfer. The books of the company ~~shall~~ must be ~~so kept as to show intelligibly the original stockholders, their respective interests, the amount which has been paid in on their shares, and all transfers thereof, and such of the shares~~. The books, or a correct copy thereof copies of them, so far as the items mentioned in this section are concerned, shall be are subject to the inspection of any person ~~desiring the same~~.

300.27 STOCKHOLDERS, LIABILITIES.

Subdivision 1. **PERSONAL LIABILITY.** Every A stockholder ~~shall be~~ is personally liable for corporate debts in the following cases:

(1) for all unpaid instalments on stock owned by him or her or transferred for the purpose of defrauding creditors;

(2) for failure by the corporation to comply substantially with the provisions as to organization and publicity; and

(3) for personally violating ~~any of such the~~ any of such the provisions in the transaction of any corporate business as officer, director, or member and for fraudulent or dishonest conduct in the discharge of any official duty.

Subd. 2. **EXCEPTIONS.** Except as provided by subdivision 1, no stockholder or member of ~~any a~~ any a corporation or ~~of any~~ of any cooperative corporation or association is liable for ~~any a~~ any a debt of the corporation, cooperative corporation, or association.

Subd. 3. **EXISTING LIABILITIES.** ~~The provisions of~~ The provisions of Subdivision 2 ~~do~~ does not affect ~~any a~~ any a liability existing on April 18, 1931, against stockholders or members of ~~any a~~ any a corporation or ~~any~~ any cooperative corporation or association, other than banking or trust corporations or associations, or ~~any a~~ any a liability existing

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on February 15, 1955, against stockholders of a banking or trust corporation or association; ~~provided that~~. After December 31, 1955, any a claim arising under any a statute imposing double liability on stockholders or members is barred.

300.28 **PROPERTY OF STOCKHOLDERS LEVIED ON, WHEN.**

The private property of a stockholder ~~shall~~ may not be levied on for any a liability specified in section 300.27, subdivision 1, unless both ~~he~~ the stockholder and the corporation are duly served with process in the action and the issue involving his the stockholder's individual liability is raised and determined therein; and in the action. Individual property ~~shall~~ may never be levied on until all corporate property which can be found has been exhausted.

300.29 **PROCEDURE OF OFFICER LEVYING.**

The officer holding an execution, ~~which may~~ to be so levied on private property, ~~shall~~ must first demand payment of the president, secretary, or other acting officer of the corporation, or ~~who was~~ one of its last acting officers; ~~and,~~ If ~~he~~ that person fails to ~~forthwith~~ satisfy the execution or point out corporate property upon which it may be levied, the officer ~~shall~~ holding the execution must endorse ~~thereon~~ on it the fact of ~~such~~ the demand and failure to pay and then levy the ~~same~~ execution upon individual property of any stockholder impleaded and served as ~~aforsaid~~. ~~Such~~ The levy may be made to satisfy any the balance due upon an execution after levy upon corporate property, or part payment from corporate funds.

300.30 **CAPITAL STOCK.**

Except as otherwise provided in this chapter, the capital stock of any a stock corporation ~~shall in no case~~ must not be less than \$10,000. It ~~shall~~ must be divided into shares of not less than \$1 nor more than \$100 each; ~~but,~~ The capital and number of shares may be increased at any a regular or specially called meeting of the stockholders.

300.31 **CAPITAL STOCK OF CERTAIN TELEPHONE COMPANIES.**

The capital stock of corporations formed for the operation of telephone systems in, or connecting, towns or statutory cities of less than 2,000 inhabitants ~~shall in no case~~ must not be less than \$500.

300.32 **RECORD OF STOCK; REPORTS; DIVIDENDS.**

In all stock corporations the directors ~~shall~~ must cause accurate and complete records to be kept of all corporate proceedings and of all stock subscribed, transferred, canceled, or retired and proper books, accounts, files, and records of all other business transacted. All ~~such~~ books and records ~~shall~~ must, at all reasonable times and for all proper purposes, be open to the inspection of any a stockholder. Its directors ~~shall~~ must when required present to the

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stockholders written reports of its condition and business and declare such the dividends of the profits of the business as they deem consider advisable, but shall. The director may not thereby by declaring dividends reduce the capital while there are outstanding liabilities.

300.33 CORPORATE STOCK WITHOUT NOMINAL OR PAR VALUE; CLASSES OF; PREFERRED STOCK.

Any A corporation of this state heretofore or hereafter incorporated, except banks, savings banks, trust companies, building and loan associations, and insurance companies, may create one or more classes of stock without any nominal or par value, with such any preferences, voting powers, restrictions, and qualifications thereon not inconsistent consistent with law as shall be that are expressed in its certificate of incorporation or any amendment thereto to it. Stock without par value which is preferred as to dividends or as to its distributive share of the assets of the corporation upon dissolution may be made subject to redemption at such the times and prices as may be determined in such the certificate of incorporation or amendment thereto to it. In the case of stock without par value which is preferred as to its distributive share of the assets of the corporation upon dissolution, the amount of such the preference shall must be stated in the certificate of incorporation or amendment thereto to it.

300.34 CERTIFICATES OF INCORPORATION; STATEMENTS THEREIN AS TO PAR VALUE, WHAT TO CONTAIN.

In any case in which When the par value of the shares of stock of a corporation shall be is required to be stated in the certificate of incorporation or of any in an amendment thereto to it or in any other another place, it shall must be stated in respect to shares without par value that such the shares are without par value; and. When the amount of such the stock authorized, issued, or outstanding shall be is required to be stated, the number of shares thereof authorized, issued, or outstanding, as the case may be, shall be stated and the fact that such the shares are without par value must be stated.

300.35 STOCK CERTIFICATES TO SHOW NUMBER OF SHARES.

Each A stock certificate issued for shares without nominal or par value shall must have plainly written or printed upon its face the number of shares which it represents and. No such certificate shall may express any the nominal or par value of such these shares or express any a rate of dividend to which it shall be is entitled in terms of percentage of any par or other value.

300.36 VALUE FOR DETERMINING PRESCRIBED MINIMUM OR MAXIMUM CAPITAL.

For the limited purpose of determining the minimum or maximum capital prescribed by law for stock corporations, but for no other purpose, such shall be

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taken to be of the value of shares without nominal or par value must be valued at \$10 each per share.

300.37 VALUE OF CAPITAL STOCK FIXED BY DIRECTORS.

For the purpose of ~~any a~~ rule of law or of ~~any~~ statutory provision relating to the amount of capital stock issued and represented by shares of stock without par value, except as otherwise provided in this section, ~~such the~~ amount ~~shall be taken to be is~~ the amount of money or the actual value of the consideration, as fixed by the directors or otherwise in accordance with law, ~~as the case may be,~~ for which ~~such the~~ shares of stock ~~shall have~~ has been issued with stock without par value for a specified consideration, in determining the amount of the capital stock issued and represented by shares of stock without par value, the par value of ~~such the~~ stock having a par value ~~shall must~~ first be deducted from the amount of the money or actual value of the consideration determined, ~~as aforesaid, and.~~ The excess thereof, if any, ~~shall be taken to be is~~ the amount of capital stock represented by the shares of stock without par value so issued.

300.38 INCREASE OR REDUCTION OF VALUE OF CAPITAL STOCK.

The number of authorized shares of stock without par value may be increased or reduced in the manner and subject to the conditions provided in section 300.45 and acts supplemental ~~thereto to~~ it. All other statutory provisions relating to stock having a par value apply to stock without par value, so far as ~~the same may be they are~~ legally, necessarily, or practically applicable to, and ~~not inconsistent consistent~~ with, the provisions of sections 300.33 to 300.43, shall apply to stock without par value.

300.39 PAR VALUE STOCK CHANGED TO NON-PAR VALUE STOCK.

~~Any such A~~ corporation may change any of its common or preferred stock, ~~common or preferred,~~ having a par value, to an equal, greater, or less smaller number of shares of stock having no par value; ~~and.~~ In connection ~~therewith with~~ this change, the corporation may fix the amount of capital stock represented by ~~such these~~ shares of stock without par value and ~~any such~~ corporation may reduce its capital stock by any or all of the following methods: (1) reducing the number of shares of its stock whether the ~~same~~ shares have par value or no par value, ~~or by;~~ (2) reducing the par value of shares which have a par value, ~~;~~ or by (3) reducing the amount of capital stock represented by shares with no par value, ~~or by any and all of such methods.~~

300.40 CERTIFICATE OF INCORPORATION TO PROVIDE FOR CONVERSION OF SHARES.

The A corporation's certificate of incorporation, or ~~any an~~ amendment ~~thereto to it,~~ of ~~any such~~ corporation may provide that shares of stock of ~~any a~~

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class ~~shall be~~ are convertible into shares of stock of ~~any other~~ another class upon ~~such the~~ terms and conditions as ~~may be therein~~ stated in that document, except that shares of stock without par value ~~shall~~ must not be convertible into shares of stock having par value.

300.41 POWERS OF DIRECTORS TO ISSUE STOCK.

Subject to ~~any~~ limitations and restrictions set forth in the certificate of incorporation, ~~any such~~ a corporation may, at ~~any a~~ meeting called and held for that purpose, empower its directors to issue shares of its unissued, authorized capital stock without par value and may authorize its directors to fix the amount of money or the actual value of the consideration for which ~~such the~~ stock ~~shall be is~~ issued; ~~provided~~. The certificate of incorporation, or ~~any an~~ amendment ~~thereto to it~~, of ~~any such~~ a corporation may empower ~~the its~~ directors ~~thereof~~ to issue from time to time shares of ~~such~~ stock without par value for ~~such the~~ consideration as the directors ~~may deem~~ consider advisable, subject to ~~such the~~ limitations and restrictions as ~~may be set forth~~ therein specified.

300.42 COMPUTATION OF VALUE OF STOCK.

For the purpose of determining the amount of stock held or owned by ~~any~~ a stockholder, shares without par value ~~shall~~ must be computed at the value, at the time of issue, of the cash, property, services, or expenses for which they were issued, ~~but not including~~. This computation does not include paid-in surplus.

300.43 LAWS APPLICABLE.

Except as otherwise provided ~~herein in this chapter~~, all laws applicable to corporations having shares of stock with par value ~~shall~~ apply to corporations issuing shares without par or face value.

300.44 OFFICES WITHOUT AND WITHIN AND OUTSIDE THE STATE.

Every ~~A~~ domestic corporation may establish offices and conduct business in ~~any other~~ another state or country; ~~provided if~~ an office, in charge of some person upon whom legal process affecting it may be served, is always maintained in this state. A person upon whom legal process may be served must be in charge of that office.

300.45 CERTIFICATES OF INCORPORATION, AMENDMENT; EXCEPTIONS.

Except for a nonprofit corporation subject to the Minnesota Nonprofit Corporation Act ~~or any part of it~~, the certificate of incorporation of ~~any a~~ corporation organized and existing under the laws of this state may be amended to change its name, to increase or decrease its capital stock, to change the number and par value of the shares of its capital stock, or in respect to ~~any other~~ another matter which an original certificate of a corporation of the same kind might

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lawfully have contained. The change must be accomplished by the adoption of a resolution specifying the proposed amendment at a regular meeting or at a special meeting called for that expressly stated purpose, in either of the following ways:

(1) by a majority vote of all its shares, if a stock corporation; ~~or, if not,~~

(2) by a majority vote of its members; or, in either case,

(3) by a majority vote of its entire board of directors, trustees, or other managers within one year after authorization by specific resolution duly adopted at a meeting of stockholders or members, ~~and causing~~. The resolution to be embraced must be included in a certificate duly executed by its president and secretary, or other presiding and recording officers, under its corporate seal, and approved and filed in the manner prescribed for the execution, approval, and filing of a like original certificate.

As to a local building and loan association and corporations organized for the establishing, maintaining, and operating of hospitals not for profit, the resolution to amend may be adopted as ~~above~~ provided in this section or by a two-thirds vote of the stockholders or members of the association attending the meeting in person or by proxy.

300.451 **RESTATED CERTIFICATES OF INCORPORATION.**

Subdivision 1. PROCEDURE. An existing corporation organized pursuant to section 300.025 may by action taken in the same manner as required for amendment of certificates of incorporation adopt a restated certificate of incorporation consisting of the certificate of incorporation as amended to date. The restated certificate of incorporation may be adopted in connection with an amendment to the certificate of incorporation. The restated certificate of incorporation shall must contain all the statements required by this chapter to be included in the original certificate of incorporation except that: in lieu of setting forth the names and addresses of the first board of directors, the restated certificate of incorporation ~~shall set forth~~ must include the names and addresses of the directors at the time of the adoption of the restated certificate of incorporation; and no statement need be made with respect to the names and addresses of the incorporators.

Subd. 2. EFFECT. The certificate to be filed to accomplish a restated certificate of incorporation shall must be entitled "restated certificate of incorporation of (name of corporation)" and shall must contain a statement that the restated certificate supersedes and takes the place of the existing certificate of incorporation and all amendments ~~thereto to it~~. The restated certificate of incorporation when executed, filed and recorded in the manner prescribed for certificate of amendment ~~shall supersede~~ supersedes and take takes the place of an existing certificate of incorporation and amendments ~~thereto to it~~. The secretary of state upon request shall must certify the restated certificate of incorporation.

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300.46 NONPROFIT CORPORATIONS; TRUSTEES.

Except for a corporation that is formed under or accepts or is deemed to accept the Minnesota Nonprofit Corporation Act, ~~any a~~ corporation other than those for pecuniary profit ~~heretofore or hereafter~~ incorporated by virtue of any a law of this state may by resolution of its board of trustees adopted at any regular or called meeting by a majority vote thereof increase or decrease the number of its trustees of such corporation and, provide for their election, and may in such resolution provide for the number of trustees of the corporation which shall constitute constitutes a quorum. These actions must be taken by resolution of the corporation's board of trustees adopted by a majority vote of the board at any regular or called meeting. A copy of the resolution, subscribed and sworn to by the president and secretary of the corporation, shall must be recorded in the office of the county recorder of the county where the corporation is located and in the office of the secretary of the state.

300.49 FILING FEES.

Subdivision 1. **PAID TO STATE TREASURER.** Domestic corporations shall must pay to the state treasurer the following fees:

(1) for filing articles of incorporation, \$70 for the first \$25,000 or fraction thereof of that amount of the par value of its authorized shares, and \$1.25 for each additional \$1,000 or fraction thereof of that amount;

(2) for filing any other another instrument required or permitted by sections 300.01 to 300.68, \$15;

(3) for filing any an amendment of articles of incorporation increasing the authorized number of shares, or the par value of shares previously authorized, or both, \$1.25 for each \$1,000 or fraction thereof of that amount, of such the increase.

Subd. 2. **VALUE OF SHARES FIXED.** For the sole purpose of determining the fees prescribed by subdivision 1, but for no other purpose, shares without par value shall be deemed to have a par value of \$10 each, unless such except as otherwise provided in this subdivision. If the shares are entitled to priority over other shares upon liquidation, in which case the involuntary liquidation price stated in the articles of incorporation shall be deemed to be is the par value thereof, or unless. If the capital stock is reduced pursuant to section 300.39 in which case, shares without par value shall must be computed at the value, at the time of filing the amendment to the articles of incorporation, as shown by a verified statement of assets and liabilities subscribed by the president and the secretary of the corporation.

Subd. 3. **EXCEPTIONS.** This section shall does not apply to cooperative associations or corporations organized without capital stock and not for pecuniary profit.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

300.51 CERTIFICATE OF INCORPORATION ISSUED BY SECRETARY OF STATE.

Whenever ~~any such a~~ corporation, whose incorporation has been completed, shall make application therefor applies for incorporation to the secretary of state and pay pays the prescribed fee, ~~he shall the secretary of state must~~ execute, record, and issue a certificate, specifying. The certificate must contain the names of ~~its the~~ incorporators, ~~its the~~ corporation's nature and purpose, the amount of its capital stock, the fact of its compliance with all prescribed statutory provisions, and that it is duly organized and exists as a corporation under the name and of the kind specified, with the powers, rights, and privileges, and subject to the limitations and restrictions pertaining thereto to it. Such The certificate shall be is prima facie evidence of the facts stated ~~therein in~~ it.

300.52 MEETINGS.

Subdivision 1. **HOW CALLED PRIOR NOTICE.** The first meeting of every a corporation, except as otherwise prescribed in its certificate of incorporation, shall must be called upon not less than three weeks' prior personal or published notice. The notice must be signed by one of the incorporators, to the others, and to each subscriber, if any, to its capital stock, specifying the time, place, and purpose ~~thereof of the meeting.~~ Unless otherwise provided in the certificate of incorporation or corporate bylaws, every an annual meeting shall must be called and held at its principal place of business upon three weeks' published notice thereof, signed by its secretary, and. No business transacted at any an annual meeting not so called and held shall be effectual as required by this subdivision is effective. The manner of calling and holding all meetings may be prescribed by its bylaws.

Subd. 2. **CALL BY MEMBERS MAY CALL, WHEN.** When by reason of the death, absence, or other legal disability of the officers of any a corporation there is no person authorized to call or preside at a legal meeting ~~thereof of the corporation,~~ any three or more of its stockholders or members may call a meeting by giving to all the others the notice prescribed in subdivision 1 and designating therein. The notice must designate some person to preside at such the meeting until a chairman and clerk are chosen, and who shall will act during the absence of those authorized to act in one or both of those capacities, respectively. Any business may be done at such the meeting which could be lawfully transacted at a regular meeting.

300.53 IRREGULAR MEETINGS, HOW VALIDATED.

When all the stockholders or members of a corporation are present or duly represented at any a meeting, however called or notified, and duly execute a written assent thereto to the meeting on the records thereof of the corporation, the business transacted at such the meeting shall be is as valid as if it had been legally called.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

300.54 CAPITAL STOCK; HOW CLASSIFIED AND ISSUED.

Save Except as otherwise specially limited or provided, no corporation shall may issue any a share of stock for a less amount to be actually paid in than the par value of those first issued. Any A railroad or exclusively manufacturing corporation may issue and dispose of such an amount of as much special preferred, or full-paid stock as may be deemed advisable by its board of directors considers advisable. Any A corporation, whose original or amended certificate of incorporation ~~so~~ provides, may issue and dispose of special and preferred and common stock, or special or preferred and common stock; and any . A corporation, without change of its certificate of incorporation, when its board of directors is so authorized by a majority vote of its stockholders at its annual meeting, or at a meeting called for that specifically stated purpose, may issue its capital stock, part special, part preferred, and part common, or part common and part either special or preferred, when its board of directors is so authorized by a majority vote of its stockholders at its annual meeting or at a meeting called for that specifically stated purpose, and may give such preference as it deems best to such the special or preferred stock, or to such the special and preferred stock.

300.55 STOCK CERTIFICATES, TO WHOM ISSUED.

Upon payment When a person pays in full of all amounts due any a corporation from any person upon any a certificate of its stock, and the surrender of surrenders all receipts, if any, issued therefor for it, he shall or she must be furnished with a certificate, under the corporate seal, stating the number of shares and class of its stock owned by him that person, signed by its president or vice-president, and by its secretary, or by such the officers as the certificate of incorporation or bylaws may provide, but provides. When a certificate is signed by a transfer agent or registrar, the signature of any such a corporate officer and the corporate seal upon such the certificate may be engraved or printed facsimiles, engraved, or printed. The certificate shall be is prima facie evidence of such ownership of the stock.

300.57 EXECUTORS, ADMINISTRATORS PERSONAL REPRESENTATIVES , GUARDIANS, TRUSTEES MAY VOTE.

Every executor, administrator A personal representative, guardian, or trustee shall must represent the shares of stock in his or her hands, for all purposes, at all meetings of the corporation; and, While acting in good faith, shall this person is not be personally liable, but the estates and funds in his or her hands shall be are liable in like manner in the same way and to the same extent as the beneficiary or other represented party or interest would be if competent to act and holding the stock in their own names, respectively.

300.58 DISSOLUTION OF CORPORATIONS; EXCEPTIONS.

When any corporation, except a bank of discount and deposit, or a savings bank, or a nonprofit corporation subject to the Minnesota Nonprofit Corporation

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Act or any part thereof, has determined, upon the affirmative vote of a majority of each class of its stock entitled to vote, or of its members, if without capital stock, that it is for the interest of all persons concerned therein that it be dissolved, it may cause appropriate action to be taken to effect such dissolution. A corporation may cause appropriate action to be taken to dissolve the corporation when it determines that it is for the best interests of all concerned that it be dissolved. This determination must be made by the affirmative vote of a majority of each class of its stock entitled to vote, or of its members, if it is without capital stock. This section does not apply to banks of discount or deposit, savings banks, or nonprofit corporations subject to the Minnesota Nonprofit Corporation Act.

300.59 CONTINUANCE TO CLOSE AFFAIRS; EXCEPTIONS.

Except for a corporation subject to the Minnesota Nonprofit Corporation Act or any part thereof, every a corporation whose existence terminates by limitation, forfeiture, or otherwise shall continue continues for three years thereafter after the termination date for the sole purpose of prosecuting and defending actions, closing its affairs, disposing of its property, and dividing its capital, but for no other purpose.

300.60 DIVERSION OF CORPORATE PROPERTY A FELONY CRIMINAL PENALTIES.

Subdivision 1. ACTS PROSCRIBED. The following acts are felonies:

(1) the diversion of corporate property to other objects than those specified in the recorded and published certificate, where injury to any an individual results therefrom;

(2) the declaring of dividends when the profits are insufficient to pay the same them or when the funds remaining will not meet the corporate liabilities; or any

(3) an intentional deception of the public or individuals in relation to its means or liabilities, are felonies, and every.

Subd. 2. PUNISHMENT. A person guilty of any one of them an act specified in subdivision 1 shall be punished by a fine of not more than \$5,000 or by imprisonment in the Minnesota correctional facility-Stillwater for not more than three years, or by both.

300.61 FALSE STATEMENT A FELONY.

Every An officer, agent, or employee of any a corporation who shall knowingly and wilfully subscribe subscribes or make any makes a false statement, false report, or false entry in or upon any of the corporation's books, papers, or other documents thereof, or in the corporation's behalf thereof, or knowingly and wilfully subscribe subscribes or exhibit any exhibits a false paper, book, or

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document with intent to deceive any a person or officer authorized to examine the financial condition of any such the corporation, or knowingly and wilfully subscribe subscribes or make any makes a false report, shall be is guilty of a felony and shall be punished by imprisonment in the Minnesota correctional facility-Stillwater for not less than one year, nor more than ten years.

300.62 EXISTING CORPORATION, HOW TO REORGANIZE.

Any The president and secretary of an existing corporation whose certificate or charter does not conform to the requirements of this chapter may cause to be executed by its president and secretary execute a new or amended certificate in compliance herewith and, with this chapter. The corporation, upon proceeding in all respects as is prescribed in the case of an original certificate of a corporation of the same kind, shall become is entitled to all rights, benefits, and privileges conferred, and is subject to all the requirements imposed, upon like corporations by the provisions of this chapter, save except that its rights in respect to property acquired or investments made prior to the taking effect of Revised Laws 1905 shall be March 1, 1906, are determined and governed by the laws in force at the date of such the acquisition and investment, respectively.

300.63 ATTORNEY GENERAL TO EXAMINE.

When required by the governor, the attorney general shall must examine into the affairs and condition of any a corporation and report such examination in writing, together with a detailed statement of the facts found, to the governor, who shall lay. The governor must submit the same before report to the legislature; and. The legislature, or either branch thereof of its branches, may examine into the affairs and condition of any such the corporation. The attorney general, or either branch of the legislature through a committee appointed by it for that purpose, may administer oaths to and examine the directors and officers of any a corporation on oath in relation to its affairs and condition, may examine the vaults, books, papers, and documents belonging thereto to it or pertaining to its affairs and condition, and compel the production of all keys, books, papers, and documents.

300.64 WITHDRAWAL OF CAPITAL; LIABILITY OF STOCKHOLDERS; PAYMENT OF DIVIDEND WHEN INSOLVENT, ASSENTING AND DIRECTORS LIABLE.

Subdivision 1. WITHDRAWAL OF CAPITAL AND REFUND TO STOCKHOLDERS. If the capital stock of a manufacturing corporation is withdrawn and refunded to the stockholders before the payment of corporate debts for which it would have been liable, the stockholders shall be are liable to any a creditor, to the amount of the sum so refunded to each of them, respectively; but, If, in any an action under this statute, any a stockholder shall be is compelled to pay any such a debt, he or she may call upon every

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stockholder to whom any part of ~~such the~~ stock has been refunded to contribute his or her proportionate share of the sum so paid by ~~him the~~ stockholder.

Subd. 2. PAYMENT OF DIVIDEND BY DIRECTOR WHEN CORPORATION IS INSOLVENT. If the directors shall pay a dividend when ~~such the~~ corporation is insolvent, knowing ~~such that the~~ corporation ~~to be is~~ insolvent, or that ~~such the~~ dividend would render it so, or when its payment would render it insolvent, those assenting thereto shall be to the payment are jointly and severally liable in an action on the statute for all debts due from ~~such the~~ corporation at the time of ~~such the~~ dividend.

Subd. 3. LIABILITY OF OFFICERS AND DIRECTORS FOR CORPORATE DEBT. Every officer who shall intentionally neglect ~~neglects~~ or refuse ~~refuses~~ to perform any a duty imposed upon him or her by law shall be is liable for all corporate debts contracted during the period of ~~such the~~ neglect; ~~and,~~ If the corporation shall ~~violate any~~ violates a provision of law whereby it becomes insolvent, the directors ordering or assenting to ~~such the~~ violation shall be are liable in an action under the statute for all debts contracted after ~~such the~~ violation.

300.65 MEETINGS OF MINING CORPORATIONS, WHERE HELD; MEETINGS; MAY HOLD STOCK IN OTHER COMPANIES PERMITTED; FRAUDULENT ISSUE OF STOCK A FELONY PENALTIES.

The directors, managing officers, or stockholders of a mining corporation may meet and transact business ~~without outside~~ the state, and may establish offices elsewhere; but an office shall where legal process may be served must always be maintained within the state ~~where legal process may be served.~~ Every such The corporation may acquire and hold stock in ~~any other another~~ corporation, if a majority in amount of the stockholders agree ~~thereto to the~~ acquisition. Every officer of ~~such the~~ corporation or other person who shall fraudulently ~~issue issues,~~ or ~~cause causes~~ to be issued, any stock, scrip, or evidence of corporate debt, or who shall ~~sell sells,~~ offer ~~offers~~ for sale, ~~hypothecate pledges~~ as security, or otherwise ~~dispose disposes~~ of any ~~such~~ stock, scrip, or evidence of debt, knowing the ~~same it~~ to be fraudulently issued, shall be is guilty of a felony.

300.66 CONTRIBUTIONS BY CORPORATIONS.

Subdivision 1. **AUTHORITY.** Any A corporation heretofore ~~or hereafter~~ organized under the laws of this state or ~~any a~~ corporation authorized to do business in this state may contribute to or for the uses enumerated in the following subdivisions of this section ~~such 2 to 4,~~ the sums as its board of directors or trustees ~~may deem considers~~ proper.

Subd. 2. **GOVERNMENTAL UNITS.** ~~It~~ The corporation may contribute to the United States, ~~any a~~ state, territory or ~~any political subdivision thereof~~ of it or the District of Columbia, or ~~any a~~ possession of the United States, for exclusively public purposes.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Subd. 3. **CHARITABLE ORGANIZATIONS.** ~~It~~ The corporation may contribute to ~~any~~ a community chest, corporation, organization, trust, fund, association or foundation, organized and operating for religious, charitable, philanthropic, benevolent, scientific, veteran rehabilitation service, literary, artistic, educational, civic or patriotic purposes or for the prevention of cruelty to children or animals.

Subd. 4. **VETERAN'S ORGANIZATIONS AND LODGES.** ~~It~~ The corporation may contribute to a fraternal society, order or association, operating under the lodge system if ~~such~~ the contributions or gifts are to be used for the purposes specified in subdivision 3, or posts or organizations of war veterans or ~~any an~~ auxiliary unit or society of ~~such~~ the posts or organizations if no part of their net income inures to the benefit of ~~any~~ a private shareholder or individual.

300.67 DECLARATION OF POLICIES.

It is hereby declared to be the public policy of the state of Minnesota that ~~any~~ contributions made in accordance with the provisions of section 300.66 shall constitute a valid and proper use of corporate funds, and in the absence of an express provision in its charter to the contrary, the making of ~~such~~ contributions or gifts by ~~any a~~ corporation is within its powers and inures to the benefit of ~~such~~ the corporation.

300.68 ~~NOT TO INVALIDATE~~ VALIDATION OF PRIOR GIFTS.

Sections 300.66 and 300.67 shall do not be construed as invalidating any such invalidate contributions or gifts ~~heretofore~~ made before March 22, 1949 by ~~any such a~~ corporation, and. All ~~such~~ contributions or gifts made by ~~such~~ corporations prior to the enactment hereof shall be that date are as valid as if made after ~~the effective~~ that date hereof.

ARTICLE 6

Section 1. EFFECT OF CHANGES

The legislature intends the changes in the language of the laws amended by this act to be exclusively changes in style. No change is intended to alter or shall be construed by a court or other authority to alter the meaning of a law.

If a section is amended by this act and also by another act adopted during the 1984 session and the amendments cannot be edited together in the next edition of Minnesota Statutes, the amendment by this act shall be without effect.

Approved May 2, 1984

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